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December 1, 2017

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. - Electric Division for Approval of its Long-Term
Infrastructure Improvement Plan - Docket No. P-2017-2619834**

Dear Secretary Chiavetta:

Enclosed please find the Responses of UGI Utilities, Inc. – Electric Division to the Bureau of Technical Utility Services Data Request for filing in the above-referenced proceeding.

Respectfully submitted,



Jessica R. Rogers

JRR/jl

Enclosures

cc: David Washko, TUS

Response of
UGI Utilities, Inc. – Electric Division
to Data Requests of the
Bureau of Technical Utility Services
Docket No. P-2017-2619834

TUS-1 - Reference the UGI-ED LTIIIP, Appendix A, pages 10 and 11

- a. Describe in detail the process that will be employed when selecting LTIIIP projects to be competitively bid. Describe in detail how bids are solicited for those selected projects. Provide a sample of an RFP. Provide a summary and copy of the procedure(s) controlling the bidding process. Describe the contractor pre-qualification process and established safety standards.

Response:

UGI Utilities Inc.- Electric Division (UGI-ED or Company) included seventeen (17) programs in its Long-Term Infrastructure Improvement Plan (LTIIIP) filed on August 16, 2017. Of these eight (8), which are the most labor and construction intensive, are primarily assigned to UGI-ED's line construction contractor. These projects, which represent approximately 72% of the annual LTIIIP budget, are listed in Table 1. UGI-ED periodically contracts for line contractor services through a competitive bid process, with the next bid solicitation occurring in 2018.

Another major component of the UGI-ED LTIIIP is the Underground Primary Cable Replacement program. UGI-ED competitively bids each specific project associated with this program, which makes up 13% of the LTIIIP budget or \$1 million annually.

The remaining programs, which include distribution related substation replacements, are primarily completed by UGI-ED employees in the Substation and Line Construction Departments with assistance in certain instances from the aforementioned outside contractors or, in the case of its wood pole reinforcement program, through the use of a contractor specializing in this work.

Table 1

	Baseline (avg)	Actual	Budget	Planned Expenditure Schedule (dollars in thousands)					Plan Year Total
LTIIIP Program Initiatives	2012-2015	2016	2017	2018	2019	2020	2021	2022	
Wood Pole Replacements	\$187	\$1,122	\$1,000	\$1,000	\$1,100	\$1,300	\$1,400	\$1,500	\$6,300
Secondary Modernization	\$452	\$740	\$500	\$573	\$573	\$573	\$573	\$573	\$2,865
Distribution Failed OH Equipment	\$1,025	\$838	\$1,030	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$5,500

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Facility Relocations (PennDOT)	\$334	\$684	\$331	\$465	\$465	\$465	\$465	\$465	\$2,325
Right of Way Reliability Relocations	\$37	\$167	\$100	\$100	\$100	\$100	\$100	\$100	\$500
Major System Improvement Projects	\$729	\$968	\$1,535	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$9,500
Distribution Automation	\$8	\$73	\$200	\$260	\$260	\$260	\$260	\$260	\$1,300
8kV and 4kV Distribution System Conversions	\$77	\$0	\$125	\$125	\$125	\$150	\$150	\$150	\$700
Total	\$2,849	\$4,592	\$4,821	\$5,523	\$5,623	\$5,848	\$5,948	\$6,048	\$28,990

To obtain line construction resources, UGI-ED assembles a bid package which describes in detail manpower and equipment needs, skill requirements, typical work schedules and submission of safety information along with typical terms and conditions which will govern the contract. UGI-ED then assembles a list of qualified and long established line construction companies and solicits proposals. A copy of the Line Contractor Bid Process and pro forma bid documents, are provided as Attachment 1. This includes the Line Construction Services and Maintenance Agreement, Line Contractor Approval Checklist, Description of Contractor Work and Bidding Form. All responses received by the RFP deadline are reviewed by UGI-ED personnel for conformance with the checklist and responses to the bid documents. With respect to safety, UGI-ED personnel review the required safety information to evaluate the responding company's safety record and overall safety culture.

To obtain underground cable replacement services, UGI-ED bids out each project individually. UGI-ED has three prequalified bidders which receive a bid package for each project. Contractors are prequalified based on submission and review of information defined in the Underground Residential Development (URD) Reconductor Bid Process document. Each bid solicitation includes a project walk-through to discuss project details and to answer any questions. The projects are awarded based on price and the ability to meet the construction schedule. A sample underground bid package is provided as Attachment 2.

To obtain underground residential reconductor services UGI-ED also conducts a periodic competitive bid process. A copy of the Underground Residential Reconductor bid package is provided as Attachment 3.

Given the relatively small sums involved and the specialized nature of the service, UGI-ED contracts directly for wood pole reinforcement services without conducting a formal competitive bid process, but reserves the right to do so at any time if it believes it would be beneficial to do so.

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- b. Explain in detail how contractors are evaluated to determine on-going acceptable performance. Provide an example of a formalized Contractor review and approval scorecard with scoring methods and acceptance criteria.

Response:

With respect to UGI-ED's line construction contractor, the Company relies on field inspections/visits by engineering and supervision personnel to evaluate the performance of individual crews. UGI-ED personnel work closely with the contractor crews to ensure the resulting as-built construction is completed safely, efficiently and per UGI-ED construction standards, considering the initial design. A UGI-ED supervisor also meets daily with the contractor general foreman to discuss any job-related issues or concerns. Finally, UGI-ED reinitiated a formal quality assurance review process for both Company and contractor work in 2017. The goal of the QA review process is to periodically review and evaluate projects assigned to each construction crew with respect to the as-built construction versus UGI-ED construction standards. Identified issues are documented and brought to the attention of the contractor and Company line construction resources via a construction bulletin. The QA review process began ramping up in 2017 and will continue through the LTIP period.

With respect to the underground cable replacement projects and underground residential reconductor services, design engineers conduct routine field inspections to ensure the work is being completed efficiently and as designed. In addition, any project scope changes must be pre-approved by UGI-ED personnel.

With respect to wood pole reinforcement services, UGI-Ed personnel conduct periodic inspections.

- c. Describe in detail the competitive procurement of materials, including the process involved in negotiating with suppliers. For example, are material supply contracts competitively bid, or are supplies for each type of material negotiated with individual and/or multiple suppliers?

Response:

UGI-ED material procurement typically breaks down between high and low volume throughput. Materials that have a high usage are quoted out under our pole line hardware contract or as an individual blanket contract that is specific to an item such as poles or lights. Pole line hardware would include items such as nuts, bolts, connectors, sleeves, insulators, guying, arrestors and cross-arms. UGI-ED typically conducts a competitive bid process every two years for its annual usage and our stocking requirements. Bids are solicited from approved

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manufacturers and five or six alternative suppliers. Bids are evaluated on the basis of pricing, delivery schedule and customer service level.

For less used items or items that vary with the market trends such as substation transformers, circuit breakers, and wire, UGI-ED bids these items every time there is a need for an incremental purchase. The UGI-ED Procurement Department or specific operational department, such as the Substation Department, sends a Request –For Proposal (RFP) to approved manufacturers. The RFP Identifies quantities needed and required lead-times. The RFPs are sent out to at least three (3) suppliers, and are awarded based on price and lead times.



UGI Utilities Inc – Electric Division, Contractor Approval Checklist

Name of Contractor: _____

UGI Contact: _____

Nature of Work: _____

Type of Contract: _____

<u>Required</u>	<u>N/A</u>	
[X]	[]	Certificate of Insurance w/Term & Limits as describer in Agreement
[X]	[]	Current and acceptable Substance Abuse Plan
[X]	[]	Substance Abuse Contact Information
[X]	[]	Drug Testing Reports
[X]	[]	Health and Safety Plan
[X]	[]	Safety Representative Contact Information
[X]	[]	OSHA Injury and Illness Log Summary Form 300A (past 3 years)
[X]	[]	OSHA Citations List (past 3 years)
[X]	[]	List of Competent Persons
[X]	[]	Sample Copies of Job Site Safety Inspections (past 3 years)
[X]	[]	Access to Material Safety Data Sheet (MSDS) for all supplied substances

Comments: The vendor will provide insurance and bonding as specified in the bid documents upon award of the contract and prior to starting work.

 Contract Administrator Date

 Director of Engineering Date

 Training Administrator Date
 Date

 Safety and Claims Coordinator

 UGI Legal Department Date

 VP Operations Date

SAFETY AND HEALTH ISSUE IDENTIFICATION CHECKLIST FOR CONTRACT WORK

INSTRUCTIONS FOR PROJECT COORDINATORS

This checklist is designed to assist project coordinators in identifying possible safety and health hazards and compliance issues associated with construction projects. Completion of this checklist and an understanding of the underlying issues will assist the owner in managing them efficiently and correctly.

Contractor Representative: _____ Phone Number: _____

Description / Location of Contractor Activities: _____

Projected Start Date: _____ Projected Completion Date: _____

BASED UPON YOUR KNOWLEDGE ABOUT THE CONTRACT WORK TO BE PERFORMED, PLEASE INDICATE IF THE FOLLOWING STATEMENTS WILL OR MAY HAVE THE POTENTIAL TO APPLY:

(Subject to Change)

<u>SAFETY AND HEALTH ISSUES</u>	<u>REQUIREMENTS</u>	<u>Check if applicable and comment as necessary</u>
Contract work involves use, handling, storage, or work in vicinity of <i>hazardous chemicals or materials</i>	<ul style="list-style-type: none"> • Hazard communication plan • MSDS sheets. An MSDS must be available for every chemical that will be brought on site. 	Not Applicable.
Contractor will perform work (operation, maintenance, or emergency response function) on a <i>gas pipeline or LNG facility</i> .	<ul style="list-style-type: none"> • OQ plan (49 CFR § 192 or 193 as applicable) • DOT substance abuse plan (49 CFR § 199) 	Not Applicable.
Contract requires <i>hot work</i> (e.g. welding, torch cutting, brazing, etc.).	<ul style="list-style-type: none"> • Safety plan 	Not Applicable.
Contract requires Contractor to work in or near <i>confined spaces</i> .	<ul style="list-style-type: none"> • Safety plan 	Not Applicable.
Contract work will require using/working under clearance procedures for the control of hazardous energy (<i>lockout/tagout</i>).	<ul style="list-style-type: none"> • Safety plan 	Not Applicable.
Contract involves work on an uncontrolled hazardous substance site, super fund site, or other contaminated site will require Hazardous Waste Operations and Emergency Response (<i>HAZWOPER</i>) training certification. (Ref: CERCLIS List.)	<ul style="list-style-type: none"> • HAZWOPER training certification for each person entering the site. 	Not Applicable.
Contract work involves application, handling, or disturbance of <i>lead, cadmium, and/or zinc chromate containing materials</i> . An example would be the removal of <i>toxic surface coatings</i> (i.e. paint).	<ul style="list-style-type: none"> • MSDS sheets • May require lead abatement certification, respirator certification, and respiratory protection program as per 29CFR1926.62 	Not Applicable.
Contract work involves handling, disturbance, abatement, or work around <i>asbestos containing materials (ACM)</i> .	<ul style="list-style-type: none"> • ACM work will require PaDLI certification, respirator certification, and respiratory protection program 	Not Applicable.

Contractor will be working on or around a process covered under the Process Safety Management standard.		Not Applicable.
Contract work involves application of pesticides, herbicides, etc.	<ul style="list-style-type: none"> • MSDS sheets • Pesticide and Herbicide commercial applicators must be licensed and certified by PA – see 29CFR1926.1101 	

CONTRACTOR SAFETY AND HEALTH QUESTIONNAIRE

UGI Utilities, Inc. is committed to providing a safe and healthy workplace for employees, contractors and the public. To qualify to perform work the contractor shall provide the following information and agree to obtain the following information from all subcontractors utilized, and provide upon request.

