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File #: 153583

March 31, 2014

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Petition of UGI Utilities, Inc. for Approval of its Long-Term Infrastructure Improvement Plan - Docket No. P-2013-2398833**

Dear Secretary Chiavetta:

Enclosed for filing are the following responses of UGI Utilities, Inc. – Gas Division to the Bureau of Technical Utility Services Set II Data Requests for the above-referenced proceeding:

Question 3

Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Jessica R. Rogers

JBR/skr  
Enclosures

cc: Certificate of Service  
Yasmin Snowberger (*via email*)

**CERTIFICATE OF SERVICE**

**UGI Utilities, Inc. – Gas Division  
(Docket No. P-2013-2398833)**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

**VIA E-MAIL AND FIRST CLASS MAIL**

Johnnie Simms  
Bureau of Investigation &, Enforcement  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
PO Box 3265  
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Vasiliki Karandrikas  
McNees Wallace & Nurick LLC  
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*UGI Industrial Intervenors*

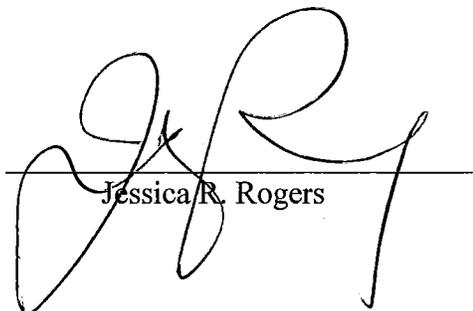
Erin L. Gannon  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923

Steven C. Gray  
Office of Small Business, Advocate  
300 North Second Street, Suite 1102  
Harrisburg, PA 17101

**VIA FIRST CLASS MAIL**

Birch, Horton, Bittner and Cherot  
Suite 1200  
1155 Connecticut Avenue, NW  
Washington, DC 20036  
*Alumax Mill Products, Inc.*

Date: March 31, 2014

  
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Jessica R. Rogers

UGI Utilities, Inc. - Gas Division  
Docket No. P-2013-2398833  
Long Term Infrastructure Improvement Plan  
Responses to TUS Set II Data Requests  
Delivered on March 31, 2014

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Question 3

Request:

Please provide detailed information on the annual schedule, quantity of property to be removed and annual expenditures as illustrated by Table 2. Please feel free to edit Table 2 as appropriate. Please provide data for both the baseline program and the accelerated program. Figures 10 and 11 of the LTIP do not provide enough detail.

See Table 2 format attached.

Response:

Please see Attachment TUS-II-3 for an annual schedule of the estimated property to be removed and estimated annual expenditures. Attachment TUS-II-3 also provides average baseline replacement rates related to the baseline period 2009-2011, as well as approximate estimates for acceleration above baseline levels. Of note, the current detail related to 2014 replacement activity is projecting a total main replacement quantity of 38 miles. While the 2014 main replacement rate is above the anticipated average 33 miles/year outlined in UGI's LTIP on page 19, the accelerated target of 33 miles/year will continue to be UGI's overall goal throughout the expected full replacement period for all cast iron and bare steel (i.e., all cast iron by February 2027 and all bare steel by September 2041). Service replacement units are expected, on average, to remain proportional to main replacement quantities. Annual variances related to explicit main and service replacement work completed, and the overall mix of all infrastructure improvement work, will continue to be seen throughout the entire LTIP period, driven by prioritization designations. Breakout quantities related to infrastructure items included in the "Other" category may be highly variable from year-to-year as a function of prioritization, as such, it is difficult to identify these items on an individual basis for both baseline and plan periods given the multitude of infrastructure components involved. Please see the response to TUS-I-3 for a detailed breakout of "Other" related to anticipated 2014 activities. Again, despite any single-year annual main replacement miles falling above or below the target level of 33 miles/year, UGI's plan commits \$51.2 million annually, or an investment acceleration of nearly 100%, in support of all infrastructure improvement activities.

Prepared by or under the supervision of: Hans Bell

**UGI Utilities Long Term Infrastructure Improvement Plan**  
**Annual Schedule, Quantities, and Expenditures FY 2014-2018**

**Quantities**

<u>Baseline Program</u>	<u>Avg. 2009-2011</u>				
Main Replacement - Cast Iron & Bare Steel (Miles)	25.3				
Service Replacement - Units	4,510				
<u>Accelerated Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Main Replacement - Cast Iron & Bare Steel	38.1	33	33	33	33
Service Replacements	5,830	5,050	5,050	5,050	5,050
<u>Net Accelerated Quantities</u>					
Main Replacement Increase Over Baseline (miles)	13	8	8	8	8
Main Replacement Increase Over Baseline (%)	50%	30%	30%	30%	30%
Service Replacement Increase Over Baseline (miles)	1,320	540	540	540	540
Service Replacement Increase Over Baseline (%)	29%	12%	12%	12%	12%

**Expenditures ( \$ Millions)**

<u>Baseline Program</u>	<u>Avg. 2009-2011</u>				
Main Replacement - Cast Iron & Bare Steel	\$ 10.9				
Service Replacements	\$ 9.0				
Other	\$ 6.2				
<b>Total</b>	<b>\$ 26.1</b>				
<u>Accelerated Program<sup>1</sup></u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Main Replacement - Bare Steel & Cast Iron	\$ 24.5	22.0	22.0	22.0	22.0
Service Replacements	\$ 12.1	14.2	14.2	14.2	14.2
Other	\$ 14.6	15.0	15.0	15.0	15.0
<b>Total</b>	<b>\$ 51.2</b>	<b>\$ 51.2</b>	<b>\$ 51.2</b>	<b>\$ 51.2</b>	<b>\$ 51.2</b>
<u>Net Accelerated Expenditures</u>					
Main Replacement Increase over baseline (\$MM)	\$ 13.6	11.1	11.1	11.1	11.1
Main Replacement Increase over baseline (%)	55%	45%	45%	45%	45%
Service Replacement Increase over baseline (\$MM)	\$ 3.1	5.2	5.2	5.2	5.2
Service Replacement Increase over baseline (%)	34%	58%	58%	58%	58%
Other Increase over baseline (\$MM)	\$ 8.4	8.8	8.8	8.8	8.8
Other Increase over baseline (%)	136%	142%	142%	142%	142%
Total Increase over baseline (\$MM)	\$ 25.1	25.1	25.1	25.1	25.1
Total Increase over baseline %	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>	<b>96%</b>

**Notes:**

1. Future year budget allocations among project types will be determined based upon annual risk based prioritization pursuant to DIMP plan.