

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held September 25, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair, Statement
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement

M-2025-3032708

v.

UGI Utilities, Inc. – Gas Division

TENTATIVE OPINION AND ORDER

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is a proposed Joint Petition for Approval of Settlement (Settlement, Settlement Agreement, or Petition), filed on March 24, 2025, by the Commission's Bureau of Investigation and Enforcement (I&E) and UGI Utilities, Inc. – Gas Division (UGI or the Company) (collectively, the Parties), with respect to an informal investigation conducted by I&E. Both Parties filed Statements in Support of the Settlement. The Parties submit that the proposed Settlement is in the public interest and is consistent with the Commission's Policy Statement at 52 Pa. Code § 69.1201,

Factors and Standards for Evaluating Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations (Policy Statement).
Petition at 12.

By Order entered May 8, 2025 (*May 2025 Order*), we provided interested parties with the opportunity to file comments on the Settlement. Accordingly, also before us for consideration and disposition are the Comments of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed on June 17, 2025, and the Office of Consumer Advocate (OCA) filed on June 18, 2025. On July 3, 2025 and July 22, 2025, Reply Comments¹ were filed by I&E and UGI,² respectively.

¹ We note that although Reply Comments were not expressly permitted by our *May 2025 Order*, this Commission has routinely considered supplemental comments replying to comments on settlement agreements in informal investigation proceedings. *See Pa. PUC, Bureau of Investigation and Enforcement v. PPL Electric Utilities Corporation*, Docket No. M-2023-3038060 (Opinion and Order entered May 16, 2024); *Pa. PUC, Bureau of Investigation and Enforcement v. Mifflin Energy Corp.*, Docket No. M-2023-3019782 (Secretarial Letter issued November 6, 2023); *Pa. PUC, Bureau of Investigation and Enforcement v. PECO Energy Company*, Docket No. M-2021-3014286 (Order entered December 8, 2022) (*I&E v PECO 2022*). Reply Comments allow the parties to a settlement agreement to respond to assertions made in comments and serve to balance the interests of all parties involved. Reply Comments also aid in the development of a fuller record, which assists in determining whether a settlement is in the public interest. Accordingly, we shall consider the Reply Comments of both I&E and UGI.

² We further note that UGI's Reply Comments were filed 34 days following the deadline to file Comments, and 19 days after I&E filed Reply Comments. Nonetheless, in this instance, we do not find the timing of the filing of UGI's Reply Comments to be prejudicial to the other parties. Despite this Commission's practice of routinely accepting Reply Comments in informal investigation proceedings, no clear process was outlined to the parties for the filing of Reply Comments, such as establishing a filing deadline. Moreover, we find that because UGI's Reply Comments are limited to responding to the Comments of CAUSE-PA and the OCA, these comments do not unfairly prejudice I&E because they do not respond to I&E's Reply Comments.

For the reasons set forth herein, we believe that the record in this proceeding is insufficient to complete the analysis of whether the Joint Settlement is in the public interest. Specifically, the record lacks important factual details which would permit us to determine if this Settlement is in the public interest. Consequently, in order to expedite consideration of this matter and to provide for the most efficient use of time and resources we issue this Opinion and Order seeking additional missing facts that include, but are not limited to, the specific inquiries set out in detail below. *See, e.g., Pa. PUC v. FirstEnergy Pennsylvania Electric Company*, Docket No. M-2024-3030738 (Opinion and Order entered September 3, 2025). The Parties shall have thirty (30) days from the entry date of this Opinion and Order to file supplemental facts and/or stipulated facts addressing this deficiency in support of the proposed Settlement Agreement.

I. History of the Proceeding

This matter concerns UGI's compliance with Chapter 56 of the Commission's Regulations, 52 Pa. Code §§ 56.1, *et seq.*, involving the personal customer contact requirement prior to termination of residential gas service. I&E instituted an informal investigation of UGI based on information, referred by the Commission's Bureau of Consumer Services (BCS) on June 1, 2022, regarding UGI's compliance with Section 56.93 of the Commission's Regulations, 52 Pa. Code § 56.93, involving the personal contact requirement prior to the termination of residential gas service. Petition at 3. In the Settlement, the Parties state that the compliance issues occurred between March 29, 2022 and March 31, 2022 (March 2022 Incident). While settlement negotiations were ongoing between I&E and UGI pertaining to the March 2022 Incident, UGI self-reported to I&E additional lapses with its vendor-dialer system making, or attempting to make, personal contact prior to the termination of residential service. The additional incidents occurred in April 2023 (April 2023 Incident). *Id.* at 3-4.

