

PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PA 17120

UGI Utilities, Inc., UGI Central Penn
Gas, Inc. and UGI Penn Natural
Gas, Inc. Reading, PA
Management Efficiency Investigation

Public Meeting held June 9, 2016
2473202-AUD
Docket Nos: D-2015-2473202
D-2015-2473203
D-2015-2473204

STATEMENT OF CHAIRMAN GLADYS M. BROWN

Our Bureau of Audits has completed a Management Efficiency Investigation of the three UGI companies. The purpose of the investigation was to examine the Companies' progress in implementing the recommendations made in the May 2012 Management and Operations audit. The Companies have implemented 14 of the 30 audit recommendations and taken some action on the remaining 16. While I am pleased to hear that the Companies are making progress on the existing recommendations, there are a few of the 20 follow-up recommendations made by Audits that I would like to shine a spotlight on.

Audits has identified the following issues as ripe for further improvement:

- Fully document emergency response provisions within UGI's Electric Service Division's Emergency Response Plan.
- Develop a comprehensive Cyber Security Plan and test and review it annually.
- Standardize the approach for mitigating physical security risks across the UGI Utility Group.

I wish to use these recommendations to remind the UGI companies and our regulated utilities; gas, electric, water, and telecommunications to continue to focus on security, both physical and cyber security. The creation of robust cyber security plans should be a priority for all of our utility companies because system reliability and, therefore, citizen welfare and the Commonwealth's economy depend on it.

June 9, 2016
Date


Gladys M. Brown, Chairman