Contractor/Consultant Name: _____ Date: _____

Contracted Activity: _____

Contractor Representative: _____

Phone #: _____ Email: _____

1. In the table below provide the three most recent full years of history for the area or region this questionnaire applies to. In addition, attach copies of OSHA 300A logs and verification of the EMR/discount rate information

ITEM	DESCRIPTION	Year	Year	Year
A	Interstate Experience Modification Rate (EMR)			
B	Intrastate Experience Modification Rate (EMR)			
*C	OSHA Recordable Incident Rate (RIR)			
**D	OSHA Lost Time Incident Rate (LTR)			
	Using the OSHA #300 logs from the facilities providing labor please document the following:			
E	Number of Injuries and Illnesses (column M, items 1-6 of 300A log)			
F	Number of Lost Workday Cases (column H, 300A log)			
G	Number of Injury Related Fatalities (column G of 300A log)			
H	Employee Hours Worked/Year (If unknown use # of <u>employees</u> x 2080)			
I	Total Number of Employees			

* (C) Rate = (E x 200,000)/H

** (D) Rate = (F x 200,000)/H

2. Does your company have a written safety and health program? Yes No

3. Does your company have a written Hazard Communication Program? Yes No

- | | | |
|--|-----|----|
| 4. Does your company have a written environmental program? | Yes | No |
| 5. Does your company use subcontractors? | Yes | No |
| • If yes, do you qualify subcontractors based on their ability to address safety, health and environmental requirements? | Yes | No |
| • Do you verify that subcontractors meet regulatory requirements? | Yes | No |
| 6. Are all documents, pertaining to this questionnaire available for auditing? | Yes | No |
| If no, please explain: | | |

GENERAL

1. Who in your company is responsible for coordinating your health and safety program?

Name/Job Title: _____ Phone # _____

Email: _____

Is safety and health a full-time responsibility for this position? Yes No

2. Has your company received any citations from a regulatory agency during the last three years? Yes No

If yes, please describe citations.

AUDITING

1. Does your company perform jobsite safety audits/reviews? Yes No

If yes, are safety audits documented? Yes No

2. Who reviews the safety audit/review and how often? _____

PERSONAL PROTECTIVE EQUIPMENT

1. Does your company provide/require the following:

Hard Hats (ANSI-Z89.1) (29 CFR 1910.135) Yes No

Safety shoes (ANSI-Z41.1) (29 CFR 1910.136) Yes No

Eye protection (ANSI-Z87.1) (29 CFR 1910.133) Yes No

Hand protection (29 CFR 1910.132) Yes No

Hearing protection (29 CFR 1910.95) Yes No

Fall protection (29 CFR 1910.129) Yes No

Respiratory protection (29 CFR 1910.134) Yes No

2. In addition to regulatory required Personal Protective Equipment, what other PPE is required or supplied?
Please list:

SAFETY MEETINGS

1. Does your company have scheduled and documented employee safety meetings? Yes No

If yes, how often?

2. What managers/supervisors participate in the safety meetings?

Job Titles: _____

3. Are meetings reviewed and critiqued by managers/supervisors?

Yes No

4. Does your company hold on-site (tailgate/toolbox/) safety meetings?

Yes No

If yes, how often are these meetings held?

5. Who conducts these safety meetings?

Job Titles: _____

Is documentation available?

Yes No

DRUG AND ALCOHOL SCREENING OR TESTING

1. Does your company have a written policy regarding drug and alcohol screening or testing of your employees?

Yes No

Comments: _____

2. Does your drug and alcohol testing program conform to DOT requirements?

Yes No

Comments:

If yes, which set of DOT regulations is your drug testing program designed to satisfy?

Pipeline and Hazardous Materials Safety Administration

Yes No

Federal Motor Carrier Safety Administration

Yes No

3. Indicate the circumstances in which your company's employees may be subject to drug screening.

Employment

Probable Cause

Periodic

Random

Post Accident

Other:

4. Does your company currently participate with National Compliance Management Services?

Yes No

ACCIDENT/INCIDENT INVESTIGATING

1. Does your company have a policy requiring written accident/incident reports?

Yes No

2. Does your company conduct accident/incident investigating?

Yes No

If yes, please attach a brief outline of procedures:

3. Does your company document, investigate, and discuss near miss accidents?
If yes, is documentation available?

Yes No

4. Are accident/incident reports reviewed by managers/supervisors?

Yes No

MOTOR VEHICLE ACCIDENTS

1. Motor vehicle accident rate per 1,000,000 miles driven

TRAINING

Please respond to all applicable items with "Yes, No or N/A" (Estimated percentage of Employees should reflect the percentage of employees providing labor who have received training).

PROGRAMS/TRAINING	Reference Source	Program Documented and Written Yes/No/NA	Estimated % of Employees providing services who have Received Training	Frequency of Training for Individual Employees	Individual Employee Training Documented Yes/No/NA
Asbestos Class IV (awareness)	OSHA 29 CFR 1926-1101	NA			
Asbestos Class III	OSHA 29 CFR 1926-1101	NA			
Asbestos Class I and II	OSHA 29 CFR 1926-1101	NA			
Confined Space Entry -	OSHA 29 CFR 1910.146(g)	NA			
Cranes	OSHA 29 CFR 1926	NA			
DOT HM-126\ f Hazmat Employee	DOT 49 CFR 172.704	NA			
Drug Awareness	DOT 49 CFR 199, 382 and 40				
Electrical Safety	OSHA 29 CFR 1910.332				
Emergency Response	OSHA 29 CFR 1910.38(a)				
Excavations	OSHA 29 CFR 1926.651	NA			
Fall Protection	OSHA 29 CFR 1926.500	NA			
First Aid/CPR	OSHA 29 CFR 1910.151 (b)	NA			
Forklifts	OSHA 29 CFR 1910.178(1)	NA			
Hazard Communication	OSHA 29 CFR 1910.1200(h)				
Hazwoper 24 Hour	OSHA 29 CFR 1910. 120	NA			
Hazwoper 40 Hour	OSHA 29 CFR 1910. 120	NA			
Hazwoper Supervisor 8 hour	OSHA 29 CFR 1910. 120	NA			
Hearing Conservation	OSHA 29 CFR 1910.95				
Incipient Fire Fighting	OSHA 29 CFR 1910.157(g)	NA			
Lockout/tagout Authorized Person	OSHA 29 CFR 1910.147(c)(7)	NA			
Lockout/Tagout - Affected Person	see above	NA			
New Employee Orientation	OSHA 29 CFR 1910.119(g)(1)	NA			
Personal Protective Equip.	OSHA CFR 1910.132(f)	NA			
Process Safety Mgmt.	OSHA 29 CFR 1910.119(g)(1)	NA			
Respiratory Protection	OSHA 29 CFR 1910.134(e)(5)	NA			
Scaffolding	OSHA 29 CFR 1926.451	NA			
Welding and Burning	OSHA 29 CFR 1910.252(a)(2)(xii)(c)	NA			

PROGRAMS/TRAINING	Reference Source	Program Documented and Written Yes/No/NA	Estimated % of Employees providing services who have Received Training	Frequency of Training for Individual Employees	Individual Employee Training Documented Yes/No/NA
Employee Training	OSHA 29 CFR 1910.269(a)(2)				
Medical services and first aid	OSHA 29 CFR 1910.269(b)				
Job briefing	OSHA 29 CFR 1910.269(c)				
Hazardous energy control (lockout/tag out) procedures	OSHA 29 CFR 1910.269(d)	NA			
Enclosed Spaces	OSHA 29 CFR 1910.269(e)	NA			
Excavations	OSHA 29 CFR 1910.269(f)	NA			
Personal Protective Equipment	OSHA CFR 1910.269(g)				
Ladders, platforms, step bolts and manhole steps	OSHA 29 CFR 1910.269(h)	NA			
Hand and portable power tools	OSHA 29 CFR 1910.269(i)				
Live – line tools	OSHA 29 CFR 1910.269 (j)				
Material handling and storage	OSHA 29 CFR 1910.269(k)	NA			
Working on or near exposed energized parts	OSHA29 CFR 1910.269(l)				
De-energizing lines for employee protection	OSHA 29 CFR 1910.269(m)	NA			
Grounding for the protection of employees	OSHA 29 CFR 1910.269(n)	NA			
Testing and test facilities	OSHA 29 CFR 1910.269(o)	NA			
Mechanical equipment	OSHA 29 CFR 1910.269(p)				
Overhead Lines	OSHA 29 CFR 1910.269(q)	NA			
Line clearance tree trimming operations	OSHA 29 CFR 1910.269(r)				
Communications facilities	OSHA 29 CFR 1910.269(s)	NA			
Underground electric installations	OSHA 29 CFR 1910.269(t)	NA			
Substations	OSHA 29 CFR 1910.269(u)	NA			
Special Conditions	OSHA 29 CFR 1910.269(W)				

I, _____, (printed name) being the duly authorized representative of _____, (company name) state that to the best of my knowledge, information, and belief, all information requested by UGI on this Contractor Approval Checklist has been provided and is accurate.

Signature:

Submission Date:

Printed Name:



UGI Utilities, Inc.
One UGI Center, Bldg. A-2
Wilkes-Barre, PA 18711-0600

***Line Construction
and Maintenance Services***

BID DOCUMENTS

For the Term:

UGI Utilities, Inc.
Electric Division

One UGI Center, A-2
Wilkes-Barre, Pennsylvania 18711-0600

**Agreement for Line Construction and
Maintenance Services**

For the Term:

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Agreement for Line Construction and Maintenance Services

This Agreement for Line Construction and Maintenance Services ("Agreement"), dated _____ is entered into by and between _____ ("Contractor"), a Pennsylvania Corporation with its principal office at _____ and UGI Utilities Inc. ("Company") a Pennsylvania Corporation, which has the principal office of its Electric Division at One UGI Center (Building A-2), Wilkes-Barre, Pennsylvania 18711.

Contractor and Company, in consideration of the mutual promises set forth in this Agreement, and intending to be legally bound, agree as follows:

Section 1 - Defined Terms

Unless otherwise defined herein, words and phrases used with initial capitalization shall have the meanings set forth in Article I of the General Terms and Conditions (the "General Terms") attached as Appendix B hereto.

Section 2 - Contractor's Obligations

Contractor shall perform the Work designated by Company under Articles 1 and 2 of the "Description of Contractor Work for Line Construction and Maintenance Services" (the "Description of Contractor Work") attached as Appendix C hereto. Such Work shall be performed in accordance with the terms and conditions of (a) this Agreement, (b) the General Terms, and (c) the Description of Contractor Work, at the rates specified in Contractor's bidding form and associated schedules attached as Appendix D hereto.

Section 3 - Company's Obligations

Company shall provide the design for all facilities to be constructed by Contractor under this Agreement, acquire necessary permits and rights-of-way as specified in Article 18 of the Description of Contractor Work, make the initial underground facilities location requests to **Pennsylvania One Call** as specified in Article 21 of the Description of Contractor Work, and pay for services rendered by Contractor as specified in Article 28 of the Description of Contractor Work.

Section 4 - Term

This Agreement shall become effective on _____, and shall remain full force and effect until _____ unless terminated earlier in accordance with its terms. However, the applicable provisions of this Agreement shall continue in effect after the term of this Agreement to the extent necessary to provide for final billings, and to preserve and permit the enforcement or institution of action upon any right or obligation under this Agreement not exercised or fulfilled upon termination.

Section 5 - Key Personnel

The following named individuals are considered to be essential to the Work being performed.

Authorized Representative:

Company

Authorized Representative:

Contractor

The following are additional key individual(s):

Company

Contractor

Contractor's Supervisor:

(See Article 6 of the Description of Contractor Work.)

Section 6 - Termination or Suspension

This Agreement or a portion of the Work may be suspended or terminated by the Company without cause as provided in Article 3 of the Description of Contractor Work.

Section 7 - Headings

The headings set forth in this Agreement and the appendices thereto are for convenience only and shall not affect the interpretation or construction of any of the terms therein.

Section 8 - Entire Agreement

This Agreement, with Appendices A, B, C, and D thereto, constitutes the entire agreement between Contractor and Company relating to the subject matter hereof, and all previous and contemporaneous agreements, understandings, discussions, inducements, conditions, communications and correspondence, whether oral or written, expressed or implied, with respect to the subject matter hereof are superseded by the execution of this Agreement.

