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RECEIVED

April 29, 2011

APR 29 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

SENT VIA FEDERAL EXPRESS

RE: **Annual Electric System Reliability Report
3 Years Ending December 31, 2010**

Dear Secretary McNulty:

Pursuant to the Commission's May 7, 2004 Final Rulemaking Order amending Electric Service Reliability Regulations (52 Pa. Code §§57.191 - 57.197) at Docket Nos. L-00030161 and M-00991220, UGI Utilities, Inc. - Electric Division ("UGI") hereby files an original and six copies of its Annual System Reliability Report. This report contains SAIDI, SAIFI, and CAIDI results on a 3-year rolling basis for the period ending December 31, 2010 along with the raw data from the same period. Also included are the Inspection & Maintenance Goals, Operations & Maintenance Expense, and Capital Budget data.

The Office of Consumer Advocate, the Office of Small Business Advocate, the Bureau of Audits, and the Bureau of Conservation, Economics and Energy Planning have each been served with copies of this filing.

Questions related to the attached report should be directed to Ms. Abigail J. Hemmerich at (610) 796-3431 or email ahemmerich@ugi.com.

Sincerely,

Robert R. Stoyko
Vice President – Northern Region

Attachment

cc: **FEDERAL EXPRESS**

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UGI Utilities, Inc. – Electric Division
Annual System Reliability Report
2010

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April 29, 2011

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

§ 57.195(b)(1) – An overall current assessment of the state of the system reliability in the EDC’s service territory including a discussion of the EDC’s current programs and procedures for providing reliable electric service.

A key objective of UGI Utilities, Inc. – Electric Division (“UGI” or “Company”) is to provide its customers with safe, reliable electric service. Providing reliable service is not a program unto itself, but rather it is an inherent part of every element of the service delivery process. Each segment of service delivery, including system design, construction, and operation and maintenance, has service reliability as its main objective.

The overall performance of the UGI delivery system in 2010 was satisfactory. This is evidenced by UGI’s SAIDI, SAIFI, and CAIDI indices. These measurements have consistently fallen well within the established standards and benchmarks.

System Design

System design is fundamental to providing reliable electric service. To that end, UGI has incorporated service reliability into all aspects of its system design. Planning standards, construction standards, component selection, engineering, engineering training, engineering instructions and System Control and Data Acquisition (“SCADA”) integration programs all have service reliability as a fundamental consideration.

Construction

No matter how well an electrical system is designed, the components making it up must be properly assembled in order for it to function as intended. UGI construction personnel possess the necessary knowledge and skills to effectively perform their duties. Post construction inspection programs assure that additions and improvements to the system are completed properly.

Operation

A continuously staffed operations center is in place to assure quick response to interruptions on the delivery system. The center is staffed by system operators who diagnose system problems and mount a rapid and appropriate response to trouble on the system.

There are service personnel on duty eight hours a day during weekdays and on Saturdays. An evening shift service person is scheduled during weekdays to provide quick response to service interruption calls. Call-out rosters are in place to mobilize staff when service personnel are not on duty or when additional resources are required.

UGI has in place a trouble reporting system, which allows it to gather information on system interruptions. The information accumulated in this system is analyzed to spot equipment failure trends and outage clusters. This information is also used to spot weaknesses in the system and to make decisions on allocation of resources for maintenance and/or system upgrades.

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

Maintenance

UGI has completed its program to replace defective fuse cutouts. These devices were purchased from A. B. Chance and installed on UGI's system during the 1990 to 1998 timeframe. They have experienced an above-average failure rate and had been the noted source of an increase in outages caused by equipment failure on UGI's system. UGI has not identified any other sources of abnormal failures on its system.

UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report

§ 57.195(b)(2) – A description of each major event that occurred during the year being reported on, including the time and duration of the event, the number of customers affected, the cause of the event and any modified procedures adopted to avoid or minimize the impact of similar events in the future.

