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APR 30 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

April 30, 2012

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: **Annual Electric System Reliability Report
3 Years Ending December 31, 2011**

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, 2011 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

c: **FEDERAL EXPRESS**

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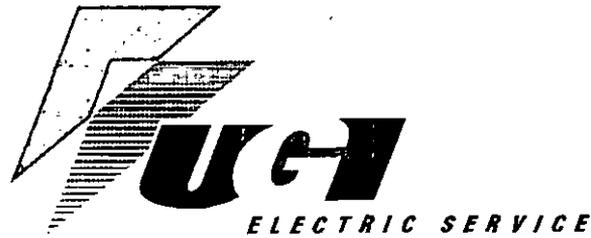
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UGI Utilities, Inc. – Electric Division
Annual System Reliability Report
2011

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April 30, 2012

**UGI Utilities, Inc. – Electric Division
2011 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.

For the twelve month period ending December 2011, UGI Utilities, Inc. – Electric Division’s (“UGI” or “Company”) SAIDI was 121 minutes. This is below both its 12 month benchmark of 140 minutes and standard of 256 minutes. UGI’s SAIFI for the 12 month period was .95 occurrences. While this was above the 12 month benchmark of .83 occurrences and significantly above its 2010 results of .48 occurrences, it is below its standard of 1.12 occurrences. The reason for this is the UGI territory 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 disproportionately larger number of customers. The number of customers affected per outage incident increased by 70% over the prior year. These factors, combined with unusually favorable weather conditions in 2010, caused UGI’s 12 month SAIFI to jump from .48 in 2010 to .95 in 2011. UGI’s CAIDI was 128 minutes for the 12 month period. This is below its 12 month benchmark of 169 minutes and 12 month standard of 228 minutes.

UGI’s objective 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.

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.

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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.

Maintenance

UGI has inspection and maintenance programs in place to monitor all equipment on its system and to address any problems identified through these programs. UGI has implemented the 2011 – 2012 Bi-annual I&M Plan filed with the Commission and has *found no significant system equipment issues during performance of the I&M Plan initiatives in 2011*.

UGI Utilities, Inc. – Electric Division
2011 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 calendar years 2009 and 2010. On September 30, 2011, UGI filed two Requests for Exclusion of Major Outage for Reliability Reporting Purposes pursuant to the Amended Reliability Benchmarks and Standards for Electric Distribution Companies, Docket No. M-00991220. All indices contained in this Annual System Reliability Report, and the raw data used to calculate them, exclude the numbers related to these two major events in calendar year 2011.

Hurricane Irene

Outages associated with Hurricane Irene affected 35,975, or approximately 58%, of UGI's customers. The first service interruptions were reported at 0227 hours on August 28, 2011. Service to the last affected customer was restored on September 7, 2011. A total of 106 utility workers and others were assigned specifically to the repair work.

The storm, which was the worst in UGI's recent history, caused the outage of five UGI's fourteen 66 kV sub-transmission lines that in turn caused the outage of five of UGI's twelve distribution substations. Restoration of these facilities was a priority and was completed by August 29, 2011. Damage was sustained to twenty-six (59%) of UGI's forty-four distribution feeders. All facility damage was caused by high winds that blew off-right-of-way trees and tree branches into UGI lines. Specifically, UGI made 1,152 work assignments to its line clearance crews, many of which involved multiple trees. This is an extraordinary number given the relatively small size of UGI's service territory.

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Tropical Storm Lee

On September 9, 2011, rains from Tropical Storm Lee hit the UGI service region causing service interruptions to 11,940 or 19% of UGI customers. The first service interruption notification from this storm occurred at 0325 hours on September 9. Service was fully restored later that day at 1327 hours. A total of 37 utility workers and others were assigned to repairs.

UGI's Kingston Substation, located in Kingston Borough is within the 100 year floodplain of the Susquehanna River and is protected by the Wyoming Valley Flood Protection Levee System. Due to the expected high river crest and concern about the ability of the levee to withstand the burden placed upon it, the Luzerne County Office of Emergency Management evacuated the Kingston area. As a precaution on September 8, 2011 UGI transferred the load from the Kingston Substation to adjacent substations and evacuated critical equipment.