Section 9 - Validity

In the event that any portion of this Agreement and the appendices thereto shall be found to be contrary to law or invalid, the remaining portions shall be and remain in full force and effect and shall be binding upon the parties hereto.

Section 10 - Applicable Law

The validity, interpretation and performance of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania and the United States of America.

Section 11 - Assignment

Contractor may not assign or transfer this Agreement or any claims or interests therein without the prior written consent of Company. Company may assign or transfer this Agreement or any claim or interest therein without the prior consent of Contractor, and without providing prior notice to Contractor of the assignment. All covenants, stipulations, terms, conditions and provisions of this Agreement and the appendices thereto shall extend to and be binding upon the successors and assigns of the parties hereto.

Section 12 - Third Party Rights

Except for the indemnity obligations of Contractor under Article 6 of the General Terms with respect to the directors, officers, agents, servants, employees, successors, and assigns of Company, no provision of this Agreement shall confer any right upon any person or entity not a party to this Agreement.

Section 13 - Amendment

This Agreement with Appendices A, B, C, and D may only be modified or amended in writing signed by or on behalf of both parties by their duly authorized representative listed below:

<u>UGI Utilities, Inc. – Electric Division</u>	<u></u>
(Company)	(Contractor)
Printed	Printed
Name: <u></u>	Name: <u></u>
Title: <u></u>	Title: <u></u>

Section 14 – Performance and Payment Bonds

Contractor within fifteen (15) days after award of Work and prior to starting Work shall furnish to UGI evidence of a Performance Bond and Payment Bond. Each bond shall have an amount equal to One Million Dollars (\$1,000,000) and shall be issued by an institution acceptable to UGI. Upon the request of any person or entity appearing to be a potential beneficiary of the bonds covering payment of obligations arising under this Agreement, the Contractor shall immediately furnish a copy of the bonds or shall permit a copy to be made.

Section 15 - Purchase Order

The successful Bidder shall accept a Purchase Order resulting from these Bid Documents. Certificates of Liability and Workers' Compensation Insurance shall be returned to the Company by .

Section 16 - Agreement

By signing this Agreement, the successful Bidder agrees to all terms and conditions of this Agreement and Appendices A, B, C, and D. Company reserves the right to interpret all Bid Documents and to resolve any conflict among the Documents.

UGI Utilities, Inc. - Electric Division
(Company)

(Contractor)

Signature: _____

Signature: _____

Printed
Name: _____

Printed
Name: _____

Title: _____

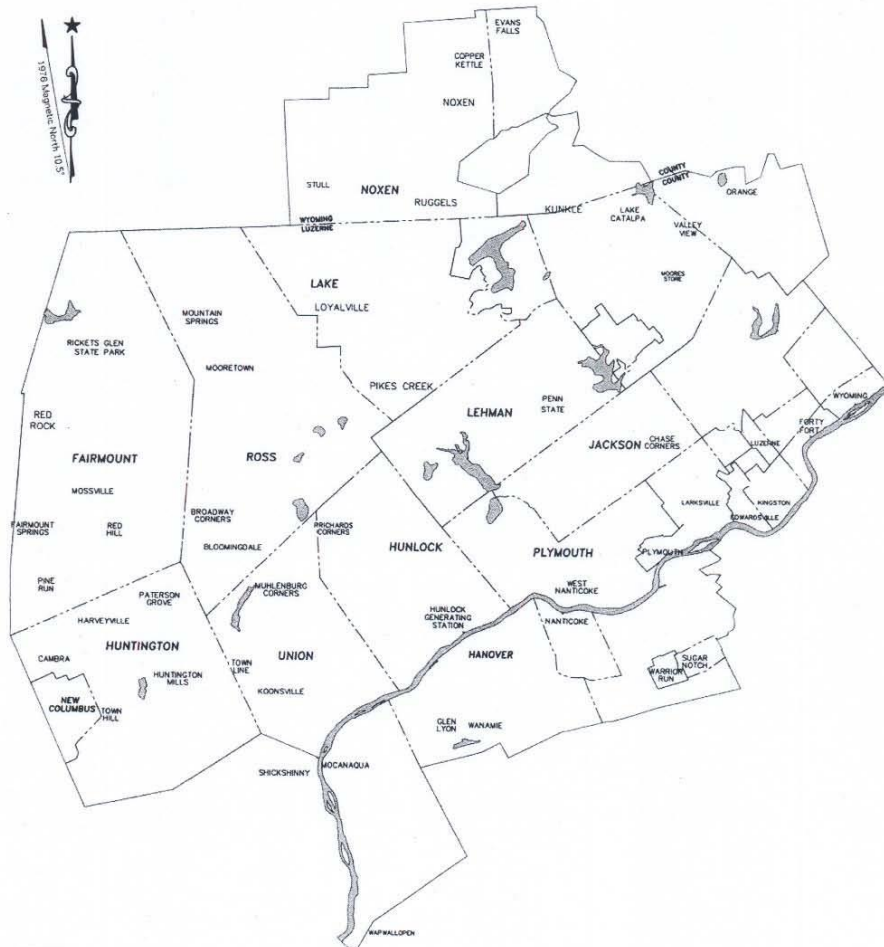
Title: _____

Date: _____

Date: _____

Appendix A

UGI Utilities, Inc. Electric Division Service Territory



UGI
ELECTRIC SERVICE

400 Stewart Road
Hanover Industrial Estates
Wilkes-Barre Pa 18773

SCALE IN MILES
0 1 2 3 4
1" = 18,000'

UGI Utilities, Inc.
Electric Division

One UGI Center, A-2
Wilkes-Barre, Pennsylvania 18711-0600

APPENDIX B

For the Term:

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General Terms and Conditions

Article 1 - Definitions

The following terms, when used with initial capitalization in (a) the Agreement for Line Construction and Maintenance Services (the "Agreement"), (b) the Description of Contractor Work for Line Construction and Maintenance Services (the "Description of Contractor Work") attached as Appendix C to the Agreement, or (c) herein shall have the following meanings:

"Agreement" means the Agreement for Line Construction and Maintenance Services by and between Company and Contractor, of which this document is an appendix.

"Bidder" means any person, firm, or corporation requested by Company to submit a bid to furnish material, equipment and/or services to Company.

"Company" shall mean UGI Utilities, Inc., which has the principal office of its Electric Division at One UGI Center, Building A-2, Wilkes-Barre, Pennsylvania 18711.

"Company Authorized Representative" means (a) the person or persons so designated by Company in Section 5 of the Agreement or (b) a Company officer.

"Contractor" means _____, having offices at _____.

"Proposal" means Contractor's offer, in the form of a completed Bidding Form with associated schedules, to perform Work for Company.

"Work" means the material, equipment, and/or services designated by the Company under Articles 1 and 2 of the Description of Contractor Work attached as Appendix C to the Agreement.

"Work Site" means project site(s), Company designated storage areas, temporary construction areas, and access thereto.

Article 2 – Contractor Status

In performing Work under the Agreement, the relationship of Contractor to Company shall be that of an independent contractor. As such, Contractor shall be solely responsible for obtaining the materials, equipment, and workers required to perform its obligations under the Agreement, and the manner and method by which Work is performed. Contractor shall be solely responsible for obtaining and paying all unemployment compensation expenses, workmen's compensation expenses, and employment taxes for its employees, and shall be solely responsible for hiring, supervising, and discharging such employees; provided, however, that any personnel employed by or representing Contractor on Company premises deemed to be unsatisfactory by the Company shall be removed by Contractor from the premises at the request of the Company.

Article 3 – Employment Standards

Contractor agrees to comply with all federal, state, and local employment regulations. Contractors will not hire relatives of Company employees involved in the inspection, approval, or administration of Work since a conflict of interest exists for Company employee if this situation occurs. For this purpose, the term “relatives” includes spouses, brothers, sisters, parents, and children, as well as in-laws and step relatives with the same relationship. Contractors who fail to honor this conflict of interest position jeopardize the possibility of becoming the successful Bidder. If a Contractor employee is a relative of a Company employee prior to receiving contract bid documentation, Contractor must make Company aware of this situation in writing prior to submitting a proposal.

Article 4 - Gratuities

Company prohibits its employees, agents, and representatives from using their official positions for personal financial gain or from accepting any personal advantage from any party. Neither Contractor nor its officers, employees, or agents shall either directly or indirectly extend or cause to have extended any gratuity or special favor to any employee, agent, or representative of Company.

Article 5 - Insurance

Contractor shall, at a minimum, carry: (a) primary general liability insurance with a combined single limit for bodily injury and property damage (including broad form contractual liability) of at least One Million Dollars (\$1,000,000), (b) primary automobile liability insurance with a combined single limit for bodily injury and property damage of One Million Dollars (\$1,000,000), and (c) worker's compensation insurance. Company shall be named as an additional insured on the primary general liability and primary automobile liability insurance. Two weeks prior to the effective date of the Agreement, Contractor shall deliver to Company Certificates of Insurance from its insurance carriers establishing (a) the required levels of primary general liability and primary automobile liability insurance, and (b) that Company has been named as an additional insured on such policies. Contractor shall thereafter provide evidence of such insurance coverage to Company on an annual basis, and in no event shall Contractor alter, amend or cancel the insurance coverage required under the Agreement without thirty (30) days prior written notice to Company.

Article 6 - Indemnification

Contractor shall indemnify, protect, defend, and save harmless UGI Utilities, Inc., and its directors, officers, agents, servants, employees, successors, and assigns from and against any and all claims and demands for damages to property and injury or death to persons, including attorneys' fees, costs, payments made under any workmen's compensation law or under any plan for employees' disability and death benefits, which may arise out of or be caused by the Work being performed by Contractor, and/or its subcontractor(s), or by any act of Contractor and/or its subcontractor(s) on or in the vicinity of Company's property or rights-of-way.

Article 7 – Occupational Health and Safety

Contractor shall be solely responsible for the safety of its employees. All Work shall be performed in accordance with all applicable Occupational Safety and Health (O.S.H.A.) Standards established by the Federal and State Departments of Labor.

Contractor is solely responsible for taking all safety precautions and for leaving the Work Site in a safe condition that is satisfactory to both Company and any affected property owner. Contractor shall keep, use, and maintain at the Work Site all necessary or required devices to prevent accidents, injuries, and damages to members of the public, employees of both Company and Contractor, and real or personal property. Failure to use personal safety and health equipment will be considered unsatisfactory Work performance. Contractor shall inform its supervisor(s), subcontractor(s), and all other members of its work force about the safety requirements of this Agreement.

Contractor shall inform Company of all emergency conditions. Emergency conditions shall include, but not be limited to: serious accidents, fire, and equipment malfunctions.

Article 8 – Damage of Private Property

Complaints resulting from Contractor's operation will be referred to Contractor for its prompt handling and satisfactory adjustment. All such adjustments will be made at Contractor's expense. Contractor will provide the Company a report of all property damage or complaints within twenty-four (24) hours after the damage has occurred or complaint has been received. Contractor shall also provide a follow-up report indicating the settlement made.

Article 9 – Damage of Company Property

Contractor will take all precautions necessary to prevent injury or damage to Company property or outages of energized lines in the immediate area of the Work. In the event of such

damage or outage, Contractor will promptly notify Company, and reimburse Company for all expenses incurred in repairing the damage or restoring service.

Article 10 – Drugs, Alcohol, and Firearms

Contractor shall inform its employee(s) that the use or possession of firearms, illegal drugs, and/or alcohol at the Work Site or on Company property is prohibited. Contractor shall deny access to and/or remove any individual from the Work Site or Company property who has been found to be or is reasonably suspected of violating this policy.

Article 11 – Lost-Time Accidents

When a Contractor's employee is involved in an on-the-job lost-time accident, Contractor will furnish a copy of the accident report to Company.

Company shall not pay for time lost by the Contractor's employee(s) for treatment of injuries off the job site.

Article 12 – Separate Contracts

Company reserves the right to engage other contractors to perform Work, and Contractor shall coordinate its activities with such contractors to ensure that Work is performed at the least cost to Company.

Article 13 – Status of Subcontractors

No portion of the Work to be performed by Contractor under the Agreement shall be subcontracted to any other entity without the prior written approval of Company.

