



**STATEMENT OF  
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UGI UTILITIES, INC.**

**Joint Hearing of the  
Senate Veterans Affairs and Emergency Preparedness Committee and  
Consumer Protection and Professional Licensure Committee  
Utility Response to Recent Storms  
October 18, 2011**

Thank you, Chairman Tomlinson and Chairman Boscola; and Chairman Baker and Chairman Solobay for the privilege of appearing before you today. Thanks as well to all members of the Senate Consumer Protection and Professional Licensure Committee, and members of the Senate Veterans Affairs and Emergency Preparedness Committee present here today.

I am Robert Stoyko, Vice President – Northern Region for UGI Utilities. I oversee both the entirety of UGI's Electric Division as well as the northern portion of UGI's gas service territory. I am here today to discuss UGI's planning, response and restoration efforts associated with three recent natural disasters: the earthquake that struck the Mid-Atlantic region; Hurricane Irene, and Tropical Storm Lee.

In addition to my oral testimony, I have submitted a written statement and have included for your information and review a copy of a PowerPoint presentation, noted as Exhibit A, that UGI Electric Division provided to the Pennsylvania Public Utility Commission (PUC) last week that summarizes our Hurricane Irene planning, response and restoration efforts.

I am pleased to be here today to represent the more than 1400 dedicated employees of UGI. These hard-working men and women live and work in the many communities served by UGI Utilities, and strive every day to safely deliver energy services to customers. It is their efforts that have created a tradition of reliable service delivery to our customers. Indeed, according to reports published by the PUC, since 2008, UGI Electric Division received the best service reliability scores among all Pennsylvania electric utilities as measured by reliability performance compared to our benchmark and standard targets.

Let me take a moment to provide you with more detailed information about the UGI Electric Division. The UGI Electric Division serves predominantly rural communities located within Luzerne and Wyoming Counties. We serve 62,096 customer accounts in these two counties, representing some 180,000 individuals. To provide service to our customers, UGI Electric Division operates and maintains 132 miles of transmission line and 1,991 miles of distribution line. The UGI Electric Division field operations staffing level has remained stable over the past seven years.



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In late August and early September of 2011, UGI Utilities experienced three natural disaster events over a three week period: an earthquake, a hurricane and a tropical storm. The two weather events caused substantial damage to the UGI Utilities system. One weather event, Hurricane Irene, turned out to be the most damaging weather event by far in the history of the UGI Electric Division. Let me repeat that point: the impact of Hurricane Irene, beginning on August 27 2011, produced the most damage UGI Electric Division ever experienced. Our system, which took many decades to build, was devastated in hours. Through much hard and dedicated work and in spite of extreme conditions, UGI Electric Division was able to restore its system in days.

Turning to the first natural disaster event, on August 23, 2011 the most powerful earthquake to strike the East Coast in 67 years shook East Coast communities from South Carolina to Maine. The quake measured 5.8 on the Richter scale and shook structures across the UGI Utilities service territory. Immediately following the quake, the Company employees began a survey to determine if there was any damage to transmission or distribution infrastructure. We were able to ascertain that our natural gas and electric systems had sustained no damage.

Just as we confirmed that our systems had suffered no damage from the earthquake, we received word that the storm track for Hurricane Irene would take it up the east coast and that it would make landfall in or around New York City.

All of us living in areas affected by Hurricane Irene know how devastating the storm was to our communities. Hurricane Irene was an enormous storm that caused an extreme amount of damage to electric systems up and down the east coast. Ultimately, some 65 million Americans were impacted by the storm and every electric utility from North Carolina to Maine experienced difficulty in restoring power to consumers. Additionally, due to the expanse of the storm, the restoration assistance normally available through mutual aid organizations and regional utilities was extremely limited.

As mentioned earlier in this testimony, within the UGI Electric Division service territory, the storm did unprecedented damage. Specifically, Hurricane Irene damaged five UGI Electric Division transmission feeders in addition to a significant portion of our distribution system, which resulted in extensive power outages throughout our service area. Nearly 36,000 customers - 58% of the UGI Electric Division total - experienced outages due to Hurricane Irene. All told, the storm created 1,152 line clearance assignments to be made, 1043 spans of wire to be replaced or repaired and 39 poles to be replaced in the days following Hurricane Irene. Damage and associated repairs for this storm were four to eight times greater than the worst storms in UGI's history, far exceeding the damage caused by any previous storm including Hurricane Agnes in 1972.