By way of background, on June 1, 2022, BCS submitted a memo³ to I&E regarding its concerns with UGI's compliance with the Commission's Regulations governing the termination of residential gas service at 52 Pa. Code § 56.93.⁴ Through the filing of informal complaints by UGI customers and meeting with UGI, BCS identified six customers who were either called after 9 p.m., received two personal contact attempts on the same day, or received two phone calls on different days but not at various times, as required by the Commission's Regulation. UGI met with BCS staff in April 2022 and indicated that, between March 29, 2022 and March 31, 2022, the Company's auto-dialer made personal contact phone calls after 9 p.m. UGI also explained that some changes were made to the auto-dialer system in August 2021 and that some of the changes caused issues with the auto-dialer's ability to make personal contact phone calls commensurate with this Commission Regulation. Petition at 5.

UGI further explained the issues with the auto-dialer system:

A. A daylight savings time setting which was designed to be automatically applied in the vendor-dialer's application did not deploy properly. As a result, the 9:00 p.m. cut-off calling

³ Due to the serious nature of the terminations, BCS referred this matter to I&E to determine if an informal investigation pursuant to 52 Pa. Code § 3.113 or other enforcement action was warranted. Petition at 6.

⁴ Section 56.93(a) of the Commission's Regulations requires that a utility may not interrupt, discontinue, or terminate service without attempting to contact the customer or responsible adult occupant, either in person, by telephone or electronically with the customer's consent, to provide notice of the proposed termination at least 3 days prior to the scheduled termination using one of the methods in this section. Section 56.93(a)(1) also requires that, if personal contact by one method is not possible, the public utility is obligated to attempt another method and provides that phone contact shall be deemed complete upon attempted calls on 2 separate days to the residence between the hours of 8 a.m. and 9 p.m. if the calls were made at various times each day, with the various times of the day being daytime before 5 p.m. and evening after 5 p.m., and at least 2 hours apart. This Regulation further states that calls made to contact telephone numbers provided by the customer shall be deemed to be calls to the residence. 52 Pa. Code § 56.93(a), *see also* Petition at 4.

window was extended to 10:00 p.m. Although Daylight Savings Time occurred mid-month, no accounts were dialed after 9:00 p.m. until March 29th, when the number of outbound personal contact calls increased significantly due to the start of April terminations and call volume could not be completed prior to 9:00 p.m. by the system, thereby resulting in calls after 9:00 p.m. and before 10:00 p.m.

B. During the dates of March 29-31, 2022, a system upgrade that was designed to increase the vendor-dialer's calls-per-hour-service level for UGI failed to deploy properly. The vendor-dialer system was unable to handle the increased call volume without this upgrade. This led to the calls not being made between 5:00 p.m. and 9:00 p.m., and the calls not being made on two different days for some accounts.

C. Upon manual remediation of the issues identified above, a setting was updated in the vendor's dialer program that inadvertently resulted in the unrelated Spanish recorded voicemail message being left when a customer did not answer the phone.

Petition at 5.

As a result of the issues with the auto-dialer system, UGI reported to BCS that 2,177 calls were made after 9 p.m. UGI also reported to BCS that, after it identified the issue, the Company attempted an additional phone call on March 30, 2022 to 2,072 customers. In addition, on May 16, 2022, UGI reported to BCS that 134 customers were terminated after receiving a personal contact phone call after 9 p.m., and that their service remained off as of that date.⁵ Petition at 6.