Article 14 – Release of Information

Contractor shall not release any information concerning the Work or any part thereof, including, but not limited to advertising, publicity, news releases, or professional articles without the prior written permission of Company.

Contractor acknowledges that Company may be required by applicable provisions of law or regulations to, and hereby agrees that Company may, divulge publicly and to certain regulatory agencies information (including but not limited to proprietary information of Contractor) concerning the Work and the terms of the Agreement.

Article 15 – Substitute Materials and Equipment

Contractor shall not furnish, use, or employ substitute materials or equipment without the prior written approval of Company.

Article 16 – Use of Premises

Contractor shall confine the operations of its equipment and workers and the storage of materials and equipment to areas permitted by law or the requirements of the Agreement.

Article 17 – Cleaning Up

Contractor shall keep the Work Site and Company property free from waste materials, rubbish, and other debris resulting from the Work.

Article 18 – Taxes

Unless otherwise specified in the Agreement, Contractor shall be solely responsible for the payment of any taxes and charges now or hereinafter imposed upon Contractor by any federal, state, or local government or any governmental agency, and shall comply with all federal, state, regional, or local laws, rules and regulations regarding such taxes and charges, including without limitation, all employment taxes, Social Security, state unemployment insurance, withholding taxes, sales, and use tax (if applicable) and income taxes. Upon the request of Company, Contractor shall provide satisfactory evidence of such compliance to Company in a format acceptable to Company. Company will furnish to Contractor certificates of exemption from state sales taxes upon request.

Article 19 – Contractor Safety Rules

Contractor shall submit a written copy of its safety rules and a description of its safety program to Company with Bid Proposal.

Article 20 – Contractor Approval Checklist

Contractor shall have submitted to Company, prior to Bid Meeting, a completed copy, including data requirements, of UGI Utilities Inc. Contractor Approval Checklist for review. Company may, at its discretion, extend required date of completion, request additional data or request legal review.

Article 21 – Compliance With Laws

Contractor shall comply with all federal, state or local laws, statutes, rules and regulations applicable to its performance of Work under the Agreement, including without limitation the Rehabilitation Act of 1973, the Vietnam Era Readjustment Assistance Act of 1974, and statutes, rules and regulations relating to equal employment opportunity, non-segregated facilities, the utilization of minority business enterprises, and the employment of veterans and

handicapped persons. If such statutes, rules or regulations require the provision of notice to any person or entity in connection with the commencement, conduct, suspension, resumption or completion of Work, Contractor shall provide such notice sufficiently in advance of its proposed operation to avoid any unnecessary delays or expenses.

Article 22 – Contractor Representations and Warranties

Contractor represents and warrants to Company that it is fully experienced and properly qualified to perform the Work, and that it is properly licensed, equipped, organized and financed to do so.

Contractor represents and warrants to Company that it is now familiar with, or prior to commencing the Work will become familiar with, all federal, state, regional, and local laws, ordinances, regulations, codes and standards which might affect the conduct of the Work, and that it shall at all times observe and comply with such rules.

Contractor represents and warrants to Company that it has had an opportunity to examine the entire Agreement including all the appendices thereto.

Contractor represents and warrants that Work performed under the Agreement will be unimpaired by any liens or claims of Contractor or third parties.

Contractor warrants that Work and all portions thereof will be free of all defects in workmanship and will be fit for its intended use.

Contractor represents and warrants that Work will be performed and completed in a good, substantial, and workmanlike manner in accordance with Company standards and practices employed at the time of performance of such Work, and in accordance with requirements of all municipal, state, or federal authorities having jurisdiction over the Work herein and Contractor's performance thereof, and any building, electrical, or other codes and standards applicable thereto.

Contractor represents and warrants that its Work shall conform to requirements of the Agreement.

Article 23 – Remedies

In event of breach of warranty, Contractor shall at its own expense repair and/or replace any and all defective Work. If Contractor shall fail to perform such warranty Work, Company may perform, or have performed by others, such warranty Work at the sole cost and expense of Contractor.

Article 24 – Audit and Inspection of Records

Company shall at all times have access during normal business hours to Contractor's and any subcontractor's records to review, audit, and verify any information connected with the Agreement, including without limitation any information relating to costs, acknowledgments, and schedules.

Article 25 – Stipulation Against Liens

Contractor hereby waives any right to file liens against Company property for any Work performed or materials supplied under the Agreement. Contractor shall obtain an enforceable written waiver or release of any right to file liens against Company property from each subcontractor, supplier, laborer, materialman, or other person or entity it utilizes to perform Work for or provide supplies to Company and, as a condition of payment for Work performed hereunder, shall provide Company with copies of all such waivers and releases. In the event a lien is nonetheless filed against Company property relating to any Work performed or materials supplied by Contractor under the Agreement, Contractor shall indemnify Company for all costs it incurs in satisfying or discharging such lien, including without limitation reasonable attorney's fees and costs.

UGI Utilities, Inc.
Electric Division

One UGI Center, A-2
Wilkes-Barre, Pennsylvania 18711-0600

APPENDIX C

For the Term:

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Description of Contractor Work for Line Construction and Maintenance Services

Article 1 - Scope

Contractor shall at Contractor's sole cost and expense, furnish equipment and tools and provide such labor and supervision as may be required for the proper construction and maintenance of Company's electric lines, substations, and appurtenances as Company may from time to time request.

Depending upon the situation and conditions prevailing at the time, Contractor shall be capable of providing men, tools, and equipment necessary to perform any Work specified hereunder.

Article 2 – Amount of Work

The amount of Work performed shall be determined and designated by Company. Exhibit Number 1 provides the number of contractor crews on UGI property for fiscal years _____ through _____. This information is provided for the convenience of the contractors bidding the Work; however, Work for this number of crews is not guaranteed by Company. Contractor must be able to provide additional manpower or equipment anytime during the term of the Agreement.

Article 3 – Suspension or Termination of Work

Company, in its sole discretion, and with or without cause, may suspend or permanently withdraw Work from Contractor. Upon receipt of notice of such suspension or termination, Contractor shall, unless otherwise directed by Company, only perform such Work as is necessary to preserve and protect Work in progress and materials and equipment. Company shall incur no obligation to Contractor for any costs or damages incurred by Contractor as a result of a suspension or permanent withdrawal of Work; provided, however, that Company shall pay Contractor for (a) Work satisfactorily completed prior to the suspension or termination and (b) the costs reasonably incurred by Contractor to preserve and protect Work in progress and materials and equipment.

Article 4 – Emergency Restoration Work

The Contractor shall be able, on not more than one hour's notice, to have available at any crew staging location, such men and equipment as are required to restore damaged or otherwise failed Company facilities which cause or which might imminently cause an outage of service to Company customers or a safety hazard to the general public. Cost of meals taken during or as a result of emergency restoration work shall be at the Contractor's expense.

Article 5 - Specifications

All Work shall be performed in accordance with UGI Electric Division T&D Construction Specifications, National Electric Safety Code, UGI Electric Division lockout/tag out procedures, O.S.H.A. Rules and Regulations, and all other applicable governing authority codes now in effect or that may come into effect during the term of this Agreement.

Article 6 – Contractor Supervisor

Contractor shall designate to Company a competent resident supervisor who shall remain on Company property at all times during the progress of Work unless excused by Company. Contractor's supervisor shall not be replaced without the prior written notice to and written consent of Company except under extraordinary circumstances. The supervisor shall be Contractor's agent and shall have authority to act on behalf of Contractor in all matters relating to the Agreement. All communications and notices given to the supervisor shall be deemed to be given to the Contractor.

Contractor's supervisor shall schedule Work and notify Company's warehouse of material requirements by Work Request number as required.

Contractor's supervisor, on an as-needed basis, shall provide construction recommendations and assistance to Company's engineering personnel and perform other duties upon request.

Contractor's supervisor or his designee shall be available to Company 24 hours per day to activate any crews required for emergency restoration Work. The Contractor's supervisor shall be provided with a cell phone.

Article 7 – Contractor Supervisor Component

The Contractor supervisor component is to be calculated on a per unit basis and applied to the base hourly rate. This component shall include the cost of supervision, supervisor's vehicle, mobile phone, and other applicable costs.

Article 8 – Qualified Personnel

Contractor must employ competent and trained employees able to perform the Work. At Company's request, Contractor shall remove any employee from the Work Site or Company's property which Company deems, in its sole discretion, to be unsatisfactory.

Article 9 – Company Holidays

Contractor employees shall not perform normally scheduled Work on holidays observed by Company unless authorized by Company to do so. These holidays are: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, day after Thanksgiving, and Christmas Day.

Article 10 – Labor Rates

UGI will pay for Contractor labor for Work performed based upon the Contractor's employees' hourly billing rate for the classification of employees who performed the Work. All Contractor employees must be trained, qualified and able to perform all necessary Work activities within their classification. UGI will not pay the labor rate of a given classification unless the Contractor employee is trained, qualified and able to perform the Work within that classification, and actually engages in Work within that classification during the applicable time period.

Labor rates for each hour of labor or fraction thereof performed by each classification shall be those rates set forth in the "Schedule of Labor Rates" in Contractor's Proposal. No rates other than those shown in the "Schedule of Labor Rates" will be honored by the Company unless authorized in writing by an authorized Company representative prior to the commencement of the Work for which such rates are intended to be billed. Contractor shall not perform overtime or emergency time Work unless so authorized by an authorized representative of Company.

Article 11 – Labor Rate Components

The base hourly rate is the straight time hourly rate paid to the employee. Each classification under "Regular Time," "Time and One-Half," and "Double Time" shall be shown as the Contractor's billing rate to the Company and as a per unit build-up based on the base hourly rate in effect. All components of the built-up labor rates are shown in the "Schedule of Labor Rates" in the Contractor's Proposal attached as Appendix D to the Agreement. Each component is to be calculated on a per unit basis and applied to the base hourly rate.

Article 12 – Equipment Rates

UGI will pay for Contractor equipment for Work performed based upon the Contractor's hourly billing rate for equipment used to perform Work. Equipment rates shall be those set forth in the "Schedule of Equipment Rates" in Contractor's Proposal. Contractor shall maintain all trucks and equipment in good operating condition and provide the necessary tools, insurance, fuel, oil, maintenance, and licenses at its own expense. The cost of the minimum tool

requirements for trucks, crews, and tool room as shown on attached Exhibit Numbers 2 through 5 shall be included in the equipment rates. Contractor shall have one additional corner mount line truck fully tooled and one additional 50' working height single bucket truck fully tooled available within one day's notice at the Company's request to replace any out of service corner mount line truck or single bucket truck respectively. Equipment charges for over-the-road equipment shall include only travel time to and from its normally stationed site as approved by Company, and productive time on the job. The use of equipment not specified in the Proposal shall only be at the request of Company and at a rental cost agreed to in writing by Company.

Article 13 – Materials, Supplies, and Outside Equipment Rental

Company shall reimburse Contractor (1) the net cost of materials, supplies, and additional equipment obtained specifically for Company by Contractor for the completion of Work performed hereunder and (2) a procurement charge of ten percent applied against such net cost. The term "net cost" shall exclude the amount of any Pennsylvania Sales and Use Tax paid by Contractor with respect to such items. Contractor shall not obtain such materials, supplies, and outside equipment without prior approval by an authorized representative of Company.

Article 14 – Normal Working Hours

Eight hours shall constitute a normal Work day. Ten hour work days may be utilized in some situations. The Work day shall be within the hours of 6:30 a.m. and 5:30 p.m. as specified by Company. Mid-day meal breaks will be between 12 noon and 12:30 p.m. Alternative Work schedules may be put into effect as agreed to by the Company and the contractor.

Article 15 – Overtime

Company will pay for labor performed during the regular schedule of hours Monday through Friday, including storm restoration work, a maximum of the applicable regular time rate shown on the relevant Schedule of Labor Rates in Contractor's Proposal. Company will pay for labor performed outside the regular schedule of hours Monday through Friday and on Saturday a maximum of the applicable "Time and One-Half" rate shown on the same Schedule of Labor Rates. Company will pay a maximum of the applicable double time rate for labor performed on Sundays or holidays. Contractor shall specify on the schedule of Labor Rates when rates less than the maximums noted above apply to Work performed. No rates in excess of the maximums stated shall be paid by Company.

