



UGI Utilities, Inc.
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, PA 19612-2677

April 23, 2013

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

**Re: Docket No. C-2012-2308997
Accelerated Main Replacement Schedule**

Dear Secretary Chiavetta:

The enclosed main replacement schedules are submitted by UGI Utilities Inc. – Gas Division, UGI Central Penn Gas, Inc., and UGI Penn Natural Gas, Inc. (“UGI Companies”) in compliance with the Opinion and Order entered by the Pennsylvania Public Utility Commission (“Commission”) on February 19, 2013 (“Final Order”). As required by the order, UGI Companies must submit an initial time schedule for meeting the accelerated main replacement requirements as contemplated by the Joint Settlement Petition approved by the Commission in the Final Order.

As provided in the Joint Settlement Petition, UGI Companies will retire or replace cast iron mains over a fourteen year time period commencing with the first full calendar month after the date the Final Order was entered. Attached Figure (1): *Approximate Cast Iron Replacement Schedule*, provides a chart reflecting a consistent annualized rate of replacement to eliminate all cast iron mains inventory within the required timeframe, or by the end of February 2027. Stacked bars show the amount of cast iron remaining at each of the distinct UGI operating companies. As of beginning of calendar 2013, UGI Companies operated 407 miles of cast iron mains. On average, approximately 29 miles of mains must be replaced or retired each year to reach completion in the stipulated timeframe.

Figure (2): *Approximate Bare Steel / Wrought Iron Replacement Schedule*, provides a chart reflecting the rate of replacement planned to eliminate bare steel /wrought iron mains over a 30 year replacement time period which began October 2011. As of the beginning of calendar year 2013 (Bare Steel /Wrought Iron Program Year 2), UGI Companies operated 1387 miles of bare steel / wrought iron mains. During the next 14 years of the replacement program, resources will be directed moreso to focus on cast iron retirement. Upon elimination of the cast iron piping, the resources allocated towards bare steel /wrought iron will increase, accelerating the annualized rate of bare steel /wrought iron replacement until program completion.

The specific sequence of projects will be reviewed annually and re-prioritized on a risk basis, in accordance with UGI Companies' Distribution Integrity Management Plan ("DIMP"), which was filed with the Commission on March 29, 2013. Additional Project selection criteria also will consider municipal paving programs, sequencing to maintain system continuity and reliability, and bundling of adjacent projects to minimize repeat community disturbance. Consequently, annual replacement rates will vary from year to year while maintaining the target completion dates for cast iron and bare steel/wrought iron of December 2026 and September 2041, respectively.

Annual project lists will be communicated to stakeholders in the calendar first quarter of each year. Projects identified for completion during 2013 were shared with affected municipalities and media releases were issued to alert the general public. Project lists including street level address ranges are posted to the UGI.com website. In addition to the aforementioned mass communications, adjacent property owners will receive project specific communications in advance of construction.

Sincerely,

Hans G. Bell

Hans G. Bell
Vice President, Engineering & Operations Services
UGI Utilities, Inc.

CERTIFICATE OF SERVICE

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

VIA EMAIL AND FIRST CLASS MAIL

Adam D. Young
Stephanie Wimer
PA Public Utility Commission
Law Bureau
Commonwealth Keystone Building
400 North Street, 3rd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265

Ed Pawlowski, Mayor
City of Allentown
435 Hamilton Street
Allentown, PA 18101-1699

