



One UGI Drive,  
Denver, PA 17517

June 30, 2025

**VIA E-FILING**

Matthew Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Application of UGI Utilities, Inc. - Gas Division for Approval to Begin to Offer, Render, Furnish or Supply Natural Gas Distribution Service to the Public in Frailey Township, Schuylkill County, Pennsylvania  
Docket No. A-2025-\_\_\_\_\_**

Dear Secretary Homsher:

Enclosed for filing, please find a copy of the above-captioned application of UGI Utilities, Inc.- Gas Division. The filing fee in the amount of \$350.00 associated with this application was paid at the time of filing. Copies are being provided as indicated on the Certificate of Service. Should you have any questions concerning this filing, please feel free to contact me.

Very truly yours,

Lindsay A. Berkstresser

Counsel for UGI Utilities, Inc. - Gas Division

Enclosure

cc: Kriss Brown, Law Bureau, Executive Deputy Chief Counsel - Electric & Gas  
Darren Gill, Bureau of Technical Utility Services, Deputy Director

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

### VIA EMAIL AND FIRST CLASS MAIL

Allison Kaster, Esquire  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265  
akaster@pa.gov

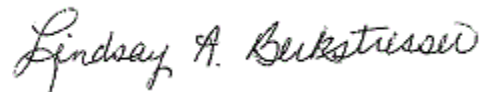
Daryl Lawrence, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
ra-oca@paoca.org

NazArah Sabree  
Office of Small Business Advocate  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
ra-sba@pa.gov

### VIA FIRST CLASS MAIL

Frailey Township Board of Supervisors  
23 Maryland St.  
Donaldson, PA 17981

Schuylkill County Commissioners  
401 North 2nd St. 3<sup>rd</sup> Floor  
Pottsville, PA 17901



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Lindsay A. Berkstresser

Date: June 30, 2025

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In re: Application of UGI Utilities, Inc. - :  
Gas Division for Approval to Begin to : Docket No. A-2025-\_\_\_\_\_  
Offer, Render, Furnish or Supply Natural :  
Gas Distribution Service to the Public in :  
Frailey Township, Schuylkill County :  
:

**APPLICATION**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to Section 1102(a)(1) of the Public Utility Code, 66 Pa.C.S. § 1102(a)(1), UGI Utilities, Inc. – Gas Division (“UGI Gas” or “Company”) files this Application for a Certificate of Public Convenience (“Application”) for approval from the Pennsylvania Public Utility Commission (“Commission”) to begin to offer, render, furnish or supply natural gas distribution service in Frailey Township, Schuylkill County, Pennsylvania.

In support thereof, UGI Gas provides the following:

1. The name and address of UGI Gas is:

UGI Utilities, Inc. – Gas Division  
1 UGI Drive  
Denver, PA 17517

2. The name and address of Applicant’s attorneys for this Application are:

Michael S. Swerling (Attorney ID No. 94748)  
Lindsay A. Berkstresser (Attorney ID No. 318370)  
500 North Gulph Road  
King of Prussia, PA 19406  
Tel.: (610) 992-3763  
Fax.: (610) 992-3258  
E-mail: swerlingm@ugicorp.com

E-mail: berkstresserl@ugicorp.com

3. UGI Utilities, Inc. (“UGI”) is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. UGI has two operating divisions through which it renders public utility service to customers, the Electric Division (“UGI Electric”) and the Gas Division.

4. UGI Gas is engaged in the business of selling and distributing natural gas to retail customers within the Commonwealth and is a “public utility” within the meaning of Section 102 of the Public Utility Code, 66 Pa. C.S. § 102, subject to the regulatory jurisdiction of the Commission. *See* 66 Pa. C.S. § 102.

5. UGI Gas provides natural gas distribution service to approximately 660,000 customers in all or part of forty-five Pennsylvania counties, as shown in the map attached hereto as **Exhibit A**.