UGI's Plymouth and Hunlock substations are located above the 100-year floodplain as defined by the Hurricane Agnes Flood of 1972. On September 8, 2011, observers stationed at the Plymouth Substation noticed the floodwaters were rising above the 100 year flood level and were threatening that substation. Consequently, Plymouth Substation was removed from service on an emergency basis and its load was transferred to the Hanover and Hunlock Substations. Additionally, vital equipment was moved to higher ground. At that time, access to Hunlock Substation was not possible as it became surrounded by floodwaters. September 9, 2011 the Susquehanna River crested 21.6 feet above Flood Stage, two feet higher than the 1972 Hurricane Agnes flood event. The floodwater made contact with the relay control equipment causing the Hunlock substation to trip out of service. In addition, the loss of three adjacent distribution substations in the Susquehanna River Flood plain led to an overload condition at the Hanover Substation causing portions of it to automatically trip out of service as well.

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 begun a project to implement an automated 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. A project team has been assembled and UGI is currently in the early stages of that project. The solutions mentioned above will aid in minimizing restoration times regardless of the size of the event.

**UGI Utilities, Inc. – Electric Division
2011 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:

2009 – 2011 Reliability Statistics

	SAIDI	SAIFI	CAIDI
3-Year Avg. Standard	170	0.91	186
UGI 3-Yr. Rolling Avg.	83	0.73	113

	SAIDI	SAIFI	CAIDI
12-Month Standard	256	1.12	228
12-Month Benchmark	140	0.83	169
2011 UGI Results	121	0.95	128
2010 UGI Results	48	0.48	99
2009 UGI Results	80	0.76	105

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 2009 and 2010 has favorably impacted UGI’s reliability results. The results for 2011 are indicative of a weather pattern where even minor storms resulted in damages to the UGI system at points that impacted a disproportionately large number of customers.

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.

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	Raw Data				Reported Indices		
	SI	TCI	TCB	TMCI	SAIDI	SAIFI	CAIDI
January-2011	19	232	62,315	32,556	1	0.00	140
February-2011	27	1,852	62,344	259,124	4	0.03	140
March-2011	44	2,091	62,339	810,734	13	0.03	388
April-2011	54	9,026	62,219	1,398,878	22	0.15	155
May-2011	39	1,445	62,121	175,408	3	0.02	121
June-2011	49	14,923	62,095	1,527,657	25	0.24	102
July-2011	70	4,848	62,045	1,029,478	17	0.08	212
August-2011	34	6,011	62,033	698,334	11	0.10	116
September-2011	50	11,746	61,911	950,395	15	0.19	81
October-2011	28	2,278	61,870	142,418	2	0.04	63
November-2011	27	4,170	62,040	454,154	7	0.07	109
December-2011	16	199	62,103	23,329	0	0.00	117
<i>2011 Total</i>	<i>457</i>	<i>58,821</i>	<i>62,120</i>	<i>7,502,465</i>	<i>121</i>	<i>0.95</i>	<i>128</i>
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>
3-YEAR AVERAGE	391	45,359	62,139 *	5,147,603	83	0.73	113

* annual arithmetic average

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

**UGI Utilities, Inc. – Electric Division
2011 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 2011 through December 2011

OUTAGE 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:

UGI has not identified any particular source of outage as problematic. Based upon its analysis of the outage data, UGI's system performance results for 2011 are indicative of 15% more weather related outages and having 70% more customers affected by each outage. This is not unexpected because, as a small system, UGI is subject to a high level of variability in system damage due to weather.