I&E conducted a thorough investigation concerning the March 2022 Incident, which resulted in information submitted by UGI that 3,345 terminations

⁵ At that time, BCS strongly encouraged UGI to contact the 134 customers and attempt to restore their gas service. UGI informed BCS that it had sent a letter to the customers whose service had been terminated, asking them to contact UGI. Petition at 6.

occurred because of the previously stated issues with its auto-dialer. In addition, the Company's responses to I&E's data requests also revealed that UGI charged a reconnection fee to 1,883 customers who had their service terminated in alleged violation of 52 Pa. Code § 56.93(a). Petition at 7; *see also* 52 Pa. Code § 56.191(a).⁶

In addition, during settlement discussions in July 2023, UGI self-reported another auto-dialer issue which the Company discovered in April 2023, through a manual audit of its auto-dialer system, that the device made personal contact phone calls to 612 customer accounts that were erroneously noted as successful customer contacts. Petition at 7-8. Of those 612 customer accounts, 184 had their gas service terminated. Upon identification of the error, UGI refunded reconnection fees to any customers who had paid them and made phone calls to the customers whose gas service had been shut off. In addition, UGI dispatched workers to the field to restore service to those customers whose gas service remained off. Petition at 8.

Further, on June 9, 2023, UGI's auto-dialer vendor corrected the programming of the device to fix the error and no additional issues have been found. In August 2023, UGI met with BCS to indicate that the Company is performing manual audits of its auto-dialer system and that the auto-dialer vendor now performs audits of its programming prior to releasing updates to the system. Petition at 8.

Based on the information obtained through its investigation, as described herein, and upon review of the Commission's Regulations and relevant statutes, I&E

⁶ Section 56.191(a) of the Commission's Regulations permits a public utility to charge a reconnection fee prior to reconnection of service following a *lawful* termination of the service. *See* 52 Pa. Code § 56.191(a) (emphasis added). Because UGI did not make personal contact prior to termination, I&E maintained that the terminations were not lawful and that the charged reconnection fee was impermissible. Petition at 7.

avers that it would have contended, through the filing of a formal complaint, that UGI violated certain provisions of the Commission's regulations, in that:

A. UGI failed to make personal contact at least three days prior to terminating residential service for 3,345 customers during the March 2022 Incident and 612 in April 2023 (3,957 total).

B. UGI charged a reconnection fee to customers prior to the reconnection of service even though the initial termination of service was not lawful, for 1,883 customers during the March 2022 Incident and 74 in April 2023 (1,957 total).

Petition at 8-9. I&E further contends that the allegations, if proven, would constitute violations of 52 Pa. Code §§ 56.93 and 56.191(a) regarding personal contact before termination and improperly charged reconnection fees. Petition at 9; *see also* 52 Pa. Code §§ 56.93 and 56.191(a).

In the Petition, UGI explains that, had the matter been litigated, UGI would have denied the alleged violations, raised defenses and/or mitigating factors in support of its defense, and defended against the same at hearing. Petition at 9. UGI further represents that the Company understands the nature of the allegations and has taken remedial measures to prevent recurrence of the issues giving rise to the instant Settlement. Specifically, in response to the personal contact issue, UGI made the following corrections to its procedures:

A. Regarding calls made after 9 p.m., once the issue was discovered on April 4, 2022, the Company immediately updated the tool to dial calls no later than 8:59 p.m. according to current Eastern Standard Time, in addition to notifying the vendor-dialer and requesting the automatic Daylight Savings Time update feature be confirmed. This request was marked permanently resolved by the vendor-dialer on June 1, 2022.

- B. Regarding calls made on different days but not at various times, and calls not made on different days, a programmatic change was made to verify the vendor-dialer's input file and halt the dunning process until a specific set of call disposition codes are received from the vendor file for appropriate times. This change has been in place since October 2022.
- C. Regarding the Spanish voicemails unrelated to termination being left for 3,144 customers, the Company has taken steps with the dialer-vendor to ensure no recording automatically defaults with a campaign upon an update to any setting. This change has been in effect since September 2022.
- D. The Company also has implemented multiple additional overall procedural steps to ensure compliance, including a daily manual review of dialer log files.

Petition at 9-10.

Regarding the customers whose service was terminated after UGI failed to complete personal contact in compliance with Commission Regulations, UGI has taken the following corrective measures:

- A. With respect to the March 2022 Incident, as of February 23, 2023, the Company restored service to 3,162 of the affected customers. The remaining 182 customers whose service remains off have not sought service restoration.
- B. As of March 13, 2023, the Company refunded all reconnection fees (\$155,198 in total) collected from all 1,883 affected customers.
- C. With respect to the April 2023 terminations, as of August 2024 all but 32 of the customers whose gas service was terminated have had their service restored.