Date: April 26, 2013

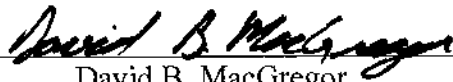
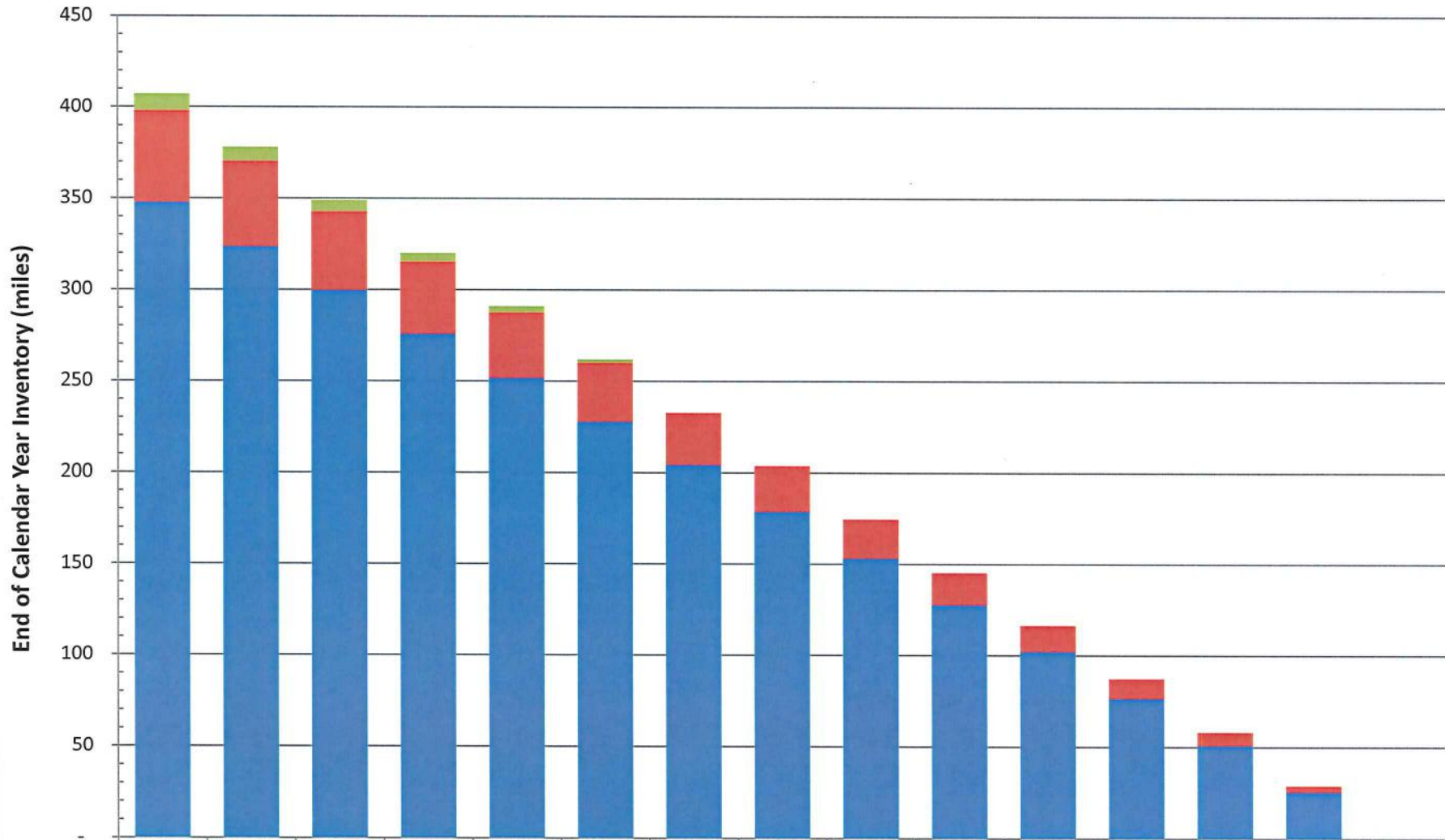

David B. MacGregor

Figure (1): Approximate Cast Iron Retirement Schedule



CPG	9	8	6	5	3	2	-								
PNG	50	47	43	40	36	32	29	25	22	18	14	11	7	4	-
UGI-GD	348	324	300	276	252	228	204	178	153	127	102	76	51	25	-

Figure (2): Approximate Bare Steel / Wrought Iron Retirement Schedule