- (i) Under Title 52, Pa. Code §57.192, a major event is defined as either:
 - a) An interruption of electric service resulting from conditions beyond the control of the electric distribution company which affects at least 10% of the customers in the EDC's service territory during the course of the event for a duration of 5 minutes each or greater. The event begins when notification of the first interruption is received and ends when service to all customers affected by the event is restored.
 - b) An unscheduled interruption of electric service resulting from an action taken by an electric distribution company to maintain the adequacy and security of the electrical system, including emergency load control, emergency switching and energy conservation procedures, as described in §57.52 (relating to emergency load control and energy conservation by electric utilities), which affects at least one customer.
- (ii) A major event does not include scheduled outages in the normal course of business or an electric distribution company's actions to interrupt customers served under interruptible rate tariffs.

No major events occurred during the 2010 reporting year. A major event occurred in 2008 and has been discussed in previous reports.

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

§ 57.195(b)(3) – A table showing the actual values of each of the reliability indices (SAIFI, CAIDI, SAIDI, and if available, MAIFI) for the EDC’s service territory for each of the preceding 3 calendar years. The report shall include the data used in calculating the indices, namely the average number of customers served, the number of sustained customer minutes interruptions, the number of customers affected and the minutes of interruption.

The reliability results for UGI’s service area over the last three years are as follows:

2008 – 2010 Reliability Statistics

	SAIDI	SAIFI	CAIDI
3-Year Avg. Standard	170	0.91	186
UGI 3-Yr. Rolling Avg.	73	0.64	114

	SAIDI	SAIFI	CAIDI
12-Month Standard	256	1.12	228
12-Month Benchmark	140	0.83	169
2010 UGI Results	48	0.48	99
2009 UGI Results	80	0.76	105
2008 UGI Results	90	0.67	135

The 3-year rolling averages for SAIFI, SAIDI and CAIDI are performing within the standards established by Commission Order at Docket No. M-00991220 on May 7, 2004. It is important to note that moderate weather during these years has favorably impacted UGI’s reliability results.

Data necessary to calculate a Momentary Average Interruption Frequency Index (MAIFI) is not available for UGI’s service area. As previously discussed with the Commission, UGI currently has no plan to install the equipment required to track momentary interruptions on the hundreds of operating distribution devices located throughout its territory. The basis for this decision is the high cost associated with the purchase and installation of these devices with little commensurate benefit.