6. UGI Gas furnishes natural gas distribution service through a distribution system containing approximately 12,315 miles of gas mains. The Company’s natural gas service is rendered under and in accordance with certificates issued by or registrations filed with the Commission or its predecessors, or unregistered powers (*e.g.*, corporate charter rights) preserved by 66 Pa. C.S. § 103 and predecessor statutes. *See* 66 Pa. C.S. § 103.

7. Through this Application, UGI Gas is requesting approval to expand its certificated service territory to begin to offer, render, furnish or supply natural gas distribution service in Frailey Township, Schuylkill County, Pennsylvania (“Requested Territory”) to provide natural gas service to two proposed industrial customers located in Frailey Township: (1) Keystone Potato Products, LLC (“Keystone”), at its existing industrial facility located at 2317

Sherman's Mountain Rd, Hegins, PA 17938; and (2) The Espoma Company ("Espoma") at its new industrial facility located adjacent to Keystone (collectively, the "Customers"). A true and correct map of the Requested Territory is attached hereto as **Exhibit B**.

8. To provide service to the Customers, UGI Gas plans to construct an approximately 10,000-foot main extension ("Main Extension"). Approximately 2,500 feet of the Main Extension will traverse through Frailey Township. The remaining footage, approximately 7,500 feet, of the Main Extension will traverse through the Company's existing service territory in Foster Township to connect to the terminus of the Company's existing facilities near the Commonwealth Environmental Systems Landfill in Hegins, PA.

9. A true and correct map showing the general planned route of UGI Gas's proposed Main Extension and its connection to the Company's existing facilities in Foster Township is attached hereto as **Exhibit C**.

10. UGI Gas is not currently certificated to provide natural gas service in Frailey Township.

11. UGI Gas anticipates annual sales of approximately 200,000 Mcf to the Customers.

12. UGI Gas anticipates that the entire construction of the Main Extension will cost approximately \$5,000,000.

13. UGI Gas is confident that annual sales to the Customers will produce annual revenues, less natural gas costs and considering depreciation and expenses, sufficient to enable UGI Gas to recover a reasonable return on its investment in the Main Extension.

14. The expenses of operating and maintaining the Main Extension and its ancillary facilities are not expected to be extraordinary or exceed the average expenses for facilities of similar size, type, and length in other parts of UGI Gas's distribution system.

15. The Company's proposed investment in the Main Extension is consistent with the Extension Regulation contained in UGI Gas's Commission-approved Tariff. *See* Supplement No. 58 to UGI Gas – Pa. P.U.C. No. 7, Fifth Revised Page No. 35.

16. No other natural gas utility or municipal corporation is now furnishing or has corporate, franchise, or certificated rights to furnish natural gas service comparable to that proposed to be rendered by UGI Gas in the Requested Territory. Thus, no competitive condition will be created if UGI Gas provides natural gas service in the Requested Territory.

17. If the Application is approved, UGI Gas will consider opportunities to provide natural gas service to additional customers in Frailey Township, subject to Commission approval. Any future development will be performed in adherence to the Company's main extension standards contained and described in its Tariff, including provisions requiring an adequate assurance of revenue or contribution in aid of construction from prospective residential, commercial and industrial customers. *See* Supplement No. 58 to UGI Gas – Pa. P.U.C. No. 7, Fifth Revised Page No. 35.

18. If the Application is approved, natural gas service will be rendered in the Requested Territory in accordance with the Public Utility Code, the Commission's regulations and orders, and UGI Gas's Commission-approved Tariff.

19. UGI Gas will charge the rates set forth in its currently effective Tariff for natural gas service provided in the Requested Territory. *See* Supplement No. 58 to UGI Gas – Pa. P.U.C. No. 7.

20. A true and correct copy of UGI Utilities, Inc.’s Balance Sheet as of December 31, 2024, is attached hereto as **Exhibit D**.

21. A true and correct copy of UGI Utilities, Inc.’s Income Statement for the 12-month period ending December 31, 2024, is attached hereto as **Exhibit E**.

