



UGI Utilities, Inc.
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(610) 796-3400 Telephone

February 1, 2012

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JAN 31 2012

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

Dear Secretary Chiavetta:

RE: **Quarterly Electric System Reliability Report
12 Months Ending December 31, 2011**

L-00030101

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 Quarterly System Reliability Report. This report contains SAIDI, SAIFI, and CAIDI results on a 12-month rolling basis for the period ending December 31, 2011 along with the raw data from the same period. The actual statistics continue to be favorable to the standard adopted for UGI. Also included is a breakdown of outages by cause for the 12 months ending December 31, 2011.

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
System Reliability Report:
Quarterly Update

February 1, 2012

**UGI Utilities, Inc. – Electric Division
System Reliability Report**

§ 57.195(e)(1) – A description of each major event that occurred during the preceding quarter, including the time and duration of the event, the number of customers affected, the cause of the event and any modified procedures adopted in order to avoid or minimize the impact of similar events in the future.

No major events occurred during the preceding quarter.

§ 57.195(e)(2) – Rolling 12-month reliability index values (SAIFI, CAIDI, SAIDI and if available, MAIFI) for the EDC’s service territory for the preceding quarter. The report shall include the data used in calculating the indices, namely the average number of customers served, the number of sustained customer interruptions, the number of customers affected and the customer minutes of interruption.

The 12 month rolling reliability results for UGI’s service area are as follows:

	SAIDI	SAIFI	CAIDI
12-Month Standard	256	1.12	228
12-Month Benchmark	140	0.83	169
12 months Ended December, 2011	121	0.95	128

SAIDI: System Average Interruption Duration Index
SAIFI: System Average Interruption Frequency Index
CAIDI: Customer Average Interruption Duration Index

Raw Data: January 2011 - December 2011

Month	SI	TCI	TCB	TMCI
Jan-2011	19	232	62,315	32,556
Feb-2011	27	1,852	62,344	259,124
Mar-2011	44	2,091	62,339	810,734
Apr-2011	54	9,026	62,219	1,398,878
May-2011	39	1,445	62,121	175,408
Jun-2011	49	14,923	62,095	1,527,657
Jul-2011	70	4,848	62,045	1,029,478
Aug-2011	34	6,011	62,033	698,334
Sep-2011	50	11,746	61,911	950,395
Oct-2011	28	2,278	61,870	142,418
Nov-2011	27	4,170	62,040	454,154
Dec-2011	<u>16</u>	<u>199</u>	<u>62,103</u>	<u>23,329</u>
TOTAL	457	58,821	62,120 *	7,502,465

* 12-month arithmetic average

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

Note: The numbers used in calculating these indices exclude the major events that occurred on August 28 and September 9, 2011.

SAIDI

The SAIDI value for the 12 months ending December 2011 is 121. This result is 4% higher than results reported through September 2011.

SAIFI

The 12-month rolling SAIFI index increased 8% from 0.88 in our last quarterly report to 0.95 for the period ending December 2011.

CAIDI

The CAIDI result of 128 for the 12-month reporting period ending December 2011 is down 3% from our last report.

Despite excluding the major event data noted above in § 57.195(e)(2), the UGI territory still experienced a significant amount of minor storms that caused outages due to equipment damaged by lightning, fallen trees from outside of the utility right-of-way, and wind during the current 12-month reporting period. This caused the number of interruptions to be 15% higher than experienced in 2010. This was further exacerbated by the fact that, the damage incidents occurred at locations on UGI's distribution system that impacted a proportionally larger number of customers. The number of customers affected per outage incident increased by 70% over the prior year. The combination of these two effects caused UGI's SAIFI to jump from .48 in 2010 to .95 in 2011. While this is below UGI's standard of 1.12, it is above its benchmark of .83. Despite the unfavorable change in SAIFI results, it is important to recognize the very favorable twelve month rolling average results for SAIDI and CAIDI, both of which remain significantly below both benchmark and standard targets.

**UGI Utilities, Inc. – Electric Division
System Reliability Report**

§57.195(e)(5)–Rolling 12 month breakdown and analysis of outage causes during the preceding quarter, including the number and percentage of service outages, the number of customers interrupted, and the 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 2011 – December 2011

Cause	% of Total Incidents	Number of Interruptions	Customers Interrupted	Minutes Interrupted
Animal	12.04%	55	4,381	290,711
Company Agent	0.44%	2	1,132	27,598
Construction Error	0.00%	0	0	0
Customer Problem	0.00%	0	0	0
Equipment Failure	31.29%	143	13,135	1,000,866
Lightning	12.04%	55	10,367	1,106,007
Motor Vehicle	2.63%	12	1,665	272,440
Other	0.88%	4	831	328,318
Public	3.72%	17	396	35,776
Structure Fire	0.66%	3	40	6,325
Trees	20.35%	93	16,532	2,381,700
Unknown	4.16%	19	2,851	299,283
Weather Related	0.66%	3	321	85,233
Weather/Snow	3.72%	17	399	65,708
Weather/Ice	0.22%	1	3	354
Weather/Wind	7.22%	33	6,768	1,602,146
TOTAL	100.00%	457	58,821	7,502,465

Proposed Solutions to Identified Problems:

As mentioned previously, the combination of a higher number of interruption incidents and the significantly larger number of customers affected per outage caused the SAIFI statistic to rise from .48 in 2010 to .95 in 2011. While this is a large change, it is not an unexpected result for a small utility such as UGI’s Electric Division.

UGI has initiated three projects and or actions that will help to reduce restoration times when outages occur. UGI has entered into a resources sharing agreement with Pennsylvania Rural Electric Association (PREA) member companies. That agreement was approved by the PREA membership and is expected to provide UGI access to an additional source of external resources to aid with storm damage restoration. UGI has refined the internal process for accessing and authorizing procurement of all external resources. Finally, UGI has formed a project team to implement an Outage Management System that will aid in the assessment, prioritization, and communication of outages and outage related information more effectively than its current business process. The team is in the initial stages of that project.

UGI continuously examines its system for reliability enhancements. The solutions mentioned above will aid in minimizing restoration times regardless of the size of the event.

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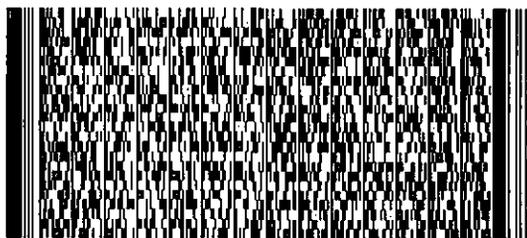
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