**UGI Utilities, Inc. – Electric Division
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	Raw Data				Reported Indices		
	SI	TCI	TCB	TMCI	SAIDI	SAIFI	CAIDI
January-2010	18	1,311	62,225	254,514	4	0.02	194
February-2010	8	26	62,234	4,583	0	0.00	176
March-2010	34	2,631	62,241	357,564	6	0.04	136
April-2010	31	1,058	62,016	187,824	3	0.02	178
May-2010	37	7,688	62,115	506,729	8	0.12	66
June-2010	34	2,282	62,035	255,094	4	0.04	112
July-2010	47	4,837	62,075	453,292	7	0.08	94
August-2010	38	1,919	62,076	168,907	3	0.03	88
September-2010	52	5,843	62,087	423,086	7	0.09	72
October-2010	30	1,347	62,095	112,884	2	0.02	84
November-2010	18	206	62,248	28,030	0	0.00	136
December-2010	22	874	62,271	210,550	3	0.01	241
<i>2010 Total</i>	<i>369</i>	<i>30,022</i>	<i>62,143</i>	<i>2,963,057</i>	<i>48</i>	<i>0.48</i>	<i>99</i>
January-2009	17	526	62,377	70,175	1	0.01	133
February-2009	28	2,038	62,352	424,380	7	0.03	208
March-2009	18	7,144	62,340	273,496	4	0.11	38
April-2009	36	7,485	62,245	853,750	14	0.12	114
May-2009	37	8,639	62,155	808,467	13	0.14	94
June-2009	51	5,948	62,120	575,300	9	0.10	97
July-2009	28	6,488	62,092	439,522	7	0.10	68
August-2009	31	4,387	62,017	958,462	15	0.07	218
September-2009	24	317	61,944	47,667	1	0.01	150
October-2009	32	1,095	62,002	77,320	1	0.02	71
November-2009	23	748	62,055	133,143	2	0.01	178
December-2009	22	2,420	62,145	315,604	5	0.04	130
<i>2009 Total</i>	<i>347</i>	<i>47,235</i>	<i>62,154</i>	<i>4,977,286</i>	<i>80</i>	<i>0.76</i>	<i>105</i>
January-2008	28	3,512	62,218	631,227	10	0.06	180
February-2008	30	725	62,249	103,682	2	0.01	143
March-2008	21	3,631	62,169	137,517	2	0.06	38
April-2008	24	513	62,140	47,534	1	0.01	93
May-2008	18	3,079	62,121	363,112	6	0.05	118
June-2008	43	2,802	61,966	705,586	11	0.05	252
July-2008	84	5,902	62,000	1,223,717	20	0.10	207
August-2008	38	6,551	62,135	1,017,365	16	0.11	155
September-2008	38	923	62,115	194,404	3	0.01	211
October-2008	23	2,051	62,172	357,582	6	0.03	174
November-2008	17	897	62,234	132,135	2	0.01	147
December-2008	33	11,094	62,309	705,417	11	0.18	64
<i>2008 Total</i>	<i>397</i>	<i>41,680</i>	<i>62,152</i>	<i>5,619,278</i>	<i>90</i>	<i>0.67</i>	<i>135</i>
3-YEAR AVERAGE	371	39,646	62,150 *	4,519,874	73	0.64	114

* annual arithmetic average

SI: System Interruptions
TCI: Total Customers Interrupted
TCB: Total Customer Base
TMCI: Total Minutes Customer Interrupted

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

§ 57.195(b)(4) - A breakdown and analysis of outage causes during the year being reported on, including the number and percentage of service outages, the number of customers interrupted, and customer interruption minutes categorized by outage cause such as equipment failure, animal contact, tree related, and so forth. Proposed solutions to identified service problems shall be reported.

Outage by Cause - January 2010 through December 2010

OUTAGE CAUSE	% OF TOTAL INCIDENTS	NUMBER OF INTERRUPTIONS	CUSTOMERS INTERRUPTED	MINUTES INTERRUPTED
Animal	22.49%	83	2,367	187,122
Company Agent	0.54%	2	20	687
Construction Error	0.00%	0	0	0
Customer Problem	0.27%	1	5	1,155
Equipment Failure	28.46%	105	8,690	827,026
Lightning	2.71%	10	285	56,470
Motor Vehicle	2.98%	11	3,295	289,745
Other	0.00%	0	0	0
Public	4.88%	18	165	25,424
Structure Fire	0.00%	0	0	0
Trees	23.85%	88	8,402	1,003,140
Unknown	3.79%	14	3,950	154,446
Weather Related	4.34%	16	1,297	150,228
Weather/Snow	0.00%	0	0	0
Weather/Ice	0.00%	0	0	0
Weather/Wind	5.69%	21	1,546	267,614
TOTAL	100.00%	369	30,022	2,963,057

Proposed Solutions to Identified Problems:

The outage by cause and number of interruptions is considered normal for UGI. Currently there are no identified outage issues that lend themselves to correction through a single project or program. UGI continuously examines its system for reliability enhancements.

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

§ 57.195(b)(6) - A comparison of established transmission and distribution inspection and maintenance goals/objectives versus actual results achieved during the year being reported on. Explanations of any variances shall be included.

