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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE** |

**PRESS RELEASE**

Date: Sept. 10, 2009

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**PUC Weighs $160,000 Settlement with UGI over Lehigh County Natural Gas Explosion**

HARRISBURG – The Pennsylvania Public Utility Commission (PUC) today issued for comment a settlement with UGI Utilities Inc. related to a natural gas explosion that destroyed a Lehigh County building and adjacent row homes.

The Commission voted 5-0 to approve a [joint motion](http://www.puc.state.pa.us/general/pdf/Comm-SM/Cawley-Gardner_motion_2031571OSA.pdf) by Chairman James H. Cawley and Commissioner Wayne E. Gardner, which modifies the settlement, and requires the company to pay a civil penalty of $80,000, make an $80,000 contribution to Operation Share. The settlement also addresses changes in company procedures, training, and operator qualifications with regard to the meter replacement task. The settlement is being released for comment. Interested parties have 20 days after the Order is entered to file comments. Under the settlement, UGI will:

* Cease and desist from committing any further violations of gas safety regulations;
* Hire an outside consultant to comprehensively review and recommend changes to UGI’s operator qualifications meter removal tasks, standards and tests;
* Retrain and re-qualify all required employees and contractors using the revised procedures within six months of the PUC’s Gas Safety Division’s approval;
* Review and rewrite its drug and alcohol program so that UGI’s drug and alcohol rules and requirements extend to its contractors and subcontractors; and
* Include in the revised meter shutoff procedure the requirement (if applicable) that the curb valve be closed in addition to the meter valve.

The settlement follows an investigation by the PUC’s independent Prosecutory Staff into a Dec. 9, 2006, natural gas explosion on Mohawk Street, Allentown, Lehigh County, which caused one minor injury. The explosion occurred in connection with an attempt to remove the meter.

In reviewing the company’s actions related to the incident, the Prosecutory Staff alleged that UGI violated portions of the state Public Utility Code and federal regulations on pipeline safety.

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UGI serves 307,000 natural gas customers in 14 Pennsylvania counties including Harrisburg, Lancaster, Reading, the Lehigh Valley and their surrounding suburbs.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

For recent news releases, audio of select Commission proceedings or more information about the PUC, visit our website at [www.puc.state.pa.us](http://www.puc.state.pa.us/).

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