

**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 Evaluating
the Implementation of Selected Recommendations
from the 2012 Focused Management and
Operations Audit**

**Public Meeting – June 9, 2016
2473202-AUD
Docket No. D-2015-2473202,
D-2015-2473203, D-2015-2473204**

**STATEMENT OF
COMMISSIONER ROBERT F. POWELSON**

Before the Pennsylvania Public Utility Commission (Commission or PUC) today is a Management Efficiency Investigation for UGI Utilities, Inc., UGI Central Penn Gas, Inc., and UGI Penn Natural Gas, Inc. (collectively, UGI) conducted by the PUC's Bureau of Audits. I would like to commend the auditors who worked on this investigation, as well as the entire Bureau of Audits, for performing an important service to the Commission that often goes unrecognized.

Utility audits are essential to the PUC's mission of ensuring safe and reliable utility service. Management efficiency investigations, like the one before us today, examine the effectiveness of a utility's management structure, as well as the operating efficiency of the utility, and ensure that the company properly implements recommendations from prior management audits.

Here, UGI's upper management has been in the process of reorganizing over the last few years. Based on my review of the audit, UGI's new leadership team appears to be making considerable progress in changing the company's culture. I appreciate the proactive efforts that UGI has taken to improve their management structure, as well as the cooperation that UGI has demonstrated with these management investigations.

Today's audit demonstrates that UGI has made several significant improvements in notable areas, including accelerated cast iron and bare steel replacement, a reduction in the number of annual line hits, and unification of the company's safety manual. Although UGI still faces some remaining challenges, the company is making great strides to improve, which has not gone unnoticed. I encourage UGI to continue in its efforts, particularly with respect to developing a comprehensive cyber security plan,

standardizing its physical security mitigation, and providing the PUC with documentation of an emergency response plan.

I appreciate UGI's efforts to date and encourage them to continue to improve.

Date: June 9, 2016



ROBERT F. POWELSON
COMMISSIONER