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Outside Plant Inspection and Maintenance Goals - FY2010

PROGRAMS	UNITS OF MEASURE	2010 TARGET	2010 ACTUAL	2010 % COMPLETE	COMMENTS
FORESTRY					
Transmission (230kv) Herbicide Application	# of Transmission R/W Acres	30	39	130.00%	Completed all of the planned work plus added some additional property to the herbicide application list.
Transmission (230kv) Line Trimming and Clearing	# of Transmission Miles	0.50	0.50	100.00%	
Transmission(230kv) Lines Patrolled for Clearance	# of Transmission Miles	17	17	100.00%	
Sub transmission (69kv) Herbicide Application	# of Sub transmission R/W Acres	120	160	133.33%	Completed all of the planned work plus added some additional property to the herbicide application list.
Sub transmission (69kv) Line Trimming and Clearing	# of Sub transmission Miles	4.20	4.20	100.00%	
Sub transmission (69kv) Lines Patrolled for Clearance	# of Sub transmission Miles	80	80	100.00%	
Distribution Herbicide Application	# of Distribution R/W Acres	50	74	148.00%	Availability of herbicide allowed for additional distribution application.
Distribution Line Trimming and Clearing	# of Trees on Distribution	40,000	41,115	102.79%	
Distribution Lines Patrolled for Clearance	# of Distribution Lines	40	42	105.00%	
Substation Herbicide Application	# of Substation Acres	21	21	100.00%	
SUBSTATIONS					
Substation Inspections	# of Substation Inspections	263	277	105.32%	
Equipment Maintenance	# of Devices Maintained	104	65	62.50%	Completed a significant portion of 2010 maintenance in 2009 in preparation for a large capital generation project (T117)
Relays	# of Relays Tested	84	73	86.90%	Completed a significant portion of 2010 testing in 2009 in preparation for a large capital generation project (T117)
Equipment Testing	# of Devices Tested	140	30	21.43%	Completed a significant portion of 2010 testing in 2009 in preparation for a large capital generation project (T117)

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

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Outside Plant Inspection and Maintenance Goals - FY2010 (cont.)

PROGRAMS	UNITS OF MEASURE	2010 TARGET	2010 ACTUAL	2010 % COMPLETE	COMMENTS
TRANSMISSION/SUBTRANSMISSION LINES					
Transmission Tower Inspection	# of Transmission Towers Inspected	101	101	100.00%	
Transmission Line Inspection	# of Transmission Line Miles	16	16	100.00%	
Transmission Tower Painting	# of Transmission Towers Painted	12	12	100.00%	
Sub transmission Tower Inspection	# of Sub transmission Towers Inspected	141	141	100.00%	
Sub transmission Pole Inspection	# of Poles Inspected/Maintained	154	154	100.00%	
Sub transmission Line Inspection	# of Sub transmission Line Miles	83	83	100.00%	
Sub transmission Towers Painting	# of Sub transmission Towers Painted	0	0	0.00%	
Sub transmission Line Maintenance	# of Sub transmission Lines Maintained	10	10	100.00%	
Sub transmission Airbreak Maintenance	# of Sub transmission Airbreaks Maintained	8	8	100.00%	
DISTRIBUTION LINES					
Poles	# of Poles Inspected/ Maintained	3,500	3,729	106.54%	
Switches	# of Switches Inspected/Maintained	0	0	0.00%	
Capacitors	# of Capacitor Inspections	153	156	101.96%	
Regulators	# of Regulators Inspected	132	132	100.00%	
Regulators	# of Regulators Maintained	2	2	100.00%	
Reclosers / Sectionizers	# of Devices Inspected/ Maintained	17	14	82.35%	Maintenance schedule did not provide sufficient time to complete the remaining three devices.
Underground Facilities	# of Devices Inspected/ Maintained	270	270	100.00%	

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

§ 57.195(b)(7) - A comparison of budgeted versus actual transmission and distribution operation and maintenance expenses for the year being reported on in total and detailed by the EDC's own functional account code or FERC account code as available. Explanations of any variances 10% or greater shall be included.