**UGI Utilities, Inc. – Electric Division
2011 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 - FY2011

PROGRAMS	UNITS OF MEASURE	2011 TARGET	2011 ACTUAL	2011 % COMPLETE	COMMENTS
FORESTRY					
Transmission (230kv) Herbicide Application	# of Transmission R/W Acres	0	40	0.00%	Treated tower bases and a section of R/W where tree invasion was at a medium density.
Transmission (230kv) Line Trimming and Clearing	# of Transmission Miles	0.00	17.00	0.00%	Trimming was performed to ensure that the appropriate R/W width was maintained.
Transmission(230kv) Lines Patrolled for Clearance	# of Transmission Miles	17	17	100.00%	
Sub transmission (69kv) Herbicide Application	# of Sub transmission R/W Acres	0	0	0.00%	
Sub transmission (69kv) Line Trimming and Clearing	# of Sub transmission Miles	0.00	1.10	0.00%	Performed a small amount of clearance work during inclement weather as fill work for the crews.
Sub transmission (69kv) Lines Patrolled for Clearance	# of Sub transmission Miles	80	80	100.00%	
Distribution Herbicide Application	# of Distribution R/W Acres	0	0	0.00%	
Distribution Line Trimming and Clearing	# of Trees on Distribution	44,500	35,800	80.45%	Lost a full month of distribution line clearance work due to Hurricane Irene follow-up work.
Distribution Lines Patrolled for Clearance	# of Distribution Lines	42	17	40.48%	The 2011 Target did not reflect the implementation of the UGI I&M Plan which requires a patrol of 50% of the overhead distribution line miles each year. UGI completed a patrol of 17 circuits covering 574 miles which was 100% of our goal under the I&M Plan.
Substation Herbicide Application	# of Substation Acres	21	21	100.00%	
SUBSTATIONS					
Substation Inspections	# of Substation Inspections	273	279	102.20%	
Equipment Maintenance	# of Devices Maintained	70	51	72.86%	Previously open Substation Supervisor position caused the delay of some maintenance and testing..
Relays	# of Relays Tested	43	49	113.95%	Time and switching allowed for additional relay testing.
Equipment Testing	# of Devices Tested	114	63	55.26%	Previously open Substation Supervisor position caused the delay of some maintenance and testing.

**UGI Utilities, Inc. – Electric Division
2011 Electric Service Reliability Annual Report**

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Outside Plant Inspection and Maintenance Goals - FY2011 (cont.)

PROGRAMS	UNITS OF MEASURE	2011 TARGET	2011 ACTUAL	2011 % 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	0	0	0.00%	
Sub transmission Tower Inspection	# of Sub transmission Towers Inspected	141	141	100.00%	
Sub transmission Pole Inspection	# of Poles Inspected/Maintained	125	132	105.60%	
Sub transmission Line Inspection	# of Sub transmission Line Miles	83	83	100.00%	
Sub transmission Towers Painting	# of Sub transmission Towers Painted	9	9	100.00%	
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	3,600	3,713	103.14%	
Switches	# of Switches Inspected/Maintained	88	18	20.45%	Limited contractor resources due to several large pole attachment projects, plus end of year storm work.
Capacitors	# of Capacitor Inspections	156	156	100.00%	
Regulators	# of Regulators Inspected	132	168	127.27%	
Regulators	# of Regulators Maintained	2	2	100.00%	
Reclosers / Sectionizers	# of Devices Inspected/ Maintained	12	0	0.00%	Limited contractor resources due to several large pole attachment projects, plus end of year storm work.
Underground Facilities	# of Devices Inspected/ Maintained	445	177	39.78%	Linemen retirements and staffing transition delayed underground inspections in 2011.

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§ 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 - FY2011