The 32 customers whose gas service remains off have been resolved as follows:

- i. Five (5) customers have reconnected in the same name/account.
- ii. One (1) customer's meter was removed due to theft of service.
- iii. Fifteen (15) properties have gas turned back on under a new name.
- iv. Four (4) customers did not want service to be restored and are choosing to wait to have their service restored.
- v. Seven (7) customers remain off and UGI has been unable to reach them. UGI has indicated that it will restore the 7 customers' accounts if the customers request restoration of service. UGI has indicated that it called the customers and physically visited the properties, leaving door hangers requesting that the customers contact UGI.

- D. As of September 7, 2023, the Company refunded all reconnection fees, totaling approximately \$5,700, as well as all security deposits, totaling approximately \$17,500, collected from affected customer accounts.

Petition at 10-11.

Further, in the Petition, I&E acknowledges that UGI fully cooperated with its investigation and in responding to I&E's requests for information and documentation and, during the investigatory process, the Company self-reported other potential violations and problems with its auto-dialer system. Petition at 11.

II. Terms and Conditions of the Settlement

Pursuant to the Commission's policy of encouraging settlements that are reasonable and in the public interest, the Parties submit that the purpose of the Settlement is to terminate I&E's informal investigation and to settle this matter completely without litigation. The Settlement is conditioned upon the Commission's approval of the terms and conditions without modification. Petition at 13. The Settlement consists of the Joint Petition for Approval of Settlement containing the terms and conditions of the Settlement, and the respective Statements in Support of the Settlement of I&E (Appendix A to the Petition) and UGI (Appendix B to the Petition), filed on March 24, 2025.

In the Settlement, the Parties have agreed that the underlying allegations were not the subject of any hearing or formal procedure and that there has been no order, findings of fact, or conclusions of law rendered in this proceeding. Petition at 11 and 13. In addition, UGI understands and fully acknowledges the seriousness of I&E's allegations and recognizes the need to prevent the recurrence of the incidents that were the subject of I&E's investigation. *Id.* at 11-12.

The Parties acknowledge that the Settlement Agreement reflects a compromise of competing positions and does not necessarily reflect any party's position with respect to any issues raised in this proceeding. The Parties also state that their positions and claims are disputed and, given that the precise outcome of a contested proceeding is uncertain, the Parties have amicably resolved the disputed issues through settlement. The Parties understand that, by entering into this Settlement Agreement, UGI has made no concession or admission of fact or law and may dispute all issues of fact and law for all purposes in all proceedings that may arise as a result of the circumstances described in the Settlement Agreement. Petition at 13-14.

In addition, the Parties state in the Settlement, that upon approval of the Settlement in its entirety, without modification, I&E will not file any complaints or initiate other action against UGI at the Commission with respect to the allegations which were the subject of the instant investigation. The Parties further submit that the Settlement Agreement is in the public interest because it effectively addresses I&E's allegations that are the subject of I&E's informal investigation and avoids the time and expense of litigation, which entails hearings, various expenses, and the preparation and filing of briefs, exceptions, and reply exceptions, as well as possible appeals. Petition at 12-13.

The essential terms and conditions of the Settlement are set forth in Paragraph No. 51 of the Settlement, and include the imposition of a civil penalty, as follows:

51. I&E and UGI, intending to be legally bound and for consideration given, desire to fully and finally conclude this informal investigation and agree to stipulate as to the following terms solely for the purposes of this Settlement Agreement:
 - A. In addition to the corrective actions already undertaken by UGI or on behalf of UGI by its third-party vendor, as set forth in Paragraphs 44 and 45, *supra*, UGI will pay a civil penalty in the amount of Ninety Thousand Dollars (\$90,000). Said payment shall be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement and shall be made by certified check or money order payable to the "Commonwealth of Pennsylvania." The docket number of this proceeding shall be indicated

with the certified check or money order and the payment shall be sent to:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

The civil penalty shall not be tax deductible pursuant to Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f) and shall not be passed through as an additional charge to UGI's customers in Pennsylvania.

