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File #: 2270/151134

February 27, 2017

VIA HAND DELIVERY

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

Dear Secretary Chiavetta:

Enclosed for filing is a settlement status report submitted by UGI Utilities Inc. – Gas Division, UGI Central Penn Gas, Inc. and UGI Penn Natural Gas, Inc. in compliance with the Opinion and Order entered by the Pennsylvania Public Utility Commission on February 19, 2013 at Docket No. C-2012-2308997.

Respectfully submitted,

David B. MacGregor

DBM/jl
Enclosure

cc: Paul Metro, Manager (*via hand delivery*)
Adam D. Young, Prosecutor (*via hand delivery*)
Stephanie M. Wimer, Prosecutor (*via hand delivery*)

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

February 27, 2017

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
Settlement Compliance Status Report**

Dear Secretary Chiavetta:

The following settlement status report is 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 provide a progress update for 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): *Cast Iron Main Plan Inventory vs Actual Inventory* provides a chart showing progress vs. plan towards completing the replacement of all cast iron by the end of February 2027. On average, approximately 29 miles of mains must be replaced or retired each year to reach completion in the stipulated timeframe to adhere to the schedule. As of December 31, 2016, the remaining known cast iron inventory has been reduced to 271 miles, slightly ahead of replacement plan schedule requirements of 291 miles.

Attached Figure (2): *Bare Steel / Wrought Iron Plan Inventory vs Actual Inventory*, provides a chart showing progress vs. plan towards completing the replacement of bare steel & wrought iron mains over the 30-year replacement time period which began October 2011. As of December 31, 2016, the remaining known inventory of bare steel / wrought iron mains has been reduced to 1103 miles which is ahead of replacement plan schedule requirements of 1256 miles.

Ongoing interim progress updates on pipeline replacements will be provided to the PUC Gas Safety Division until the next status report in February of 2019.

Sincerely,

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

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Figure (1)
Cast Iron Main
Plan Inventory vs Actual Inventory