Company will pay for labor performed at Company's request during inclement periods within the regular schedule of hours Monday through Friday a maximum of the applicable "time and one-half" rate shown in the Schedules of Labor Rates.

For callouts within the regular schedule of hours Monday through Friday following inclement day show-up periods, Company will pay for labor performed a maximum of the "time and one-half" rate shown in the Schedules of Labor Rates.

Article 16 – Inclement Weather

Company will pay for labor and equipment at the rates set forth in the Schedules of Labor Rates and Schedules of Equipment Rates for productive hours worked only, and will not pay any amount for time when Work is not performed because of inclement weather. Time while Work is stopped on a job site due to inclement weather shall not be billed to Company. On inclement weather days, the determination as to whether or not the crews will be sent out to perform Work shall be made by Contractor's supervisor and the crew foremen. Contractor's supervisor shall assure that inclement time is not abused and that crews Work as conditions permit. Make-up time for time lost due to inclement weather is permitted provided the Work is performed within Normal Working Hours as defined in Article 14. Make-up time cannot be performed on Company Holidays listed in Article 9.

Article 17 – Non-Productive Time

Non-productive codes are attached as Exhibit 10 hereto. Company will not pay labor or equipment for non-productive time. The built-up components of all non-productive time except inclement shall be included in General Overhead.

Non-productive time shall be accurately recorded as such on Contractor's timesheets. Improper recording of non-productive time as billable time will be considered breach of warranty. Drug testing is non-productive time and shall be reported under Variance Code 196, "Other."

Article 18 – Permits and Rights-of-Way

Company will obtain and pay for all municipal, county, state, or other governmental roadway permits required to perform Work hereunder. Company will obtain rights-of-way from property owners as required to accomplish assigned Work. Contractor is responsible for obtaining any other permits required to perform Work.

Article 19 – Service Outages to Customer

Contractor will notify customers of service outages as directed by Company for all planned customer service outages resulting from Work Contractor performs.

Article 20 – Customer Contact

Contractor shall notify any affected property owner or municipality (if the Work is under control of municipality) as specified by Company prior to performing Work.

Article 21 – Pennsylvania One-Call

Company will make the initial underground facilities location requests to Pennsylvania One-Call as required under the Underground Utility Line Protection Act of 1996. Contractor will be responsible for notifying Pennsylvania One-Call of its role as the excavator on every Company underground facility location request by obtaining a new Pennsylvania One-Call permit number. Contractor will be responsible for re-notifying Pennsylvania One-Call for instances when Work cannot be completed within the ten-working day window in accordance with Pennsylvania Act 187 of 1996. Contractor shall be responsible for any damage to pipes, pipelines, or buried cables at its expense.

Article 22 – Equipment

All equipment shall be clean, well-maintained and in good working order. All vehicles shall prominently display Contractor's name. Vehicles not meeting the good working order, good repair, and well-maintained appearance requirements will be replaced immediately. Equipment and tool requirements are set forth in Exhibits 2 through 5 hereto.

Company may equip Contractor vehicles with Company radios at Company's discretion and expense. Any such radios shall remain the property of Company.

Article 23 – One-Crew Concept

Company has in-place a "one crew concept" with Frontier Communications and various cable television companies. Simple telephone and television cable transfers are completed by the Contractor crew while on the site. Time spent on such telephone and television cable transfers are billable to the appropriate telephone and cable companies. Contractor shall provide labor and equipment rates and arrange billing to the telephone and cable companies.

Article 24 – Non One-Crew Concept Transfers

It is frequently advantageous to temporarily transfer foreign facilities to a new pole to enable removal of the old pole. Such transfers shall be done by the Contractor at the same labor and equipment rates submitted in the Bidding Form (Appendix D).

Article 25 – Performance

Company's line construction supervisor shall be primarily responsible for the administration and supervision of the Agreement, and will routinely inspect Contractor's Work. Deficiencies noted during such inspections shall be referred to Contractor's supervisor for immediate corrective action at Contractor's expense.

Article 26 – Records

Contractor shall conform to Company's system of work order, material, and time keeping procedures. Time keeping will be for labor and equipment on an hour per use basis per Work Request Number. Lists of variance codes for both billable (productive time) and non-billable (non-productive time) are attached as Exhibit 10 hereto. A list of pay codes is also provided on Exhibit 10. All billable and non-billable activities shall be reported on the time reports.

The time report form shall be supplied by Contractor. An example of the required time report form is attached as Exhibit 6 hereto. One time report form per crew shall be prepared daily by Contractor's foremen with the original to be given to Company. Time reports shall be kept current as the work day progresses. Electronic time reporting is permitted. The Company may install, at its cost, electronic time reporting devices in the contractor's vehicles to facilitate electric time reporting. Any such devices so installed shall remain the property of the Company.

As-built reports including changes shall be provided for all construction work requests. Such reports shall identify actual work performed by compatible unit at the appropriate design points and spans. The as-built report document will be provided by the Company for each construction work request. It shall be completed including changes by the contractor crew foreman and when the job is finished, returned with the time report that records the last entry for time worked on the work request. An example of as-built report is attached as Exhibit 7 hereto.

Contractor must retain all records for at least one year after the Work is performed and all such records must be available for audit by the Company.

Article 27 – Billing and Work Performed Document

Contractor's billing period shall end at midnight on Saturday. Contractor shall render weekly a statement for all charges for Work done during the previous week. The statement shall

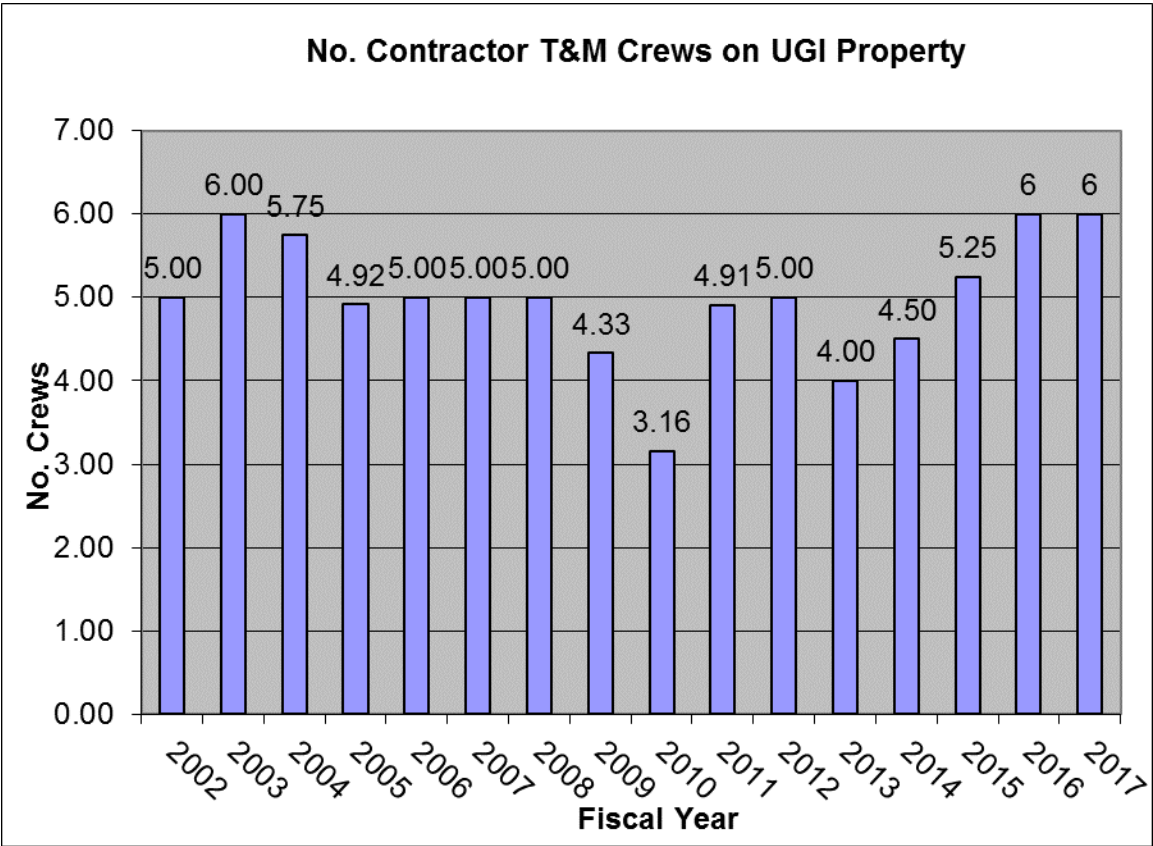
consist of two parts: Work Performed Document and Work Performed Document Detail by Work Request as described below.

- A. The "Work Performed Document" shall summarize the total amount due for the billing period. It shall indicate labor classifications, equipment types, materials, and hours. The unit price for each item will be shown along with the total cost of each item. An example of such an "Work Performed Document" is attached as Exhibit 8 hereto.
- B. "Work Performed Document Detail by Work Request" shall summarize by Company Work Request Number the total charges applicable to each Work Request. The labor, equipment, and materials used, the hours or units used; the applicable rate, crew number, date of Work, and the total amount applicable to each work request shall be shown. An example of such an " Work Performed Document Detail by Work Request" is attached as Exhibit 9 hereto.

Article 28 – Payment

Company shall pay for Work performed by Contractor in the proper format in a timely manner. No payment made by Company shall be construed to be an acceptance by Company of defective or improper Work, materials or equipment.

Attachments



BUCKET TRUCK TOOL LIST <i>(One Fully Tooled Bucket per Crew)</i>		
Tool Type	Quantity	Sets
ACSR Ratchet Cutter	1	
Blankets - 36-inch	3	
Bolt Cutter - 24-inch	1	
Brace	1	
Brace Bits		1
Cable Becketts		2
Cable Stripper - UG Primary	1	
Chain or Cable Hoist	1	
Chain Saw	1	
Clothespins (Blankets)	9	
Drill Bits (13/16-inch and 11/16-inch)		2
First Aid Kit	1	
Flags, Signs, and Cones (as specified by PennDOT)		1
Grips – strand puller grips for 10M and 20M Alumoweld guy wire	1 each	
Grips - #8 through 4/0 copper conductor	3 each size	
Grips - #6 through 397.5 MCM aluminum conductor	3 each size	
Grips - Note: Bulldog type grips shall not be used on bare aluminum, bare ACSR, or any covered conductor. Bulldog type grips can be used on bare copper conductor.		
Ground Rod Driver	1	
Ground Sets - 2/0 CU with cluster (69 kV maximum) (AB Chance #T600-0641 or equivalent)		2
Hacksaw	1	
Hand Spotlight (battery operated)	2	
Hand Tools (normal complement)		1
Hoods	3	
Hose - 60-inch	6	
Hydraulic Drill	1	
Hydraulic Pressure Intensifier (10,000 PSI)	1	
Hydraulic Y-35 Press with dies for use with Intensifier	1	
Ladder, 24-foot extension	1	
MD-6 Press and Dies	2	
Mechanical Jumpers	3	
Nicopress	1	
Rope Bull Lines (assorted)		1
Rope Hand Lines (assorted)		1
Rope Straight Lines (assorted)		1
Semi-con Remover - UG primary	1	
Shotgun (clamp stick)	1	
Shovel - 5-foot	1	
Slack Blocks		2
Strain Link Stick	3	
Strap Hoist	3	
Switch Stick (8-foot minimum)	1	
Tree Saw – Hand	1	
Wheel Chocks		1
XLP Cable Stripper	1	
Y-35 Hand Press and Dies	1	

Insulated sticks to be tested per O.S.H.A. requirements.

EXHIBIT 3

[illegible]

EXHIBIT 4

[illegible]

All personal protective equipment shall comply with applicable O.S.H.A. standards.



CREW TOOLS

Each crew shall have the following tools:

- | | | | | | |
|---|---|---|---|---|--|
| 1 | - | Phase Rotation Meter | 1 | - | Wire Micrometer |
| 2 | - | Meter, Volt, and Amp
(750 V and 1,000 A) | 1 | - | Primary Voltage Detector
(to 25 kV) |
| | | | 1 | - | Loadbuster (14.4/25 kV) |

TOOL ROOM

Spare tools, equipment, and materials necessary for the construction and maintenance of the Company's transmission and distribution system shall be readily available in a tool room. The list below serves as a minimum guideline, not a specified tool/equipment list.