22. UGI Utilities, Inc.’s authorized, issued and outstanding stocks and bonds as of December 31, 2024, are shown in the attached **Exhibit F**.

23. Attached hereto as **Exhibit G** is a *pro forma* tariff supplement containing the Company’s proposed tariff revisions that reflect the addition of the Requested Territory.

24. Attached hereto as **Exhibit H** is a Letter of Support from the Schuylkill County Economic Development Authority (“SCEDC”), which details SCEDC’s support for the proposed expansion of UGI Gas’s service territory to include Frailey Township, including because approval would provide the Customers with access to a dependable energy source to operate their existing businesses and support the future economic development of the State Route 25/Interstate 81 corridor.

25. Approval of this Application is in the public interest and necessary and proper for the service, accommodation, convenience, and safety of the public for the following reasons:

- (a) No other public utility is authorized to provide natural gas distribution service to customers in any portion of the Requested Territory;

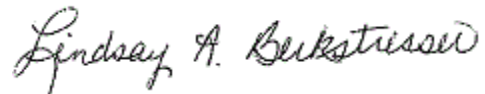
(b) UGI Gas will provide natural gas service to the Customers' industrial facilities in the Requested Territory, which will support jobs and increase tax revenue to the benefit of the local municipalities;

(c) UGI Gas will bring significant experience, professional staff and technicians, customer service support, and other customer and facilities resources to serve customers in the Requested Territory; and

(d) By expanding UGI Gas's customer base, UGI Gas's fixed costs will be spread over a greater number of customers and revenues received from new customers can help pay for system improvements elsewhere on the Company's system, to the benefit of all UGI Gas customers.

WHEREFORE, UGI Utilities, Inc. – Gas Division respectfully requests the Commission to issue a Certificate of Public Convenience under 66 Pa. C.S. §1102(a)(1), approving the provision by UGI Utilities, Inc. – Gas Division of natural gas distribution service to the public in Frailey Township, Schuylkill County, Pennsylvania.

Respectfully submitted,



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Michael S. Swerling (Attorney ID No. 49748)  
Lindsay A. Berkstresser (Attorney ID No. 318370)  
500 North Gulph Road  
King of Prussia, PA 19406  
Tel.: (610) 992-3763  
Fax.: (610) 992-3258  
E-mail: [swerlingm@ugicorp.com](mailto:swerlingm@ugicorp.com)  
E-mail: [berkstresserl@ugicorp.com](mailto:berkstresserl@ugicorp.com)

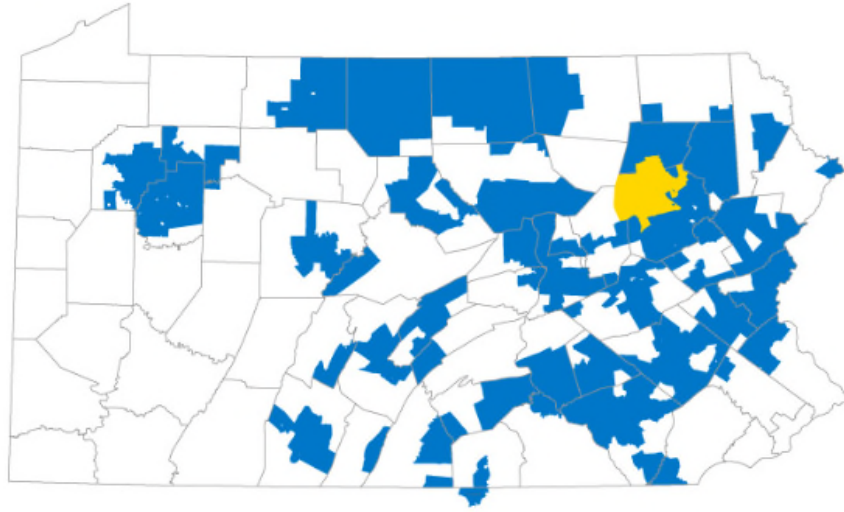
Counsel for UGI Utilities, Inc. – Gas Division