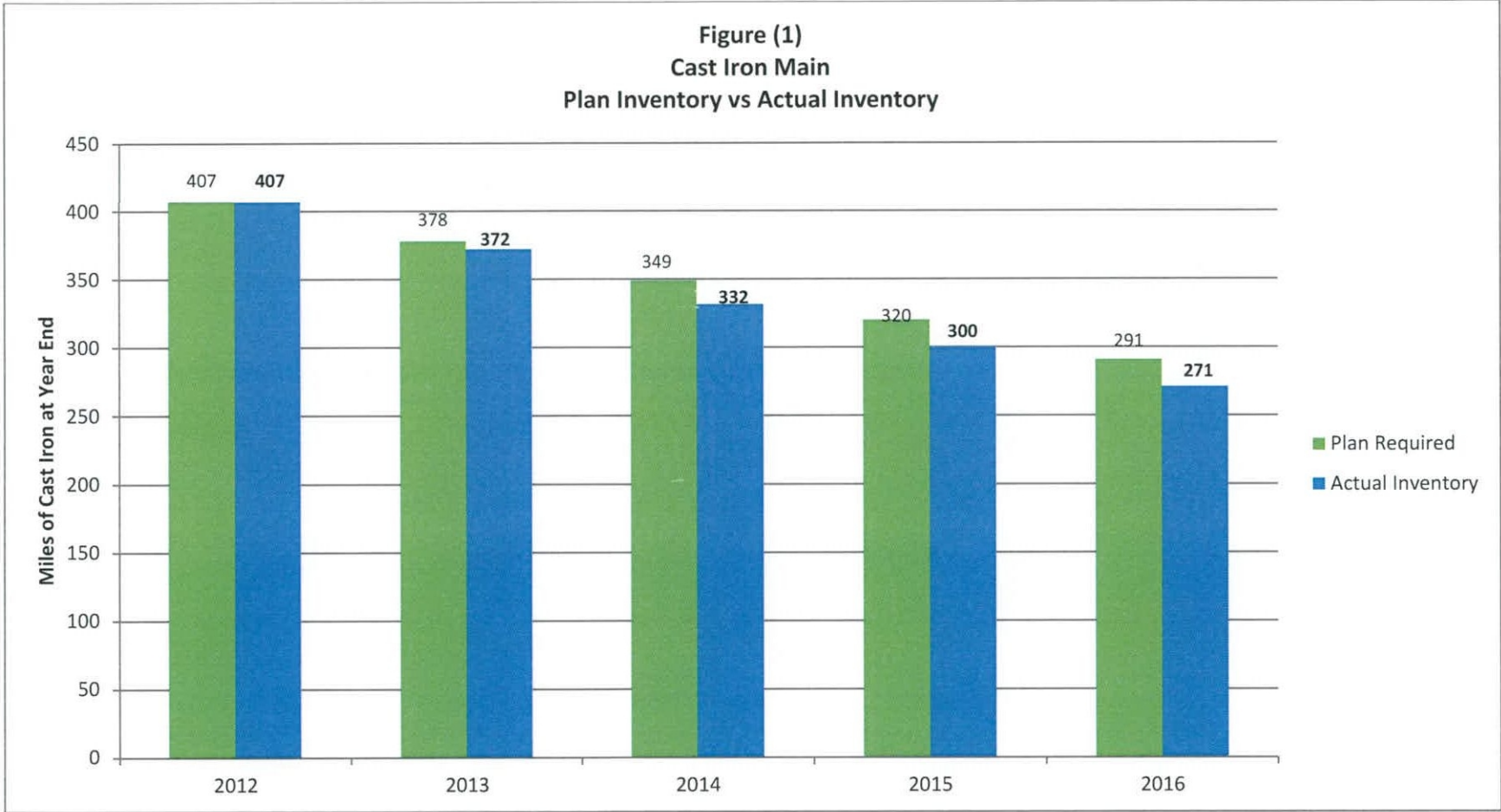
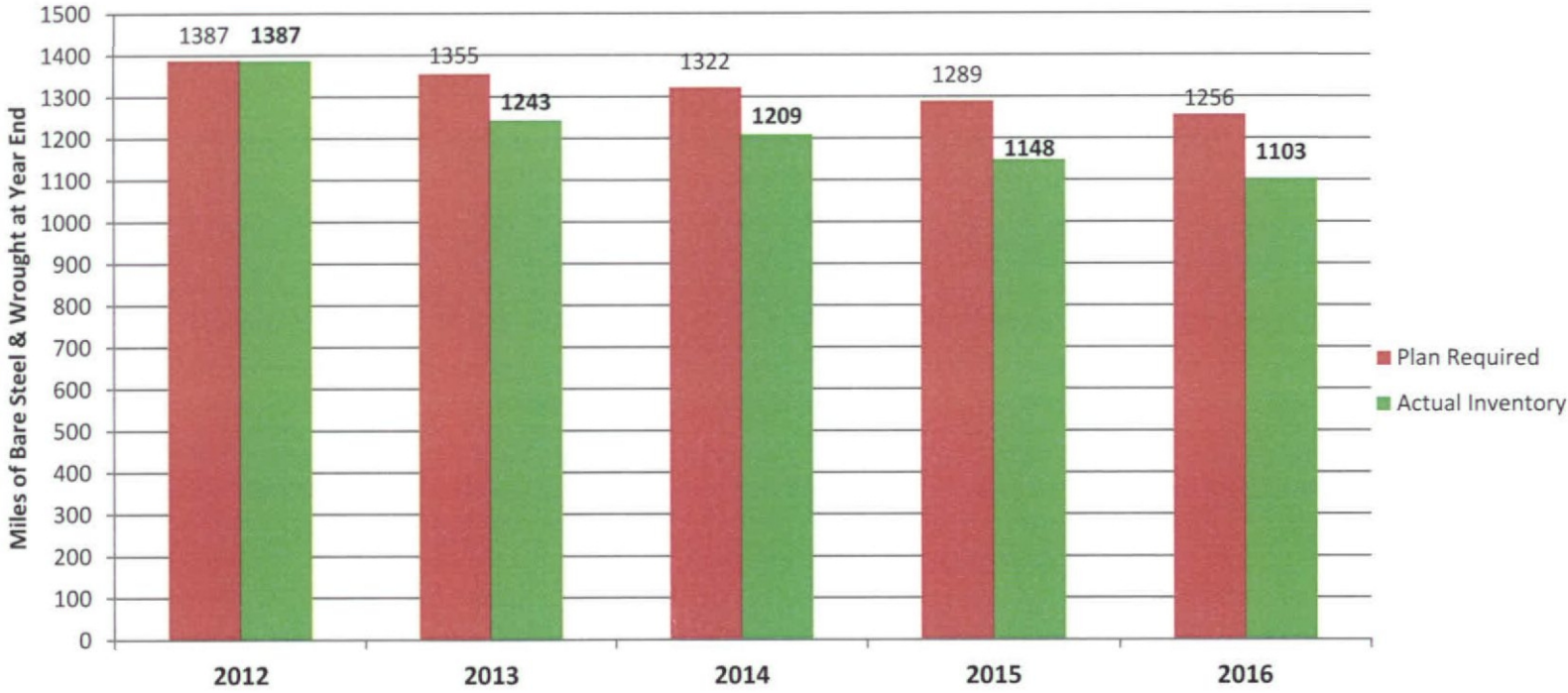


Figure (2)
Bare Steel / Wrought Iron Main
Plan Inventory vs Actual Inventory





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