



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

May 21, 2013

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

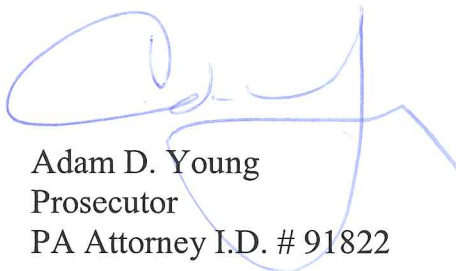
RE: Pennsylvania Public Utility Commission, Bureau of Investigation and
Enforcement v. UGI Utilities, Inc.
Docket No. C-2012-2308997

Dear Secretary Chiavetta:

On May 17, 2013, the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement (I&E) filed Comments to the Leak Detection Pilot Program of UGI Utilities, Inc. – Gas Division in the above-referenced proceeding. Subsequently, I&E discovered an inadvertent error on the filing wherein the incorrect docket number was placed on the caption of the comments. I&E is enclosing comments with the correct docket number to rectify this error.

Please do not hesitate to contact me with any questions about this filing.

Sincerely,



Adam D. Young
Prosecutor
PA Attorney I.D. # 91822

Enclosure

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2012-2308997
	:	
UGI Utilities, Inc.,	:	
Respondent	:	

**COMMENTS OF THE BUREAU OF INVESTIGATION
AND ENFORCEMENT TO
UGI UTILITIES, INC. – GAS DIVISION’S
LEAK DETECTION PILOT PROGRAM
FOR THE CITY OF ALLENTOWN**

INTRODUCTION

On February 19, 2013, the Pennsylvania Public Utility Commission (Commission) entered an order approving and modifying a Joint Settlement Petition (Settlement) that was entered into by the Commission’s Bureau of Investigation and Enforcement (I&E) and UGI Utilities, Inc. – Gas Division (UGI), UGI Penn Natural Gas, Inc. (UGI Penn Natural), and UGI Central Penn Gas, Inc. (UGI Central Penn) (collectively, the UGI Companies) in the above-captioned proceeding¹. The Settlement resolved all issues raised in the Formal Complaint, which concerned a fatal natural gas explosion that

¹ *Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement v. UGI Utilities, Inc.*, Docket No. C-2012-2308997 (Order entered February 19, 2013) (hereinafter referred to as “February 19 Order”).

occurred on February 9, 2011, at 542 and 544 North 13th Street, Allentown, Pennsylvania. The UGI Companies and I&E have accepted the Commission's modifications to the Settlement.

In the February 19 Order, the Commission directed UGI to explore enhanced leak detection measures and file a pilot program to utilize one or more of these enhanced leak detection measures throughout the City of Allentown. The Commission ordered UGI to publish notice of the pilot program filing in the *Pennsylvania Bulletin*, so as to allow interested parties an opportunity to provide comments to the program. On April 12, 2013, UGI submitted its leak detection pilot program filing, and on April 27, 2013, notice of UGI's filing was published in the *Pennsylvania Bulletin*. Interested parties were permitted to file comments by May 17, 2013. 43 Pa.B. 2407 (April 27, 2013).

I&E respectfully submits these comments to address several key areas of concern in UGI's filing.

COMMENTS

I. Contrary to the February 19 Order, UGI's Filing does not Include a Pilot Program

The Commission's February 19 Order stated the following with respect to enhanced leak detection measures:

Second, while UGI has agreed to undertake extensive steps to improve the physical integrity of its distribution system, these measures should be supplemented by enhanced leak detection processes to further minimize the risk of another catastrophic event. To that end, **UGI shall explore enhanced leak detection measures and file a pilot program to utilize one or more of those enhanced leak detection measures throughout the City of Allentown. This filing shall be made with the Commission's**

Secretary, with a copy served on the Commission's Pipeline Safety Division, **within forty-five days of the date that this Opinion and Order becomes final.**

February 19 Order at 36 (emphasis added). Instead, UGI's filing consists of a mere recitation of its current leak detection programs and attaches a Request for Proposal (RFP) to solicit a consultant to assist it with developing additional natural gas detection measures. In other words, UGI has not, at this time, developed new or innovative programs to enhance its current leak surveys in the City of Allentown – an area with known, potential hazards. UGI's filing is contrary to the Commission's directive in the February 19 Order in that it contains no new leak survey programs that can be implemented immediately after the Commission approves UGI's April 12, 2013 filing.

I&E strongly urges the Commission to direct UGI to implement a pilot program that includes enhanced leak detection measures now. I&E suggests that UGI immediately begin a continuous leak survey in the City of Allentown of its high risk pipe until UGI develops and implements a pilot leak survey program. UGI should be directed to report the results of the continuous leak survey monthly to the Gas Safety Division along with a plan and schedule to fix all Class B and Class C leaks discovered with the continuous leak survey. A continuous leak survey program will provide for leak surveys during the warmer months, as UGI's current leakage survey programs in the City of Allentown focus on the fall and winter months. For example: (1) the Cast Iron Patrol is performed during the first quarter of each calendar year; (2) the Flame-Ionization/Visual Patrol is performed immediately following the Cast Iron Patrol; (3) the Frost Patrol

Survey is conducted between January 2nd or upon reaching a threshold of 150 frost degree days and until March 31, or whenever frost degree days decline below 150; (4) the Special Business/Urban Area Leak Survey is completed between November 1 and March 31; and (5) UGI conducts a Fall Business Walk. Thus, UGI operates five out of seven of its leakage surveys during the colder months.

II. UGI's DIMP and Patrolling Procedures should Contain Its Natural Gas Leakage Detection Measures

The Gas Safety Division of I&E believes that UGI's Distribution Integrity Management Program (DIMP), patrolling procedures and leakage survey programs should be designed to function cohesively in order to best identify and monitor cast iron pipeline systems located in suspect areas, such as the City of Allentown. Therefore, the Gas Safety Division of I&E recommends that UGI's DIMP and patrolling procedures include the enhanced leakage detection measures that will be developed after the pilot program fully materializes.

In addition, UGI's leakage surveys should pay particular attention to areas where soil or pavement have been disturbed by excavation activities and such surveys should be included in UGI's DIMP. Further, UGI should coordinate with other entities, namely highway and water authorities, for areas where evidence of water leaks, sinkholes or instability in the roads exists; the Gas Safety Division of I&E does not believe that any such coordination presently occurs.

CONCLUSION

I&E respectfully requests that the Commission consider its comments in determining whether to approve, modify or reject the pilot program filing.

Respectfully submitted,



Adam D. Young
Prosecutor
PA Attorney ID No. 91822

Stephanie M. Wimer
Prosecutor
PA Attorney ID No. 207522

Date: May 21, 2013

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing Comments upon the persons listed below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

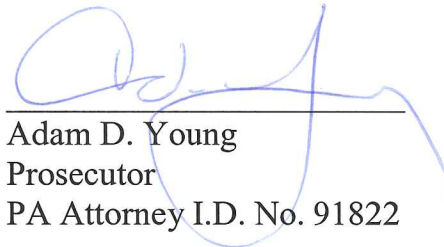
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Dated: May 21, 2013