Dated: June 30, 2025

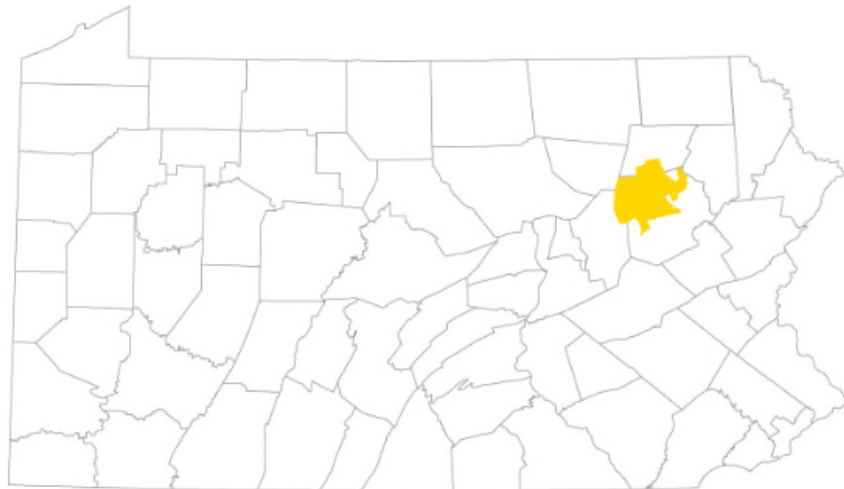
**EXHIBIT A**

**Existing Territory – UGI Gas and UGI Electric**

**All UGI Natural Gas & Electric**



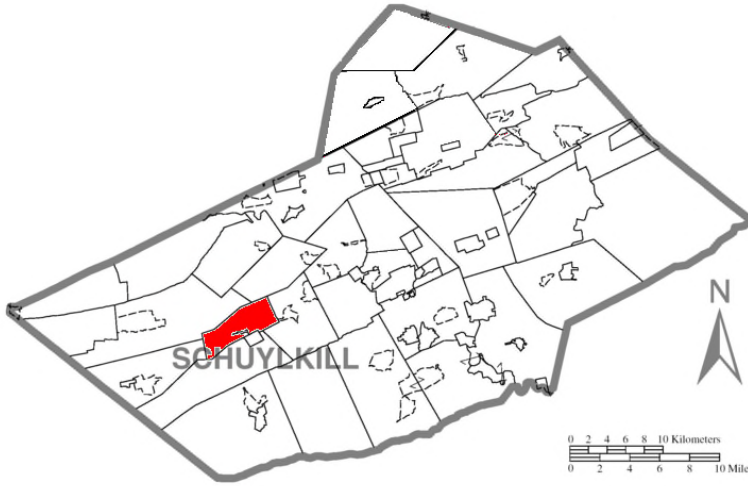
**Electric**



**EXHIBIT B**

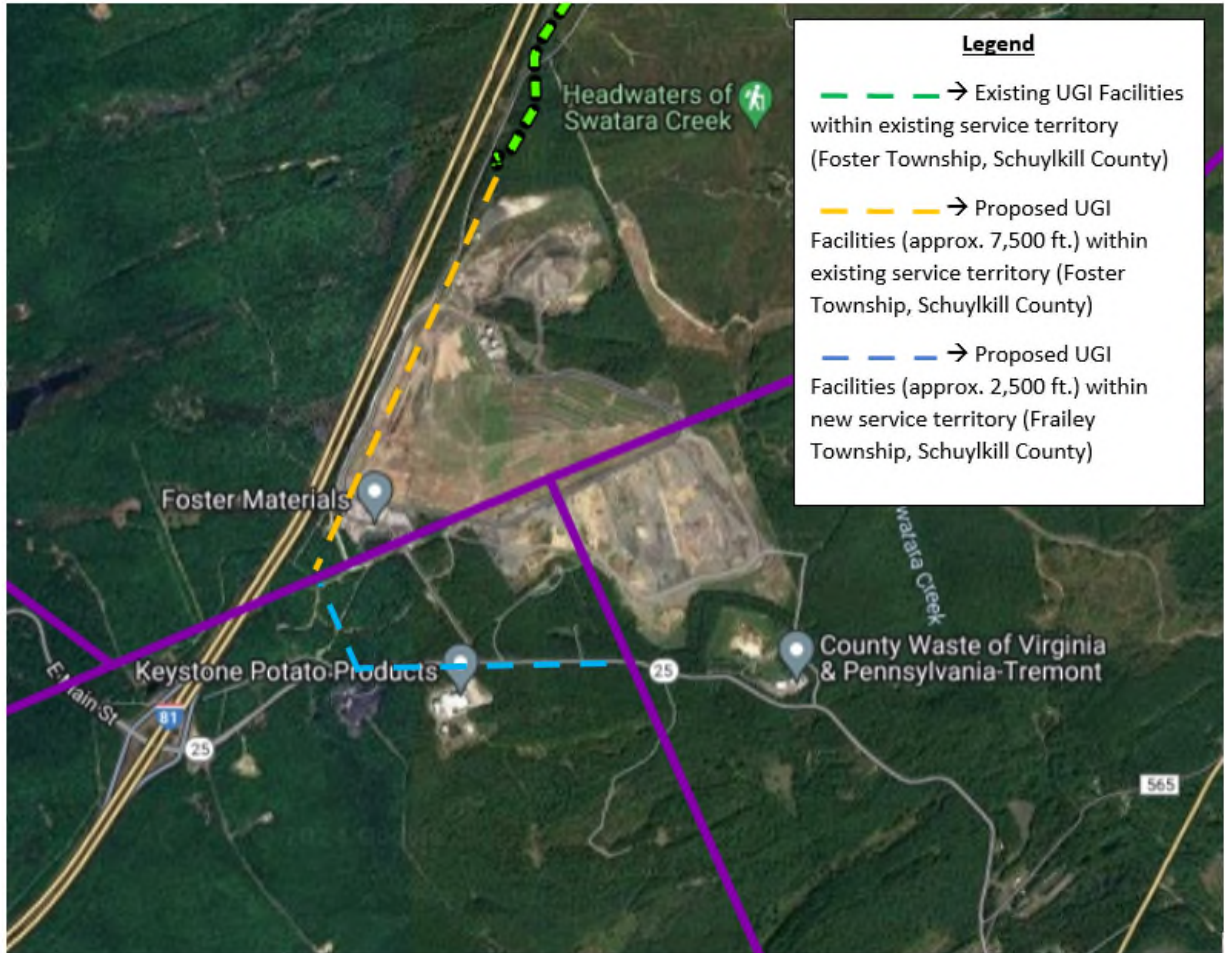
**Map of Requested Territory**

**Frailey Township, Schuylkill County, PA**



## EXHIBIT C

### Map of General Route of UGI Gas's Proposed Gas Main Extension



**EXHIBIT D**

**UGI Utilities, Inc. Balance Sheet as of December 31, 2024**

**UGI Utilities, Inc and Subsidiaries**  
**Condensed Consolidated Balance Sheet**  
**as of December 31, 2024**  
(unaudited)  
(Millions of dollars)

**ASSETS**

## Current assets:

Cash and cash equivalents	\$	12
Restricted cash		-
Accounts receivable (less allowances for doubtful accounts of \$19)		148
Accrued utility revenues		109
Inventories		60
Prepaid expenses and other current assets		36
Total current assets		365

Property, plant and equipment (less accumulated depreciation of \$1,600)

4,373

Goodwill

182

Regulatory assets

270

Other Assets

28

Total assets

\$	5,218
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**LIABILITIES AND STOCKHOLDER'S EQUITY**

