

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

Pennsylvania Public Utility Commission, *et al.*

Public Meeting held September 11, 2025
3052716-ALJ
R-2024-3052716, *et al.*

v.

UGI Utilities Inc. – Gas Division

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Today the Commission considers a Joint Petition for Approval of Settlement (Settlement) that would resolve all issues associated with the general rate increase filed by UGI Utilities Inc. – Gas Division (UGI), as well as the Recommended Decision of Deputy Chief Administrative Law Judge Mark A. Hoyer and Administrative Law Judge Charece Z. Collins, which recommends approving the Settlement without modification. Signatories to the Settlement include all main parties¹ to the proceeding.

In its initial filing, UGI proposed to increase its total annual operating revenues by \$110.4 million, or 14.1 % over the amount of annual distribution revenues at present rates. The agreed upon increase of \$69.5 million per year in the Settlement is approximately \$40.9 million per year less than, or approximately 63% of, UGI's requested increase. UGI explained that the primary drivers for the requested rate increase are to continue the accelerated replacement of aging infrastructure, modernize facilities, and upgrade information technology systems, which are necessary to ensure the safety of customers, UGI's employees, and the communities UGI serves.²

The Settlement contains several provisions that I believe meaningfully enhance UGI's gas service. First, UGI has agreed to implement a two-year methane detector pilot program where a minimum of 500 units will be deployed using a combination of both Smart Remote Methane Detectors and standard non-communicating Methane Detectors. Methane detectors serve as useful aids in assisting consumers, especially those who are unable to smell the odorant added to natural gas, by alerting them to the presence of natural gas. Smart Remote Methane Detectors go a step further and timely communicate gas leaks to the utility so that the utility is able to promptly respond. Today, methane

¹ These parties are UGI, the Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, the Commission on Economic Opportunity, Local 777 of the International Brotherhood of Electrical Workers, AFL-CIO, and the Retail Energy Supply Association and Shipley Choice LLC d/b/a Shipley Energy.

² UGI Statement No. 1 at 5-6.

detectors are commercially available, and installation and performance standards have been adopted. I am pleased that the parties to the Settlement also recognize the safety value of deploying methane detectors.

The Settlement also provides for enhancements to UGI's universal service programs. These include implementing the Commission's Common Application Form for enrollment into UGI's Customer Assistance Program (CAP) and, with customer consent, using data from the Low Income Home Energy Assistance Program to recertify CAP customers. UGI will also increase its Low Income Usage Reduction Program budget by \$1,000,000 annually and its annual shareholder contribution to UGI's hardship program, Operation Share, by \$500,000. The affordability of utility service has always been a central concern and this is especially true now more than ever before as residential utility customers face increased costs in nearly every facet of their lives. These important settlement provisions related to UGI's universal service programs not only benefit low-income customers but also should reduce overall costs to UGI and its ratepayers associated with more customers receiving affordable service.

I commend the parties, who represent diverse interests, for their efforts in reaching a settlement of all issues. The settlement includes significant terms, such as those that I highlighted, which might not have been achieved if the matter were litigated.

Date: September 11, 2025



Stephen M. DeFrank
Chairman