CATEGORY	A/C #	2011 ACTUAL	2011 BUDGET	\$ Δ TO BUDGET	% Δ TO BUDGET	COMMENTS
FORESTRY						
Tree Trimming	T 571002	\$142,727	\$166,475	(\$23,748)		Delta is due to near normal tree trimming expenditures in comparison to a budgeting flaw for 2011.
Tree Trimming	D 593002	\$1,260,638	\$843,026	\$417,612		
Category Subtotal		\$1,403,366	\$1,009,501	\$393,865	39.02%	
SUBSTATIONS						
Station Expense	T 562001	\$382,362	\$539,603	(\$157,241)		Substation expenses under budget due to staffing transitions and a focus on several capital projects including the replacement of the Hunlock transformer, installation of Disturbance Monitoring Equipment at Mountain and replacement of CB 66295 at Mountain.
Structures	T 569001	\$3,893	\$9,586	(\$5,694)		
Station Equipment, Maintenance	T 570001	\$218,173	\$288,753	(\$70,579)		
Inventory Adjustment	T 570005	\$0	\$0	\$0		
Station Expense	D 582001	\$37,746	\$48,472	(\$10,727)		
Structures	D 591001	\$2,194	\$4,138	(\$1,945)		
Station Equipment, Maintenance	D 592001	\$23,818	\$25,631	(\$1,813)		
Category Subtotal		\$668,185	\$916,183	(\$247,998)	-27.07%	
TRANSMISSION / SUBTRANSMISSION LINES						
Overhead Line Expense	T 563001	\$116,680	\$126,600	(\$9,920)		Delta is due to slightly higher transmission / subtransmission expenditures (additional R/W work) and an incorrectly budgeted amount for 2011.
Overhead Lines	T 571001	\$183,694	\$249,611	(\$65,917)		
Category Subtotal		\$300,375	\$376,212	(\$75,837)	-20.16%	
DISTRIBUTION LINES						
Overhead Line Expense	D 583001	\$132,364	\$155,834	(\$23,471)		The bulk of the increase is due to costs associated with Hurricane Irene storm restoration work.
Under Ground Line Expense	D 584001	\$31,245	\$67,643	(\$36,398)		
Overhead Lines	D 593001	\$1,705,418	\$853,378	\$852,041		
Overhead Lines, Adjustments	D 593005	-\$42	\$2,034	(\$2,076)		
Underground Lines	D 594001	\$145,850	\$215,551	(\$69,701)		
Underground Lines, Adjustments	D 594005	\$0	\$0	\$0		
Line Transformers	D 595001	\$174,486	\$310,676	(\$136,190)		
Category Subtotal		\$2,189,321	\$1,605,116	\$584,206	36.40%	
GRAND TOTAL		\$4,561,247	\$3,907,012	\$654,235	16.75%	
TRANSMISSION TOTAL		\$1,047,530	\$1,380,628	(\$333,098)	-24.13%	
DISTRIBUTION TOTAL		\$3,513,717	\$2,526,384	\$987,334	39.08%	

**UGI Utilities, Inc. – Electric Division
2011 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 - FY2011

CATEGORY	PROJECT #	2011 ACTUAL	2011 BUDGET	\$ Δ TO BUDGET	% Δ TO BUDGET	COMMENTS
DISTRIBUTION	20	\$2,341,000	\$3,020,000	(\$679,000)	-22.48%	Focus on "make-ready" work for several large pole attachment projects, reduced spending on replacement meters, storm restoration work and subsequent follow-up work resulting from Hurricane Irene during the month of September
TRANSMISSION / SUBTRANSMISSION	40	\$170,000	\$144,000	\$26,000	18.06%	Unbudgeted project to repair several tower foundations on the Mountain - Lincoln St. line.
SUBSTATION	50	\$808,000	\$1,208,000	(\$400,000)	-33.11%	Several capital projects were deferred until 2012 including replacement of a 66kV Mountain circuit breaker (CB), a 13kV CB at Hanover and reverse power relays for Hanover and Kingston.
SPECIAL PROJECTS	90	\$2,805,000	\$3,194,000	(\$389,000)	-12.18%	T117 Project (related to generation interconnection at Hunlock) and the OPGW project for the Mountain-Susquehanna 230kV lines were completed under budget.
TOTAL		\$6,124,000	\$7,566,000	(\$1,442,000)	-19.06%	