## Current liabilities:

Current maturities of long-term debt	\$	6
Short-term borrowings		115
Accounts payable		111
Regulatory liabilities		12
Derivative instruments		-
Other current liabilities		147
Total current liabilities		391

Long-term debt

1,858

Deferred income taxes

560

Pension benefit obligations

28

Regulatory liabilities

292

Other noncurrent liabilities

78

Total Liabilities

3,207
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Commitments and contingencies

## Common stockholder's equity:

Common Stock		60
Additional paid-in capital		509
Retained earnings		1,455
Accumulated other comprehensive loss		(13)
Total common stockholder's equity		2,011
Total liabilities and stockholder's equity	\$	5,218

**EXHIBIT E**

**UGI Utilities, Inc. Income Statement**

**12-Month Period Ending December 31, 2024**

**UGI Utilities, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Income**  
**Twelve Months Ended December 31, 2024**  
(unaudited)  
(Millions of dollars)

Revenues	<u>\$ 1,299</u>
Cost and expenses:	
Cost of sales - gas and purchased power (excluding depreciation shown below)	507
Operating and administrative expenses	260
Operating and administrative expenses - related parties	25
Depreciation	147
Other operating expense, net	<u>(1)</u>
	<u>938</u>
Operating income	361
Pension and other postretirement plans non-service income	4
Interest expense	<u>(83)</u>
Income before income taxes	282
Income tax expense	<u>(64)</u>
Net income	<u><u>\$ 218</u></u>

**EXHIBIT F**

**UGI Utilities, Inc. Authorized, Issued, and Outstanding Stocks and Bonds**

**As of December 31, 2024**

**UGI Utilities, Inc. and Subsidiaries**  
**Debt and Outstanding Stock**  
**as of December 31, 2024**  
(unaudited)  
(Millions of dollars)

**Long-term debt**

2.95% Notes, due June 2026	\$	100
6.21% Notes, due September 2036		100
4.98% Notes, due March 2044		175
4.12% Notes, due September 2046		200
4.12% Notes, due October 2046		100
4.55% Notes, due February 2049		150
6.50% Notes, due August 2033		20
6.13% Notes, due October 2034		20
3.12% Notes, due April 2050		150
1.59% Notes, due June 2026		100
1.64% Notes, due September 2026		75
4.75% Notes, due July 2032		90
4.99% Notes, due September 2052		85
6.02% Notes, due November 2030		25
6.10% Notes, due November 2033		150
6.40% Notes, due November 2053		75
5.24% Notes, due November 2029		50
5.52% Notes, due Novembrer 2034		125
Floating Rate Term Loan, due July 2027		81
<b>Total long-term debt</b>		<b>1,871</b>
Less: current maturities of long-term debt		(6)
Less: unamortized debt issuance costs		(7)
<b>Long-Term debt per balance sheet</b>	<b>\$</b>	<b>1,858</b>

**Short-term debt**

Revolving Credit Facility - borrowings outstanding		115
Total short-term debt		115
<b>Total Debt</b>	<b>\$</b>	<b>1,986</b>

**Stock**

Common Stock Outstanding, no par value (100% owned by UGI Corporation)	\$	60
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**EXHIBIT G**

**UGI Gas's Proposed Tariff Revisions**

**UGI UTILITIES, INC. - GAS DIVISION**  
**GAS TARIFF**  
**INCLUDING THE GAS SERVICE TARIFF NO. 7**  
**AND**  
**THE CHOICE SUPPLIER TARIFF NO. 7S**

Rates and Rules  
Governing the  
Furnishing of  
Gas Service and Choice Aggregation Service  
in the  
Territory Described Herein

Issued: Effective for service rendered on  
and after

Issued By:

Paul J. Szykman  
Chief Regulatory Officer  
1 UGI Drive  
Denver, PA 17517

<https://www.ugi.com/tariffs>

# NOTICE

This tariff makes changes to the existing territory listing (see Page 2).

**LIST OF CHANGES MADE BY THIS SUPPLEMENT**  
(Page Numbers Refer to Official Tariff)

Former South Rate District - Description of Territories, Page 9.