The extreme amount of damage occurred despite extensive efforts to plan for and prepare for the storm that began many days before Hurricane Irene struck. On August 23, four days before Hurricane Irene struck, the UGI Electric Division service territory, response planning commenced. UGI Electric Division leadership conducted weather forecast assessments, and assessed manpower resources needed to respond to the projected storm impact. Weather data provided by PUC staff was also used in our storm assessments. On August 25, as the storm drew closer to the Mid-Atlantic region, UGI Electric Division response assessment and planning activities increased in tempo. Local emergency management service



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(EMS) outreach commenced on August 26, the same day UGI Electric Division managers conducted their formal planning session and began implementation of the Company's Emergency Response Plan. On the same date, UGI Electric Division conducted an inventory review of critical supplies and equipment, and began staging critical materials at key locations within the Company service territory.

Our careful preparations allowed UGI crews to commence response and restoration efforts even before Hurricane Irene left the region. UGI Electric Division crews worked tirelessly to restore power to customers. More than 100 field personnel worked 16 hour shifts round-the-clock to bring power back to our customers. These crews only stopped for crew rest periods to ensure safety. Crews continued to work this shift schedule following the storm until all UGI Electric Division customers had their service restored. I would like to take this opportunity to thank our union field employees for their hard work and commitment to serving our customers.

Our crews did a magnificent job. In less than two days, UGI Electric Division had restored more customers than were restored during the six day restoration period following Hurricane Floyd. Unfortunately, due to the rural nature of our service territory and the extraordinary damage caused by the storm, it took us longer than we hoped to bring all of our customers back on line.

Let me pause for a moment to say a few words about our customers. I begin by thanking them for their patience during the Hurricane Irene storm response. I know how frustrating it was to have to deal with a power outage. All of us at UGI are sorry for the terrible inconvenience those customers affected by the storm faced. Like you, Senator Baker, I live within the UGI Electric Division service territory and my power was out for a number of days. Indeed, many UGI employees working to restore power to customers did so while their own families were without power. We know the restoration effort took a long time for certain customers. That is why everyone at UGI Electric Division worked so very hard to restore power to all affected customers as quickly as possible.

We used a wide array of communications tools to inform our customers about restoration efforts. We also undertook efforts aimed at direct interaction with customers. First, UGI Electric Division used traditional print and broadcast media to provide information to customers. Each day of the storm response, multiple public services announcements (PSAs) or news releases were provided to media. These PSAs and releases provided safety information, updates on restoration efforts, and information on the location and availability of shelters and supplies available to affected customers. This information was also provided to UGI's Call Center staff to assure that customers who contacted us by phone were provided the most up to date information on outage safety and our storm restoration efforts.

Knowing that many of our customers were able to reach the web via handheld electronic devices and 'smart phones', we also posted all media releases to the UGI Utilities website, and utilized social media, principally UGI's Facebook page, as a further location where customers could receive regularly-updated information on restoration activities.

Acknowledging that many of our customers were without essential services due to the power outage, UGI Utilities made additional donations to various non-profit agencies such as the Red Cross and Salvation Army to ensure that shelters were open during the restoration period, and that supplies and resources were available to community members and customers affected by the storm.



We also conducted in-person sessions with affected customers. From one-on-one sessions to a public meeting conducted at the Lake-Lehman Junior-Senior High School for customers still without power days after Hurricane Irene left the service territory, UGI reached out and connected with as many customers as possible during this time. Senior company executives participated in customer outreach activities. Senator Baker, I thank you for your participation at the meeting conducted at the Lake-Lehman School where I presented storm restoration information and answered questions from customers. I also appreciate the efforts of you and your staff, and the staff of other Members present here today who worked closely with Mike Love, UGI Utilities Vice President of Government Affairs in assisting with outreach activities.

