

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement v.
UGI Utilities, Inc.

Public Meeting June 13, 2013
2308997-TUS
Docket No. C-2012-2308997

**JOINT MOTION OF
CHAIRMAN ROBERT F. POWELSON
AND VICE CHAIRMAN JOHN F. COLEMAN, JR.**

Before the Commission today for disposition is the Leak Detection Pilot Program (LDPP) filed by UGI Utilities, Inc. – Gas Division (UGI or Company) pursuant to the Commission’s February 19, 2013 Order in this docket. Specifically, that Order, *inter alia*, required UGI to “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.”

UGI’s LDPP, filed on April 27, 2013, states that the Company will:

- (1) initiate a request for proposal (RFP) to solicit alternative natural gas leak detection measures to be implemented in the City of Allentown during the 2013/2014 winter season;
- (2) as an interim approach, undertake additional quarterly leak detection surveys on all cast iron mains in the City of Allentown from April 1, 2013 through November 30, 2013, using traditional measures; and
- (3) provide a written report to the Commission on or before June 1, 2014, describing the results of the Pilot Program.

The Bureau of Investigation and Enforcement (I&E) filed Comments¹ to UGI’s LDPP on May 17, 2013.² I&E took issue with the entirety of UGI’s LDPP in its Comments. Specifically, I&E does not believe that UGI’s proposed use of an RFP process meets the February 19th Order’s requirement that UGI file a pilot program with the Commission. Additionally, I&E believes that UGI’s proposed LDPP is merely a recitation of the Company’s current leak detection programs and does not contain any enhanced measures. Rather, I&E would require UGI to engage in continuous leak detection surveys of all high-risk pipe in the City of Allentown until UGI implements a pilot leak detection program, and submit monthly reports on the results of the leak survey along with a plan and schedule to fix all Class B and Class C leaks discovered. Lastly, I&E requests that UGI make certain updates to its Distribution Integrity Management Program (DIMP) pertaining to coordination with other entities and concentrating on areas where soil or pavement have been disturbed.

¹ On May 23, 2013 UGI filed Reply Comments in response to I&E’s comments. Reply Comments were not, however, permitted and as such, we did not consider the Reply Comments in arriving at a decision in this matter.

² Due to a discrepancy regarding a docket number, I&E filed corrected Comments on May 21, 2013.

Upon review of UGI's proposed LDPP and I&E's Comments, we find that UGI's plan substantially complies with the Commission's directives in the February 19th Order. UGI's LDDP will enhance its Allentown leak detection program in two ways: (1) through additional quarterly leak surveys from April 1, 2013 through November 30, 2013 and (2) through an enhanced wintertime survey from November 1, 2013 through March 31, 2014. Thus, UGI's program will enhance its leak surveying in the Allentown area immediately and over a full one-year cycle.

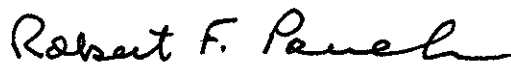
Further, the use of an RFP process to solicit bids for an enhanced wintertime survey is prudent to determine what enhanced leak detection technologies exist in the marketplace and to ensure that a fair price is paid for the use of the winning technology. We also find UGI's proposal to conduct quarterly leak surveys to be reasonable and disagree with I&E's characterization that UGI's proposal merely recites UGI's current programs. We also do not believe it is necessary to direct UGI to develop a plan to fix all Class B and Class C leaks discovered as a result of the enhanced measures, as leak management is governed by UGI's DIMP. We do, however, agree with I&E that these additional surveys should be conducted on all high-risk pipe in Allentown, as defined using UGI's DIMP, rather than only on cast iron mains as proposed by UGI.

We also believe that the recommendation that UGI be required to include enhanced leak detection measures flowing from the pilot in its DIMP is premature. While this recommendation may ultimately have merit, it is simply too early to know whether the enhanced leak detection technology deployed will be successful at finding more leaks or cost-effective on a system-wide basis.


Finally, I&E's recommendations that UGI update its DIMP to increase coordination with other entities and concentrate on areas where soil or pavement have been disturbed may have merit and we encourage UGI to give them due consideration. We do not, however, believe this is the proper proceeding to impose such requirements. Rather, this requirement should be addressed in the context of I&E's audit of UGI's DIMP.

THEREFORE, WE MOVE THAT:

1. UGI Utilities, Inc. – Gas Division's Leak Detection Pilot Program is approved as modified herein; and
2. The Bureau of Technical Utility Services prepare an Opinion and Order consistent with this Motion.



ROBERT F. POWELSON
CHAIRMAN



JOHN F. COLEMAN, JR.
VICE CHAIRMAN

DATE: June 13, 2013