- 100 - Crossarm running blocks
- 2 - Insulated aerial platforms (diving board)
- 2 - Y-35 presses
- 1 - Pole top gin
 - Spare rubber goods as required (gloves, sleeves, blankets, hose, hoods)
 - Spare steel as required for drill and jackhammer
 - Spare tools, etc. as required
 - Flexible cable guides, adapters, sheaves, jamb skids, etc. as required for pulling underground conductors in conduit
 - Water pump (minimum 250 g.p.m.) - gas-powered
- 1 - Glow stick for transmission work (69 kV through 230 kV rating)
- 2 - Six-ton hoists
 - Grips for transmission work (266.8 MCM ACSR through 1590 MCM ACSR)
- 4 sets - Grounds for transmission work (4/0 copper), clamp range from 4/0 through 1590 MCM
- 1 each - Fiberglass hook ladder, 12-foot and 20-foot
 - 1 - 24-inch auger for transmission work
- 2 pair - Two-way radios
 - 1 - 12 V water pump
 - 1 - Gas-powered cutoff saw - 14-inch minimum
 - 1 - Gas-powered drill
 - 1 - Y-45 press with dies for use with intensifier
 - 1 - 32-foot extension ladder
- 25 - Hot Arms
- 15 - Swamp Mats (4x8)

[illegible]

CONOPENT
02/03/12UG101 - ELECTRIC DIVISION
CONSTRUCTION ORDER

PAGE: 1

COMPANY: ED REGION: ED DIST: 0050 W/R#: 708744 WO#: 201001 CREW HQ: 642AFF
 STATUS: 40 ON 02/03/12 APPROVAL REQUESTED SCHEME NUMBER: WPA: 236
 PROJECT NAME: ROUTED POLE WOOD PECKER HOLES PER TIM ZONR: 10656C
 JOB ADDRESS: 137, WESTLEY RD, LAKE TWP TYPE: MINOR FRAM
 COMMENTS: REPLACE 45' POLE

TECH ID: YUSCAVAGE JR, P A
REP ID :LMS ID :
SUBSTATION : MV0244

CREW NOTES: _____

LABOR SUMMARY		CRITICAL DATES		COMPLETION DATA	
CLASS	EST. HOURS	WORK REQUEST TAKEN	: 02/03/12	DATE:	_____
B2	4.2	RELEASED FOR APPROVAL:		CREW:	_____
F1	2.7	WORK REQUEST APPROVED:	02/03/12	BUILT AS DESIGN ()	
LB	10.9	MATERIAL REQUISITION :		SUPERVISOR	_____
	0.0				
	0.0	SCHEDULED START	: 02/27/12		
		ACTUAL START	:		
TOTAL:	17.8	REQUESTED COMPLETION :	02/28/12		
		ACTUAL COMPLETION :			
		WORK REQUEST CLOSED :			

POINT: 1.00 SPAN-TO: 0.00 SPAN LENGTH: 0		GRID REF: 44788-42611					
COMPLETE ()	CREW CLASS:	B2	F1	LB	0.0	0.0	TOTAL
	EST. HOURS:	4.2	2.7	10.9	0.0	0.0	17.8
C/G CODE	DESCRIPTION	H/C	INSTL	RETRN	SCRAP	ABAND	TENFR
() 013-03-02.2	SPEC REF 13-03-02.2	H	1				
() *EBKT1P	VERT MOUNTING BKT -	H	1				
() *BINS1	INSUL PIN TYPE 13KV	H	1				
() ELAB STENCIL	TAG POLE 14-01-01D	H	1				
() ELAB TRAFF1	TRAFFIC CONTROL 1FLA	H	1				
() ELAB XFER FRGN	TRANSFER FOREIGN DEV	H	1				
() ELAB XFER NEU	TRANSFER PRI. NEUTRA	H	1				
() ELAB XFER PR	TRANSFER PRI. 1PH	H	1				
() ENC1	NEUTRAL CLAMP TYPE 1	H	1	1			
() EP1N BKT	PIN FOR VERT MOUNTIN	H	1	1			
() *EP45	EP45 1960	H	1				
() *EP45 1960	EP45 1960	H		1			
() <u>ELAB MID DIG P</u>	<u>HAND DIG POLE</u>		<u>1</u>				
() <u>EP GR2</u>	<u>POLE GROUND</u>		<u>1</u>				

Work Performed Document (WPD) – (Example)

Contractor Name: _____ Period Ending _____ WPD Date _____ WPD No. _____

Address: _____

Telephone No: _____

For services performed by: _____

Make check payable: _____

Remit to: _____

For services performed for:

UGI Utilities, Inc.
Electric Division
One UGI Center (Bldg. A-2)
Wilkes-Barre, PA 18711-0600

Description	Quantity in Hours	Unit Price	Extension	Total
Job Classification (from Schedule of Labor Rates)				
Straight Total				
Overtime Total				
Double Time Total				
Labor Total				
Equipment Type (from Schedule of Equipment Rates)				
Equipment Total				
GRAND TOTAL			PAY THIS AMOUNT: \$	

EXHIBIT 9

WORK PERFORMED DOCUMENT <u>DETAIL BY WORK REQUEST</u>								
Work Request Number	Man/Equip No.	Classification Code	Hours	Rate	Amount (Hrs. x Rate)	Total	Crew No.	Date
TOTAL WORK REQUEST NUMBER								
TOTAL WORK PERFORMED DOCUMENT								

Variance Codes		Description
<i>Non-Productive</i>		
<i>(Non-Billable)</i>		
190		Inclement
192		Holiday
196		Other
<i>Billable</i>		
300		Standby/Idle
<i>Pay Codes</i>		

Normal Work		Callouts	
Regular Time	001	Time and One-Half	012
Time and One-Half	011	Double Time	022
Double Time	021		

BIDDING FORM

LINE CONSTRUCTION AND MAINTENANCE

_____ *to* _____

In response to your invitation for bids, the undersigned _____

of _____

_____,

hereby proposes to furnish such material, equipment, and labor qualified to meet the requirements as set forth in the Description of Line Construction and Maintenance Work for which we are qualified to bid at the rates specified on attached schedules of labor and equipment rates.

Attachments

UGI Labor Billing Rate Schedule

Contractor Name: _____

Effective Date of Rates: _____ *Year 1* _____

	Labor Classification	Straight Time	Time and One-Half	Double Time
01	General Foreman			
03	Foreman			
20	Journeyman Lineman			
70	7 th Step Apprentice			
71	6 th Step Apprentice			
72	5 th Step Apprentice			
73	4 th Step Apprentice			
74	3 rd Step Apprentice			
75	2 nd Step Apprentice			
76	1 st Step Apprentice			
44	Equipment Operator			
33	Dynamite Man			
45	GR HP Operator			
42	GR Truck Winch			
46	GR HP Driver			
26	Groundman			
27	Traffic			

UGI Labor Billing Rate Schedule

Contractor Name: _____

Effective Date of Rates: _____ *Year 2* _____

	Labor Classification	Straight Time	Time and One-Half	Double Time
01	General Foreman			
03	Foreman			
20	Journeyman Lineman			
70	7 th Step Apprentice			
71	6 th Step Apprentice			
72	5 th Step Apprentice			
73	4 th Step Apprentice			
74	3 rd Step Apprentice			
75	2 nd Step Apprentice			
76	1 st Step Apprentice			
44	Equipment Operator			
33	Dynamite Man			
45	GR HP Operator			
42	GR Truck Winch			
46	GR HP Driver			
26	Groundman			
27	Traffic			

UGI Labor Billing Rate Schedule

Contractor Name: _____

Effective Date of Rates: _____ *Year 3* _____

	Labor Classification	Straight Time	Time and One-Half	Double Time
01	General Foreman			
03	Foreman			
20	Journeyman Lineman			
70	7 th Step Apprentice			
71	6 th Step Apprentice			
72	5 th Step Apprentice			
73	4 th Step Apprentice			
74	3 rd Step Apprentice			
75	2 nd Step Apprentice			
76	1 st Step Apprentice			
44	Equipment Operator			
33	Dynamite Man			
45	GR HP Operator			
42	GR Truck Winch			
46	GR HP Driver			
26	Groundman			
27	Traffic			

EQUIPMENT GENERAL

The bidder proposes to furnish the following equipment as may be designated by the Company at the rate set opposite each type of equipment.

Self-propelled equipment listed below (excluding spare equipment) shall not be older than eight model years at the start of each year of this contract (year of contract minus eight = oldest model year). No self-propelled equipment shall be older than eight model years at any time during this Agreement unless authorized by the Company. The average age of all self-propelled equipment shall not exceed five years. A list of self-propelled equipment intended for use on Company property including equipment number, model number, and year shall be provided by bidder. Failure to submit such document shall result in disqualification of this proposal.

Equipment shall be in good working order, good repair, and well-maintained appearance. Equipment not meeting the good working order, good repair, and well-maintained appearance requirements will be replaced immediately with equipment not older than eight model years. All equipment shall prominently display Contractor's name. All trucks shall have a fire extinguisher on board, inspected annually. Each bucket truck and line truck shall be equipped with a minimum of one 12-volt spot/flood light for emergency or restoration work. Charges for all tools, truck tools, crew tools, and tool room tools are to be included in the equipment rates.

UGI Equipment Billing Rate Schedule

Contractor Name: _____

Code	Equipment Description	Rate Year 1	Rate Year 2	Rate Year 3
PU1	Pickup or 4X4 Vehicles			
PU8	Power Wagon 4X4, 1-Ton, Front Mt. Winch			
AC1	Air Compressor			
LT1	Line Truck			
PD1	4wd Pressure Digger			
PD2	Digger with Rock Auger			
B50	Bucket Truck 50' Single Bucket			
	Bucket Truck 50' Double Bucket			
B55	Bucket Truck 55'			
M50	Bucket Truck, Material Handler, 50', Single			
PT1	Trailer, pole type, single axle, 8000# Capacity			
CT1	Trailer, cable type with brake			
RT2	Reel Truck with Boom, Three Reel Capacity			
CT2	Wire Trailer, Three Reel Capacity			
PE1	Pulling Equipment, Single Drum			
TE1	Tensioning Equipment, Leighthouser			
SE1	Stringing Equipment, Spyder System			
RT1	Power Reel Truck			

PROPOSAL

All previously stated rates are effective beginning _____. Having carefully examined the Contract Documents and Specifications under which the work is to be performed hereunder, and all conditions affecting the performance of the work, the undersigned understands and agrees to perform the entire work in accordance with the specifications and terms for the above-stated prices. Insurance certificates must name UGI Utilities, Inc. as an additional named insured on both the Comprehensive General Liability and Comprehensive Automobile Liability policies.

The Bidder shall notify UGI Utilities, Inc. immediately of any apparent omissions or conflicts in the Bid Documents that could affect the price or performance of work. Bidder shall list below all exceptions he may have to the specifications or terms and conditions. It will be assumed that the Bidder agrees to the provisions of said documents and that the Bidder agrees to the provisions of said documents unless exceptions are specifically and clearly listed below.

The undersigned certifies that his company has "Safety and Work Standards Practices" and a training program in place to educate the employees in such practices and will perform line construction and maintenance using the safe work practices stated therein. A copy of this document(s) is submitted herewith. Failure to submit such document(s) may result in disqualification of this proposal.