- Frailey Townships added to list of territories.

**Former South Rate District - Description of Territories - Continued**

**NORTHAMPTON COUNTY**

Cities

Bethlehem (part) Easton

Boroughs

Bath	Freemansburg	Glendon
Hellertown	Nazareth	Northampton
North Catasauqua	Stockertown	Tatamy
West Easton	Wilson	

Townships

Allen	Bethlehem	Bushkill
East Allen	Forks	Hanover
Lower Mount Bethel	Lower Nazareth	Lower Saucon
Palmer	Upper Nazareth	Williams

**SCHUYLKILL COUNTY**

Borough

McAdoo

Townships

East Union	Kline	Frailey	(C)
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**YORK COUNTY**

Townships

Fairview	Newberry
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(C) Indicates Change

**EXHIBIT H**

**Schuylkill County Economic Development Corporation's**

**Letter of Support**



Schuylkill Economic Development Corporation  
Union Station  
One Progress Circle  
Suite 200  
Pottsville, PA 17901

(570) 622-1943  
Fax (570) 622-2903  
www.sed-co.com  
Frank J. Zukas, President

April 4, 2024

Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**RE: UGI Utilities, Inc. – PA PUC Service Expansion Request, Frailey Township, PA.**

To Whom it May Concern,

I am writing to express my strong support for UGI Utilities, Inc.'s request to expand their service territory into Frailey Township, Pennsylvania. As the economic development entity for Schuylkill County, and a customer/partner of UGI, I believe that extending their service to Frailey Township would bring numerous economic benefits to the community and its residents.

First and foremost, UGI has a proven track record of providing reliable and efficient natural gas services to the areas they serve. By extending their service territory to Frailey Township, residents and businesses in the area will have access to a dependable energy source that can contribute to economic growth and development. Specifically, the two existing agriculture businesses along State Route 25, Keystone Potato Product and ESPOMA, that currently rely on less efficient and dependable sources of energy to operate their existing businesses. Furthermore, by expanding UGI's service territory, it will allow for our area to become more competitive as a result of having readily available and reliable utilities for future economic development on the State Route 25/ Interstate 81 corridor.

Over the course of the last sixty-five (65) plus years, SEDCO's partnership with UGI has allowed for the development of multiple industrial parks in Schuylkill County, which in turn now employs over five thousand plus local residences. Their commitment to prioritizing safety and environmental responsibility in all aspects of their operations is admirable. They have demonstrated their dedication to maintaining the highest safety standards and implementing environmentally sustainable practices in our communities. I am confident that UGI will continue to uphold these values as they expand their services into Frailey Township.

In conclusion, I urge the Pennsylvania Public Utility Commission to approve UGI Utilities, Inc.'s request to expand their service territory into Frailey Township. Doing so will bring numerous benefits to the community.

Thank you for considering my input on this matter.

Sincerely,

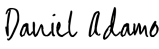
A handwritten signature in black ink, appearing to read 'Mark A. Minnig', written in a cursive style.

Mark A. Minnig  
Economic Development Manager

In re: Application of UGI Utilities, Inc. -	:	
Gas Division for Approval to Begin to	:	Docket No. A-2025-_____
Offer, Render, Furnish or Supply Natural	:	
Gas Distribution Service to the Public in	:	
Frailey Township, Schuylkill County	:	
	:	

VERIFICATION

I, Daniel Adamo, Vice President – Customer Relations for UGI Utilities, Inc., hereby state that I am authorized to and do make this verification on behalf of UGI Utilities, Inc. – Gas Division; that the facts set forth in the foregoing application are true and correct to the best of my knowledge, information and belief; and that I expect said UGI Utilities, Inc. – Gas Division to be able to prove the same at any hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsifications to authorities).

Signed by:  
  
01591C205B78495...  
 Daniel Adamo  
 Vice President – Customer Relations

Dated: 6/30/2025