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Operation and Maintenance Expense - FY2010

CATEGORY	A/C #	2010 ACTUAL	2010 BUDGET	\$ Δ TO BUDGET	% Δ TO BUDGET	COMMENTS
FORESTRY						
Tree Trimming	T 571002	\$90,453	\$98,204	(\$7,751)		
Tree Trimming	D 593002	\$1,455,259	\$1,398,077	\$57,182		
Category Subtotal		\$1,545,712	\$1,496,281	\$49,431	3.30%	
SUBSTATIONS						
Station Expense	T 562001	\$413,597	\$453,139	(\$39,542)		Maintenance was under budget due to a focus on capital projects including the interconnection of new generation at Hunlock Power Station (T117).
Structures	T 569001	\$5,761	\$6,895	(\$1,134)		
Station Equipment, Maintenance	T 570001	\$222,439	\$285,370	(\$62,932)		
Inventory Adjustment	T 570005	\$0	\$0	\$0		
Station Expense	D 582001	\$29,147	\$46,288	(\$17,141)		
Structures	D 591001	\$1,573	\$2,955	(\$1,382)		
Station Equipment, Maintenance	D 592001	\$21,808	\$24,447	(\$2,639)		
Category Subtotal		\$694,325	\$819,094	(\$124,769)	-15.23%	
TRANSMISSION/SUBTRANSMISSION LINES						
Overhead Line Expense	T 563001	\$87,070	\$94,876	(\$7,806)		
Overhead Lines	T 571001	\$161,134	\$171,567	(\$10,433)		
Category Subtotal		\$248,204	\$266,443	(\$18,239)	-6.85%	
DISTRIBUTION LINES						
Overhead Line Expense	D 583001	\$110,807	\$129,828	(\$19,022)		Contractor crews were utilized for capital work on secondary modernization and the T117 Generation Project. Fewer transformer failures were experienced and less transformer maintenance and OCR reconditioning was needed.
Under Ground Line Expense	D 584001	\$32,904	\$57,404	(\$24,500)		
Overhead Lines	D 593001	\$1,192,858	\$1,274,851	(\$81,993)		
Overhead Lines, Adjustments	D 593005	\$1,565	\$0	\$1,565		
Underground Lines	D 594001	\$144,312	\$169,500	(\$25,188)		
Underground Lines, Adjustments	D 594005	\$0	\$0	\$0		
Line Transformers	D 595001	\$138,253	\$270,479	(\$132,226)		
Category Subtotal		\$1,620,700	\$1,902,063	(\$281,363)	-14.79%	
GRAND TOTAL		\$4,108,941	\$4,483,881	(\$374,940)	-8.36%	
TRANSMISSION TOTAL						
		\$980,454	\$1,110,051	(\$129,597)	-11.67%	
DISTRIBUTION TOTAL						
		\$3,128,487	\$3,373,830	(\$245,343)	-7.27%	

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

§ 57.195(b)(8) - A comparison of budgeted versus actual transmission and distribution capital expenditures for the year being reported on in total and detailed by the EDC's own functional account code or FERC account code as available. Explanations of any variances 10% or greater shall be included.

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Capital Expenditures - FY2010

CATEGORY	PROJECT #	2010 ACTUAL	2010 BUDGET	\$ Δ TO BUDGET	% Δ TO BUDGET	COMMENTS
DISTRIBUTION	20	\$2,141,000	\$3,081,000	(\$940,000)	-30.51%	Variance due to fewer contractor crews on the property to complete the amount of work budgeted for the year.
TRANSMISSION / SUBTRANSMISSION	40	\$65,000	\$101,000	(\$36,000)	-35.64%	Deferred replacement of 230kV insulators until 2011.
SUBSTATION	50	\$840,000	\$990,000	(\$150,000)	-15.15%	Deferred replacement of two circuit breakers at Mountain Substation until 2011 due to a focus on the T117 generation project at Hunlock.
SPECIAL PROJECTS	90	\$3,244,000	\$7,060,000	(\$3,816,000)	-54.05%	A large portion of the T117 generation project at Hunlock was carried over into 2011.
TOTAL		\$6,290,000	\$11,232,000	(\$4,942,000)	-44.00%	

**UGI Utilities, Inc. – Electric Division
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§ 57.195(b)(9) - Quantified transmission and distribution inspection and maintenance goals/objectives for the current calendar year detailed by system area (that is, transmission, substation and distribution).