Signature

Title

Company

Street Address

City, State, Zip Code

Telephone Number

Date



Energy to do more®

Project Name
Any Street
Municipality, Pennsylvania

Work Request 012345

Underground Cable Replacement
Bidding Forms

Effective MM, DD, YYYY

Underground Cable Replacement

Bidding Forms

Project Name
Any Street
Municipality, Pennsylvania
UGI Work Request No. 012345

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Underground Cable Replacement

Instructions to Bidders and Bidding Forms

Project Name
Any Street
Municipality, Pennsylvania
UGI Work Request No. 012345

Instructions to Bidders

- All bids for underground cable replacement submitted to the Electric Division of UGI Utilities, Inc. shall be based on the Sketches and designs distributed at this bid meeting. Proposals will not be considered unless all necessary technical and commercial information is complete. Sealed Bids shall be sent to Richard G. Secor, UGI Utilities, Inc., 511 E. Northampton Street, Wilkes-Barre, PA. Building A-2.
- Bid Acceptance
The Work will be awarded to the lowest responsible and qualified Bidder able to perform the work in the specified time frame.
 - a. Upon letting the Work, a preconstruction meeting may be required at the option of the Company. If requested, Contractor must attend and bring data as directed by Company.
 - b. Project Meetings may be held at the Company's option to review progress of the Work and identify problems, if any, which impede planned progress. Those in attendance shall develop corrective measures and procedures to regain planned schedule.
- Purchase Order
The successful Bidder shall accept a Purchase Order resulting from these Bid Documents. Signing of the Purchase Order indicates that the Bidder agrees to all terms and conditions of the Bid Documents including these specifications and UGI's General Terms and Conditions, unless exceptions are specifically listed and explained. Company reserves the right to interpret all Purchase Order Documents, and to resolve any conflict among the documents.

- Performance and Payment Bonds

Contractor within fifteen (15) days after award of Work and prior to starting Work shall furnish to UGI evidence of a Performance Bond and Payment Bond. Each bond shall have an amount equal to 100 percent of the contract value and shall be issued by an institution acceptable to UGI. Contractor may be required to increase the value of such bonds as necessary and called for by the bonding company or by UGI to equal price adjustments made pursuant to the executed Purchase Order. Upon the request of any person or entity appearing to be a potential beneficiary of the bonds covering payment of obligations arising under this Agreement, the Contractor shall immediately furnish a copy of the bonds or shall permit a copy to be made.

Bidding Forms

In response to your request for quotation number _____, the undersigned
_____ of _____

hereby proposes to furnish such material, equipment, and labor to meet the requirements as set forth in the *Description of Work* for which we are qualified to bid at the rates specified below.

1. Lump Sum Price

The total lump sum price to complete compatible units identified with (X's) in the attached work specification is _____.

- ☐ By checking here, contractor states that it has in its employ "Qualified Person(s)" as defined by OSHA in 1910.269, Electric Power Generation, Transmission, and Distribution. Such qualified persons will be utilized to enter/exit high and low voltage compartments with new cable facilities. Further, contractor states that such qualified persons meet the training requirements of Section (a)(2)(ii) of 1910.269. Above lump sum bid price includes the use of qualified persons as required.
- ☐ By checking here, contractor states that it does not have in its employ "Qualified Person(s)" as defined by OSHA in 1910.269 and cannot enter/exit high and low voltage compartments with new cable facilities. UGI's estimated cost to perform this work will be added to contractor's fixed bid cost.
- ☐ By checking here, contractor states that conventional trenching methods will be utilized such as backhoe or excavator.
- ☐ By checking here, contractor states that directional drilling will be utilized for the work on this project. Contractor is to include the price of HDPE conduit with red identifying stripes and all combination couplings and cement in the bid price. Bid price includes _____' of 2" HDPE conduit and _____' of 3" HDPE conduit.

- ☐ By checking here, contractor states that a combination of directional drilling and conventional trenching methods will be utilized for the work on this project. Contractor is to include the price of HDPE conduit with red identifying stripes and all combination couplings and cement in the bid price. Bid price includes _____' of 2" HDPE conduit and _____' of 3" HDPE conduit.

2. Unit Prices

The *Schedule of Unit Prices* follows. Unit prices provided herein are applicable only to Work described in the attached *Work Specification* and are for Work performed while at the Work site.

3. Hourly Rates

Extra Work that is not covered by submitted *Distribution Work Unit Prices* shall be reimbursed on an all-inclusive hourly rate basis. These rates are to be "all-inclusive" rates, that is, the labor costs should include all markups (including insurance, taxes, overhead, profit, etc.) and the equipment rates are to be "complete" and include all overhead, profit, fuel, and maintenance.

Schedule of Unit Prices

1. Additional Cost to Trench in Solid Rock		
	1.1 Rock Trench - Normal Trench Depth (per lineal trench foot)	\$ Per foot.
	1.2 Rock Trench - 18-inch Trench Depth (per lineal trench foot)	\$ Per foot.
2. Additional Cost of Cuts		
	2.1 Saw cut asphalt, excavate, sand bedding, modified, 4-inch BCBC, 2-inch topcoat, seal saw cuts; used where specified bore was unsuccessful (per lineal trench foot).	\$ Per foot.
	2.2 Saw cut concrete, excavate, sand bedding, backfill, prepare base, tamp, form, pour concrete to 4-inch thickness; used where specified bore was unsuccessful (per lineal trench foot).	\$ Per foot.
3. Additional Cost of Asphalt Surface		
	3.1 Four-inch BCBC, 2-inch topcoat, to resurface additional area as required due to unsuccessful bore. This item may be used in addition to Item 2.1 as required and includes cut back saw cut, excavation preparation, etc., (per square foot).	\$ Per square foot.
4. Additional Cost of Concrete		
	4.1 Replace additional area of concrete as required due to unsuccessful bore. This item may be used in addition to Item 2.2 as required and includes saw cut, preparation of base, tamp, form, pour concrete to 3½-inches to 4-inches (per square foot).	\$ Per square foot.
	4.2 Replace additional area of concrete as required due to unsuccessful bore. This item may be used in addition to Item 2.2 as required and includes saw cut, preparation of base, tamp, form, pour concrete to 5½-inches to 6-inches (per square foot).	\$ Per square foot.
5. Additional Cost of Trench and Backfill		
	5.1 Trench and backfill per UGI Specification No. 01-00-04.	\$ Per foot.

[illegible]

Schedule of Equipment Rates			
	Hourly	Daily	Weekly
Dump Truck			
Dump Truck			
Backhoe			
Utility Truck			
Pickup Truck or 4X4 Vehicles			
Air Compressor			
Hole Hog			
Trailer – Cable Type			
Tamper			
Air Hammer			
Air Drill			
Concrete Saw			
Asphalt Saw			
Boring Equipment (List)			
Boring Equipment (List)			
Reel Truck			
Other Equipment (List):			

Proposed Subcontractor List

NOTE: Any bid submitted without this list, if it is applicable, will be subject to disqualification. The Company reserves the right to reject any Subcontractor(s) listed.

The following is a proposed list of subcontractor(s) that we expect to utilize for the completion of Work. The intended use of each subcontractor is provided.

Bid Certification

The undersigned hereby certifies that he/she has carefully examined the Bid Documents and Specifications under which the Work is to be performed hereunder, and all conditions affecting the performance of the Work, the undersigned understands and agrees to perform the entire Work in accordance with the specifications and terms for the above stated prices.

*Work to be done in accordance with
Bid Documents for underground cable
replacement effective January 7, 2002.*

Signature

Title

Company

Address

Telephone Number

Date

KEY PERSONNEL:

Authorized Representative:

Contractor Supervisor:

Contractor Foreman:



Underground Residential Development Reconductor Bid Process

Bid Process

Eligible Bidders

The Bidder must be pre-qualified to perform the required work and must be on the Approved Contractors list to be considered for a project. They must furnish such material, equipment, and labor to meet the requirements as set forth in the *Description of Work* for which they are qualified to bid at the rates specified. They must also provide OSHA Logs and proof of insurance based on the type of work. See UGI Underground Contractor Approval Process in Reference Section. This information is collected annually.

Project Review

The project is reviewed before being released for bid. Layout, compatible units, and possible hurdles such as rock, traffic control, permits and road crossings are reviewed. Initial PA One-Calls are made prior to releasing the project for bid.

Bid Documents

Bid documents which include the Bidding Forms, Bid Certification sheet, design points (CONO), project map (including design points), and material list are prepared for distribution to each bidder.

Bid Procurement

A project meeting with site Walk-Through, and bid documents are provided for the qualified bidders. The required bid submittal date is communicated at this meeting. An attendee sign in sheet is completed at the meeting. Bidder questions and answers regarding the project specifics are shared with each bidder via email.

Successful Bid

Bid Selection

After reviewing all submitted bids, the bid is awarded based on price and contractor's availability to meet the project time line.

Contractor Requirements

- The successful bidder must provide the required Performance and Payment bonds as detailed in the contract.
- The contractor is subject to site inspections.
- If directional bores are used, the contractor must provide conduit depth at the intervals specified by UGI.

- The contractor must provide all required information to complete as-built sketches that show any deviations from the original project design orders.
- The contractor must complete all work per UGI's standards and contract provisions.

Payment

Payment will be made as agreed to in the contract.

Documents

UGI Underground Contractor Approval Process

1. Bidding Contractor is sent a New Contractor Package which includes the Master Services Agreement, Confidentiality Agreement, Insurance Requirements, and Vendor set-up forms before any work on the UGI System is permitted.
2. The following documentation must be submitted annually:
 - Certificate of Insurance w/ Term & Limits as described in Agreement
 - Overview of current Substance Abuse Plan
 - Description of drug screening program and summary of results for the last 12 months
 - Substance Abuse Contact Information
 - Overview of current Health and Safety Plan
 - Safety Representative Contact Information
 - OSHA Injury and Illness Log Summary Form 300A (past 3 years)
 - OSHA Citations List (past 3 years)
 - Safety Data Sheets (SDS) for all supplied substances
3. All documentation will be vetted for acceptable compliance through the related departments for Supply Chain review. When all requirements are submitted, the Master Agreement will be approved and sent back to the Contractor and applicable Operation areas will be notified.
4. Failure to provide required documentation will result in delays and may also cause bidding contractor to be denied approval.

Response of
UGI Utilities, Inc. – Electric Division
to Data Requests of the
Bureau of Technical Utility Services
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TUS-2 - Reference the UGI-ED LTIP, Appendix A, page 9, Table 1

- a. Clarify what is meant by fiscal year vs calendar year in Table 1. Calendar years are preferred for LTIPs.

Response:

UGI-ED budgeting, planning and tracking activities are performed on a fiscal year basis which runs from October 1st through September 30th. Accordingly, the use of a fiscal year will provide the Company with the most efficient, effective and accurate manner to manage the tracking and reporting of the various LTIP program activities.

Response of
UGI Utilities, Inc. – Electric Division
to Data Requests of the
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TUS-3 - Reference the UGI-ED LTIP, Appendix A, page 17, Table on Scope

a. Provide a similar table in Excel format that details the amount of actual materials that are planned to be replaced for each year of the LTIP, and the average for the baseline period (2012-2015).

Response:

A copy of the requested table in Excel format has been emailed to dawashko@pa.gov. and is set forth below:

Underground Primary Cable Replacement/Restoration Program

Plan Years	2012-2015	2018	2019	2020	2021	2022
Expenditures (thousands)	\$346(avg)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Trench Feet of Cable (1)	4,787 (avg)	13,333	13,333	13,333	13,333	13,333

Note (1): Estimated material planned to be replaced for each year of the LTIP was derived by dividing the budget amount by an estimated replacement cost of \$75/foot; the actual units of material replaced will vary based on future actual costs for material and resources.

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TUS-4 - Reference the UGI-ED LTIP, Appendix A, page 21, Table on Scope

a. Provide a similar table in Excel format that details the amount of actual materials that are planned to be replaced for each year of the LTIP, and the average for the baseline period (2012-2015).

Response:

A copy of the requested table in Excel format has been emailed to dawashko@pa.gov. and is set forth below:

Secondary Modernization Program

Plan Years	2012-2015	2018	2019	2020	2021	2022
Expenditures* (\$ thousands)	\$452(avg)	\$573	\$573	\$573	\$573	\$573
Feet of wire replaced(2)	12,773(avg)	16,200	16,200	16,200	16,200	16,200

Note (2): Estimated material planned to be replaced for each year of the LTIP was derived by dividing the budget amount by an estimated a replacement cost of \$35.37/ft. derived from the baseline period. The actual units of material replaced will vary based on future actual costs for material and resources.