During these outreach and interaction sessions we listened carefully to customer concerns and acted on them. For example, in response to customer requests, UGI Electric Division staff made sure they posted copies of all releases and PSAs at shelter locations to ensure those without access to electronic devices had access to the latest information on restoration efforts. Additionally, based on information collected at these outreach meetings, UGI commenced outbound customer calls to affected customers in these communities. The calls informed customers of restoration efforts and addressed any remaining concerns.

Shortly after completion of Hurricane Irene restoration work, Tropical Storm Lee struck the UGI Utilities service territory. On September 7, UGI Utilities staff began flood preparations based on weather and precipitation assessments of Tropical Storm Lee. Planning focused on responding to potential damage to both the Company's natural gas and electric facilities.

Regarding natural gas facilities, meters and regulators were requested from Central Stores. Additional emergency responders and Construction and Maintenance personnel were added to on-call resources out of concern of road closures impacting our ability to respond to emergencies and contact was made with multiple emergency management groups. Flooding occurred within the UGI service territory beginning September 8 and continued through September 12. Through this period, the estimated customer outage including both the flash and river flooding was over 5,000 natural gas customers.

Within the UGI Electric Division, Tropical Storm Lee had a significant but relatively brief impact. Flooding associated with the storm took three substations out of service, cutting power to some 8,000 customers. However, the Company was able to re-route power and restored service to nearly all of those customers within several hours.

Reflecting on the UGI Utilities' response to these three natural disaster events, I am proud of the skill, hard work and dedication of the men and women who worked so tirelessly to restore service to our affected customers. However, I know that there are opportunities to improve and enhance our planning, response and restoration efforts.

On the positive side, UGI Electric Division and UGI Utilities field crews were efficient, productive and skillful in their restoration efforts. Good planning and effective scheduling allowed for the efficient staging of pole setting crews, tree trimming crews and line repair crews. Enhanced use of laptop computers in the field provided outage and mapping data to electric restoration crews as and when they needed it. Additionally, face-to-face customer meetings assisted UGI Electric Division in personally addressing customer concerns.



At UGI, we are always striving to improve emergency response capabilities. We continue to evaluate our resources and response techniques, communication approaches, information management systems and operations protocols used in our natural disaster event planning and response. We have already completed a number of changes to our future response plans.

Particularly with regard to UGI Electric Division, the purchase and installation of an already-budgeted enhanced Outage Management System will help us significantly improve our planning and communications when faced with future storms and weather events of this magnitude. We are in the early stages of assessing vendors and system functionality, with the goal to begin purchase and installation of the system by the end of this fiscal year. We also plan to explore the availability of more robust weather forecasting tools, which will be used to supplement our emergency planning along with the Outage Management System. We have already started to refine our planning and emergency resource base associated with deployment of contractor resources. We have initiated the process of joining the PREA (Pennsylvania Rural Electric Association) mutual assistance organization to supplement the Company's membership in the Mid Atlantic Mutual Assistance (MAMA) organization. We are also hosting a meeting of MAMA members this month to review lessons learned from our Hurricane Irene experiences.

We have expanded our review of communication channels used to reach customers, from personal contacts to expanded use of social media. We recently enlisted the services of a U.S.-based international consumer communication firm to assess the feasibility of developing an 'app' for smart phones which would be used to provide updates to customers on outage restoration and related information.

Finally, we believe in the power and benefit of personal contact, and plan to continue outreach protocols that allow us to personally connect with our customers. However, we are considering approaches that would commence outreach initiatives sooner in the restoration cycle to improve information flow and receive more personal information on customer questions and concerns.

In conclusion, I would like to reiterate that safety is always our focus at UGI - the safety of our customers, our communities and our employees. While the mid-Atlantic region earthquake, Hurricane Irene and Tropical Storm Lee presented unprecedented challenges to UGI Utilities, our management, administrative and bargaining unit employees - many of whom live and work in affected communities - along with the contractors working with us, did an outstanding job of restoring our system. However, we are committed to learning from this experience and will take steps to enhance and expand our capabilities to meet and respond to future severe weather-related incidents.

Thank you again for the opportunity to present this testimony to this Joint Hearing. I am happy to entertain any questions you may have.