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Outside Plant Inspection and Maintenance Goals - FY2011

PROGRAM	UNIT OF MEASURE	2011 TARGET	2010 TARGET	2010 ACTUAL
FORESTRY				
Transmission(230kv) Herbicide Application	# of Transmission R/W Acres	0	30	39
Transmission(230kv) Line Trimming and Clearing	# of Transmission Miles	0.00	0.50	0.50
Transmission(230kv) Lines Patrolled for Clearance	# of Transmission Miles	17	17	17
Sub transmission(69kv) Herbicide Application	# of Sub transmission R/W Acres	0	120	160
Sub transmission(69kv) Line Trimming and Clearing	# of Sub transmission Miles	0.00	4.20	4.20
Sub transmission(69kv) Lines Patrolled for Clearance	# of Sub transmission Miles	80	80	80
Distribution Herbicide Application	# of Distribution R/W Acres	0	50	74
Distribution Line Trimming and Clearing	# of Trees on Distribution	44,500	40,000	41,115
Distribution Lines Patrolled for Clearance	# of Distribution Lines	42	40	42
Substation Herbicide Application	# of Substation Acres	21	21	21
SUBSTATIONS				
Substation Inspections	# of Substation Inspections	273	263	277
Equipment Maintenance	# of Devices Maintained	70	104	65
Relays	# of Relays Tested	43	84	73
Equipment Testing	# of Devices Tested	114	140	30
TRANSMISSION/SUBTRANSMISSION LINES				
Transmission Tower Inspection	# of Transmission Towers Inspected	101	101	101
Transmission Line Inspection	# of Transmission Line Miles	16	16	16
Transmission Tower Painting	# of Transmission Towers Painted	0	12	12
Sub transmission Tower Inspection	# of Sub transmission Towers Inspected	141	141	141
Sub transmission Pole Inspection	# of Poles Inspected/Maintained	125	154	154
Sub transmission Line Inspection	# of Sub transmission Line Miles	83	83	83
Sub transmission Towers Painting	# of Sub transmission Towers Painted	9	0	0
Sub transmission Line Maintenance	# of Sub transmission Lines Maintained	10	10	10
Sub transmission Airbreak Maintenance	# of Sub transmission Airbreaks Maintained	8	8	8
DISTRIBUTION LINES				
Poles	# of Poles Inspected/ Maintained	3,600	3,500	3,729
Switches	# of Switches Inspected/Maintained	88	0	0
Capacitors	# of Capacitor Inspections	156	153	156
Regulators	# of Regulators Inspected	132	132	132
Regulators	# of Regulators Maintained	2	2	2
Reclosers/Sectionizers	# of Devices Inspected/ Maintained	12	17	14
Underground Facilities	# of Devices Inspected/ Maintained	445	270	270

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

§ 57.195(b)(10) - Budgeted transmission and distribution operation and maintenance expenses for the current year in total and detailed by the EDC's own functional account code or FERC account code as available.