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UGI Utilities, Inc. – Electric Division
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TUS-5 - Reference the UGI-ED LTIP, Appendix A, pages 22 & 23, and the Petition, page 6, paragraph 17

a. These project categories appear to address issues that would be covered under UGI-ED's distribution Operation and Maintenance (O&M), and Capital Expenditures. These expenditures may also not be an acceleration of planned repairs, but rather replacement of defective and degraded equipment that may be part of the normal O&M budget.

Response:

The Company's LTIP is consistent with 66 Pa. C.S. § 1352, as well as the guidance provided in the Commission's Final Implementation Order, entered August 2, 2012, at Docket M-2012-2293611 ("Final Implementation Order"). UGI-ED's LTIP includes only those categories of plant that are identified in 66 Pa. C.S. § 1351(1). In the Commission's Final Implementation Order, the Commission required that "[t]he LTIP should reflect and maintain an *acceleration* of infrastructure replacement over the utility's historic level of capital improvement." (Order, p. 19 (emphasis in the original)). However, the Commission has not required that utilities show that every individual cost category reflect consistent acceleration over the life of the LTIP, and has approved LTIPs where some categories reflected no increase, or even a decrease, but the overall LTIP showed accelerated infrastructure replacement over the historical spend. *See, e.g., Petition of PPL Electric Utilities Corporation For Approval of a Long Term Infrastructure Improvement Plan*, Docket No. P-2012-2325034 (Order entered January 10, 2013). UGI-ED believes that its LTIP is consistent with this requirement of overall acceleration, and has endeavored to show individual category acceleration where it believes that doing so is in the best interest of its customers, is an efficient use of labor and resources, and maximizes value to rate payers.

Some categories, such as those identified on pages 22 and 23, are driven primarily by failure rates experienced during the normal operation of the system. The referenced programs (Overhead Distribution Equipment Repair and Replacement (Overhead) and Underground Secondary and Service Replacement (Underground)) do not address typical maintenance activities. A typical overhead maintenance activity may repair an existing facility, such as a failed conductor with a splice or adjust and clean a distribution air-break switch. The Overhead program is primarily focused on the replacement of poles, wire, capitalizable pole

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hardware and pole mounted devices such as capacitors, transformers, switches and reclosers that have failed or are in a deteriorated condition. This is also the case with the Underground program where maintenance would include an emergency repair of an existing secondary or service wire via a splice. The subsequent replacement of the entire section of secondary cable or underground service would be capitalized as a new facility. Neither of these programs included defined acceleration in capital spending because both programs will replace facilities identified via customer outages, service quality issues or by field inspections completed in the course of normal work activities. Thus, the rate of replacement is beyond the direct control of the Company, and will be variable based on operating experience.

The Company notes that all of the cost categories identified in the LTIIP are considered capital projects, including those on pages 22 and 23. None of these categories would fall into the Company's normal O&M budget. Each individual LTIIP program authorization is tracked using an LTIIP specific naming convention along with either an individual capital authorization or pre-defined capital blanket authorization (used for small projects typically less than \$8,000 each) established specifically for the unique LTIIP program.

The LTIIP is designed solely to address UGI-ED's efforts to repair and replace its aging infrastructure, and does not address any cost recovery that might be available through the Distribution System Improvement Charge (DSIC) in the future. UGI-ED is not currently eligible to have a DSIC because it has not had a base rate proceeding within the past five years. Any cost allocation issues associated with the programs identified in the LTIIP that would be recovered through a DSIC would be addressed during either a base rate proceeding delineating existing plant from DSIC-eligible plant, or during a DSIC proceeding. No double counting would be possible as a result of these proceedings, and the Company separately tracks and accounts for its capital expenditures.

- b. Explain in detail how the expenditures in the project categories on pages 22 and 23 relate to UGI-ED's budgeted distribution O&M and Capital expenditures and how the LTIIP expenditures in these categories are an acceleration of planned repairs and replacement.

Response:

See response to paragraph a above.

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c. Explain in detail how UGI-ED will ensure the expenditures under these LTIIP project categories will be tracked to ensure no double counting occurs of expenditures that should be associated with normal O&M and Capital budgets.

Response:

See response to paragraph a above.

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UGI Utilities, Inc. – Electric Division
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TUS-6 - Reference the UGI-ED LTIP, Appendix A, page 28 of the LTIP, Table on Scope

- a. Provide an update to the Table in Excel format that details the amount of actual materials that are planned to be replaced for each year of the LTIP, and the average for the baseline period (2012-2015).

Response:

A copy of the requested table in Excel format has been emailed to dawashko@pa.gov. and is set forth below:

8kV and 4kV Distribution System Conversions

Plan Years	2012-2015	2018	2019	2020	2021	2022
Expenditures (\$ thousands)	\$77(avg)	\$125	\$125	\$150	\$150	\$150
Number of Projects Annually (3)	1.25(avg)	1-2	1-2	1-2	1-2	1-2

Note (3): The extent of the material replaced under a given project depends on the existing design and condition of the facilities being upgraded. UGI-ED expects to complete 1 or 2 projects or phases of a larger conversion project annually. A typical conversion project may involve some amount of pole replacements, primary wire replacement, transformer replacements and/or insulator replacements.

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TUS-7 - Reference the UGI-ED LTIP, Appendix A, page 29, Table on Scope

- a. Provide an update to the Table in Excel format that details the amount of actual materials that are planned to be replaced for each year of the LTIP, and the average for the baseline period (2012-2015).

Response:

A copy of the requested table in Excel format has been emailed to dawashko@pa.gov. and is set forth below:

Overhead and Underground Service Conductors Program

Plan Years	2012-2015	2018	2019	2020	2021	2022
Expenditures (\$ thousands)	\$180(avg)	\$170	\$170	\$170	\$180	\$180
Number of Services (4)	120(avg)	120	120	120	120	120

Note (4): The expected number of service upgrades or replacements is based on an historical average. The actual units of material replaced will vary based on customer requests, identified power quality and facility condition issues and future actual costs for material and resources.

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TUS-8 - Reference the UGI-ED LTIP, Appendix A, page 13, Table

a. Provide an update to the Table in Excel format and add a row to provide total normal baseline spending, excluding LTIP expenditures, for years 2018 through 2022.

Response:

See response to 5 a above.

b. Provide a similar table in Excel format that details the planned materials and/or projects for each LTIP project category for each year of the LTIP, and the average for the baseline period (2012-2015).

Response:

A copy of the requested table in Excel format has been emailed to dawashko@pa.gov. and is set forth below:

	Baseline (avg)	Planned Expenditure Schedule (dollars in thousands)					Plan Year Total
LTIP Program Initiatives	2012-2015	2018	2019	2020	2021	2022	
Wood Pole Replacements	\$187	\$1,000	\$1,100	\$1,300	\$1,400	\$1,500	\$6,300
Planned Pole Replacements	34(avg)	150- 200	150- 200	150- 200	150- 200	150- 200	750- 1,000
Wood Pole Reinforcements	\$9	\$48	\$48	\$49	\$49	\$50	\$244
Planned Reinforcements	12(avg)	50-70	50-70	50-70	50-70	50-70	250-350
URD Cable Replacements	\$346	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000
Trench Feet of Cable Replaced	4,787(avg)	13,333	13,333	13,333	13,333	13,333	66,665
Secondary Modernization	\$452	\$573	\$573	\$573	\$573	\$573	\$2,865
Feet of Wire Replaced	12,773(avg)	16,200	16,200	16,200	16,200	16,200	81,000

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Distribution Failed OH Equipment	\$1,025	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$5,500
Distribution Failed OH Equipment Replaced	Note (1)	Note (1)	Note (1)	Note (1)	Note (1)	Note (1)	Note (1)
Porcelain Insulator & Cutout Replacements	\$19	\$50	\$50	\$50	\$50	\$50	\$250
Porcelain Cutouts Replaced	38(avg)	50-80	50-80	50-80	50-80	50-80	250
Replacement and Improvement of Services	\$180	\$170	\$170	\$170	\$180	\$180	\$870
Number of Services Upgraded or Replaced	120(avg)	120	120	120	120	120	600
Facility Relocations (PennDOT)	\$334	\$465	\$465	\$465	\$465	\$465	\$2,325
Estimated Number of Projects Annually	7.7(avg)	11	11	11	11	11	55
Right of Way Reliability Relocations	\$37	\$100	\$100	\$100	\$100	\$100	\$500
Estimated Number of Projects Annually	2(avg)	2-4	2-4	2-4	2-4	2-4	10-20
Major System Improvement Projects	\$729	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$9,500
Projects Completed or Planned (Note 2)	4.75(avg)	3-5	3-5	3-5	3-5	3-5	15-25
Distribution Sectionalizing	\$90	\$100	\$100	\$100	\$100	\$100	\$500
Planned Installations	29(avg)	20-40	20-40	20-40	20-40	20-40	100-200
Distribution Automation	\$8	\$260	\$260	\$260	\$260	\$260	\$1,300
Planned Installations	3(avg)	6-8	6-8	6-8	6-8	6-8	30-40

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8kV and 4kV Distribution System Conversions	\$77	\$125	\$125	\$150	\$150	\$150	\$700
Planned Projects	1.25(avg)	1-2	1-2	1-2	1-2	1-2	5-10
Replace Failed UG Secondary & Service Cable	\$25	\$75	\$75	\$75	\$75	\$75	\$375
Number of Replaced Secondary & Service Installations	6(avg)	6-10	6-10	6-10	6-10	6-10	30-50
Distribution Relay Replacements	\$0	\$60	\$60	\$60	\$60	\$60	\$300
Annual Replacements	0 (Note 3)	3	3	3	3	3	15
Distribution Circuit Breaker Replacements	\$10	\$140	\$140	\$140	\$150	\$150	\$720
Annual Circuit Breaker Replacements	0.25 (Note 4)	3	3	3	3	3	15
Substation Transformer Replacements	\$0	\$480	\$500	\$520	\$540	\$550	\$2,590
Annual Replacements	0	1	1	1	1	1	5
Total	\$3,528	\$7,646	\$7,766	\$8,012	\$8,152	\$8,263	\$39,839

Note 1: During the baseline period UGI-ED completed over 800 individual projects/work requests of varying magnitude which may have included replacements of such items as poles, wire, insulators, guying, etc. The LTIIP plan year budget amounts were based on an historical average projected forward. The amount of actual material replaced is variable and dependent on failed or deteriorated equipment identified during the year and the resulting scope of the project.

Note 2: As mentioned in the UGI-ED LTTIP, plan year projects are identified as part of the annual distribution planning review process which looks to address reliability and growth priorities through a variety projects which may include the creation of new tie-lines, reconductoring lines and adding new distribution feeders. The size and duration of individual projects may vary significantly from year to year which may result in a variance in the number of projects completed.

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Note 3: As mentioned in the UGI-ED LTIP, the Company replaced four (4) distribution relay units during the baseline period. These replacements were completed using spare relays, and the work related to the replacements was expensed. The approximate cost of these replacements was \$3,500 each, including labor, which is less expensive than future replacements because new equipment will need to be purchased and the cost of labor has increased. Forecast spending is based on estimates to replace relays and associated control panels on older switchgear installations, as opposed to the basic relay swap-outs done in 2013 through 2016. This will increase the overall cost of these projects due to panel engineering, fabrication and testing. The expected cost of an individual project is \$12,000, with a maximum estimate of \$20,000 each.

Note 4: Only one circuit breaker was replaced during the baseline period. This occurred in 2015 at a cost of \$42,000. The chart on page 31 of the UGI-ED LTIP should have shown an average of .25 replacements per year, rather than one replacement per year, with an average per year cost of \$10,000. This historic experience is in-line with the estimated program amount.


**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities Inc. – Electric :
Division for Approval of its Long Term : Docket No. P-2017-2619834
Infrastructure Improvement Plan :

VERIFICATION

I, Eric W. Sorber, UGI Utilities Inc. – Electric Division, Director Engineering & Operations, hereby state that the responses as set forth in response to TUS Set I are true and correct to the best of my knowledge, information, and belief and that if asked orally at a hearing in this matter, my answers would be as set forth therein. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

Date: December 1, 2017



Eric W. Sorber