**UGI Utilities, Inc. – Electric Division
2011 Electric Service Reliability Annual Report**

§ 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 - FY2012

PROGRAM	UNIT OF MEASURE	2012 TARGET	2011 TARGET	2011 ACTUAL
FORESTRY				
Transmission(230kv) Herbicide Application	# of Transmission R/W Acres	0	0	40
Transmission(230kv) Line Trimming and Clearing	# of Transmission Miles	0.00	0.00	17.00
Transmission(230kv) Lines Patrolled for Clearance	# of Transmission Miles	17	17	17
Sub transmission(69kv) Herbicide Application	# of Sub transmission R/W Acres	0	0	0
Sub transmission(69kv) Line Trimming and Clearing	# of Sub transmission Miles	3.00	0.00	1.10
Sub transmission(69kv) Lines Patrolled for Clearance	# of Sub transmission Miles	80	80	80
Distribution Herbicide Application	# of Distribution R/W Acres	100	0	0
Distribution Line Trimming and Clearing	# of Trees on Distribution	40,000	44,500	35,800
Distribution Lines Patrolled for Clearance	# of Distribution Line Miles (updated)	550	550	574
Substation Herbicide Application	# of Substation Acres	21	21	21
SUBSTATIONS				
Substation Inspections	# of Substation Inspections	273	273	279
Equipment Maintenance	# of Devices Maintained	70	70	51
Relays	# of Relays Tested	68	43	49
Equipment Testing	# of Devices Tested	91	114	63
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	0	0
Sub transmission Tower Inspection	# of Sub transmission Towers Inspected	141	141	141
Sub transmission Pole Inspection	# of Poles Inspected/Maintained	141	125	132
Sub transmission Line Inspection	# of Sub transmission Line Miles	83	83	83
Sub transmission Towers Painting	# of Sub transmission Towers Painted	9	9	9
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	3,700	3,600	3,713
Switches	# of Switches Inspected/Maintained	69	88	18
Capacitors	# of Capacitor Inspections	156	156	156
Regulators	# of Regulators Inspected	168	132	168
Regulators	# of Regulators Maintained	4	2	2
Reclosers/Sectionizers	# of Devices Inspected/ Maintained	15	12	0
Underground Facilities	# of Devices Inspected/ Maintained	765	445	177

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§ 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 - FY2012

CATEGORY	A/C #	2012 BUDGET	2011 BUDGET	2011 ACTUAL
FORESTRY				
Tree Trimming	T 571002	\$178,332	\$166,475	\$142,727
Tree Trimming	D 593002	\$1,109,621	\$843,026	\$1,260,638
Category Subtotal		\$1,287,953	\$1,009,501	\$1,403,366
SUBSTATIONS				
Station Expense	T 562001	\$372,450	\$539,603	\$382,362
Structures	T 569001	\$7,190	\$9,586	\$3,893
Station Equipment, Maintenance	T 570001	\$219,230	\$288,753	\$218,173
Inventory Adjustment	T 570005	\$0	\$0	\$0
Station Expense	D 582001	\$45,833	\$48,472	\$37,746
Structures	D 591001	\$3,000	\$4,138	\$2,194
Station Equipment, Maintenance	D 592001	\$24,033	\$25,631	\$23,818
Category Subtotal		\$671,735	\$916,183	\$668,185
TRANSMISSION / SUBTRANSMISSION LINES				
Overhead Line Expense	T 563001	\$173,052	\$126,600	\$116,680
Overhead Lines	T 571001	\$350,901	\$249,611	\$183,694
Category Subtotal		\$523,953	\$376,212	\$300,375
DISTRIBUTION LINES				
Overhead Line Expense	D 583001	\$187,066	\$155,834	\$132,364
Under Ground Line Expense	D 584001	\$67,231	\$67,643	\$31,245
Overhead Lines	D 593001	\$1,248,087	\$853,378	\$1,705,418
Overhead Lines, Adjustments	D 593005	\$0	\$2,034	(\$42)
Underground Lines	D 594001	\$219,718	\$215,551	\$145,850
Underground Lines, Adjustments	D 594005	\$0	\$0	\$0
Line Transformers	D 595001	\$275,544	\$310,676	\$174,486
Category Subtotal		\$1,997,645	\$1,605,116	\$2,189,321
GRAND TOTAL		\$4,481,286	\$3,907,012	\$4,561,247
TRANSMISSION TOTAL		\$1,301,154	\$1,380,628	\$1,047,530
DISTRIBUTION TOTAL		\$3,180,131	\$2,526,384	\$3,513,717

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§ 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.

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Capital Expenditures - FY2012

CATEGORY	PROJECT #	2012 BUDGET	2011 BUDGET	2011 ACTUAL
DISTRIBUTION	20	\$3,136,000	\$3,020,000	\$2,341,000
TRANSMISSION/SUBTRANSMISSION	40	\$90,000	\$144,000	\$170,000
SUBSTATION	50	\$955,000	\$1,208,000	\$808,000
SPECIAL PROJECTS	90	\$200,000	\$3,194,000	\$2,805,000
TOTAL		\$4,381,000	\$7,566,000	\$6,124,000

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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 2011 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 is being 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.