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Operation and Maintenance Expense - FY2011

CATEGORY	A/C #	2011 BUDGET	2010 BUDGET	2010 ACTUAL
FORESTRY				
Tree Trimming	T 571002	\$166,475	\$98,204	\$90,453
Tree Trimming	D 593002	\$843,026	\$1,398,077	\$1,455,259
Category Subtotal		\$1,009,501	\$1,496,281	\$1,545,712
SUBSTATIONS				
Station Expense	T 562001	\$539,603	\$453,139	\$413,597
Structures	T 569001	\$9,586	\$6,895	\$5,761
Station Equipment, Maintenance	T 570001	\$288,753	\$285,370	\$222,439
Inventory Adjustment	T 570005	\$0	\$0	\$0
Station Expense	D 582001	\$48,472	\$46,288	\$29,147
Structures	D 591001	\$4,138	\$2,955	\$1,573
Station Equipment, Maintenance	D 592001	\$25,631	\$24,447	\$21,808
Category Subtotal		\$916,183	\$819,094	\$694,325
TRANSMISSION//SUBTRANSMISSION LINES				
Overhead Line Expense	T 563001	\$126,600	\$94,876	\$87,070
Overhead Lines	T 571001	\$249,611	\$171,567	\$161,134
Category Subtotal		\$376,212	\$266,443	\$248,204
DISTRIBUTION LINES				
Overhead Line Expense	D 583001	\$155,834	\$129,828	\$110,807
Under Ground Line Expense	D 584001	\$67,643	\$57,404	\$32,904
Overhead Lines	D 593001	\$853,378	\$1,274,851	\$1,192,858
Overhead Lines, Adjustments	D 593005	\$2,034	\$0	\$1,565
Underground Lines	D 594001	\$215,551	\$169,500	\$144,312
Underground Lines, Adjustments	D 594005	\$0	\$0	\$0
Line Transformers	D 595001	\$310,676	\$270,479	\$138,253
Category Subtotal		\$1,605,116	\$1,902,063	\$1,620,700
GRAND TOTAL		\$3,907,012	\$4,483,881	\$4,108,941
TRANSMISSION TOTAL		\$1,380,628	\$1,110,051	\$980,454
DISTRIBUTION TOTAL		\$2,526,384	\$3,373,830	\$3,128,487

**UGI Utilities, Inc. – Electric Division
2010 Electric Service Reliability Annual Report**

§ 57.195(b)(11) – Budgeted transmission and distribution capital expenditures for the current year in total and detailed by the EDC’s own functional account code or FERC account code as available.

CONFIDENTIAL

Capital Expenditures - FY2011

CATEGORY	PROJECT #	2011 BUDGET	2010 BUDGET	2010 ACTUAL
DISTRIBUTION	20	\$3,020,000	\$3,081,000	\$2,141,000
TRANSMISSION/SUBTRANSMISSION	40	\$144,000	\$101,000	\$65,000
SUBSTATION	50	\$1,208,000	\$990,000	\$840,000
SPECIAL PROJECTS	90	\$3,194,000	\$7,060,000	\$3,244,000
TOTAL		\$7,566,000	\$11,232,000	\$6,290,000

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§ 57.195(b)(12) – Significant changes, if any, to the transmission and distribution inspection and maintenance programs previously submitted to the Commission.

There have not been any significant changes during 2010 to the transmission and distribution inspection and maintenance programs outlined in previous reports submitted to the Commission. Starting January 1, 2011 all of the Electric Division's distribution system equipment will be inspected and maintained consistent with its Bi-Annual Inspection and Maintenance Plan as filed with the Commission. The Plan's requirements do not significantly alter UGI's prior inspection and maintenance programs.

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 UGI Utilities, Inc.
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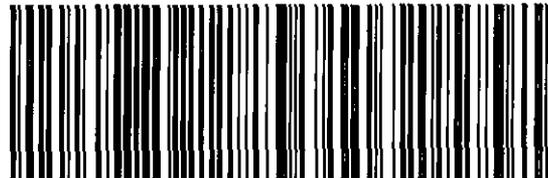
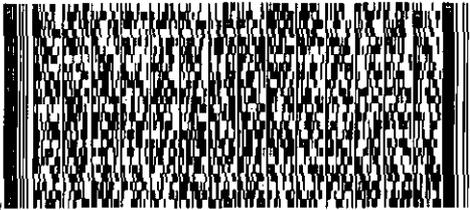
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