Petition at 12.⁷

By its terms, the Settlement Agreement is being presented by the Parties only in the context of this proceeding in an effort to resolve the proceeding in a manner that is fair and reasonable. Further, the Settlement Agreement is presented without prejudice to any position that any of the Parties may have advanced and without prejudice to the position any of the Parties may advance in the future on the merits of the issues in future proceedings, except to the extent necessary to effectuate the terms and conditions of this Settlement Agreement. Finally, the Parties agree that the Settlement does not preclude the Parties from taking other positions in any other proceeding but is conclusive in this proceeding and may not be reasserted in any other proceeding or forum except for the limited purpose of enforcing the Settlement by a Party. Petition at 14.

Recognizing that the Settlement constitutes a negotiated resolution of the issues addressed therein, the Parties urge the Commission to approve the Settlement in its

⁷ At the time of the filing of the Joint Petition for Approval of Settlement and Statements in Support in this proceeding, the Secretary of the Commission was correctly listed as Rosemary Chiavetta. However, we note that, effective April 19, 2025, Matthew L. Homsher was appointed as the Secretary of the Commission.

entirety and without modification, as being in the public interest and consistent with the Commission's Policy Statement at 52 Pa. Code § 69.1201. Petition at 12-13; *see also* 52 Pa. Code § 69.1201 *et seq.* As stated previously, the proposed Settlement is conditioned on the Commission's approval, without modification, of any of its terms or conditions. If the Commission does not approve the proposed Settlement or makes any change or modification to the proposed Settlement, either Party may elect to withdraw from the Settlement and may proceed with litigation or take some other action that is deemed appropriate and, in such event, the Settlement Agreement shall be void and of no effect. Such election to withdraw must be in writing, filed with the Secretary of the Commission and served upon all parties within twenty (20) days after entry of an Order modifying the Settlement. *Id.* at 12-13.

III. Discussion

A. Comments and Reply Comments

1. CAUSE-PA's Comments

In its Comments, CAUSE-PA submits that the civil penalty of \$90,000 is inadequate to address the likely harm caused by UGI's failure to provide appropriate notice of termination and insufficient to deter future violations. Additionally, CAUSE-PA claims that the proposed Settlement requires additional modifications to more appropriately reflect the gravity of errors on impacted individuals and to help ensure that such errors will not reoccur. CAUSE-PA Comments at 5. CAUSE-PA recommends the penalty be increased to no less than \$250,000 and that the entirety of the civil penalty be directed to support UGI's Hardship Fund, Operation Share. *Id.* Furthermore, CAUSE-PA recommends that the Commission require UGI to conduct affirmative outreach to all impacted customers that remain without service to inform

them of potential options to reconnect service and the availability of universal service programming. *Id.* at 5-6.

CAUSE-PA discusses the consequences of the conduct at issue, and according to CAUSE-PA, the consequences in this instance were serious. CAUSE-PA Comments at 8. CAUSE-PA explains that the failure to provide appropriate notice of pending termination resulted in the erroneous termination of thousands of customers and the consequences to those customers were never fully addressed. *Id.* CAUSE-PA notes the number of customers that were reconnected after the March 2022 and April 2023 Incidents and questions the terms of reconnection imposed, a fact not addressed by the Settlement. CAUSE-PA also raises concern over the Settlement's silence regarding the length of time that impacted households remained without service following UGI's failure to provide appropriate notice. CAUSE-PA contends that UGI's actions likely had a disproportionate impact on low-income families and that nothing in the proposed Settlement indicates whether UGI took steps to identify impacted low-income customers or to connect those households with available universal service programs. *Id.* at 9.

In its Comments, CAUSE-PA details the serious consequences that can follow improper notification of a pending termination, including impacts to the health, safety, and stability of low-income families or other vulnerable households. CAUSE-PA Comments at 9-10. CAUSE-PA contends that there is no indication in the proposed Settlement that UGI or I&E considered the serious and substantial consequences the Incidents may have had on impacted customers. *Id.* at 11.

CAUSE-PA also addresses UGI's efforts to modify internal practices and procedures to address the conduct at issue and prevent similar conduct in the future. CAUSE-PA Comments at 11. CAUSE-PA acknowledges that UGI made clear efforts to address the conduct; however, CAUSE-PA is of the opinion that such efforts were insufficient to prevent the issues from occurring again, as evidenced by the April 2023

Incident. *Id.* CAUSE-PA points out that the proposed Settlement shows that UGI took action to reach out to a small portion of the impacted customers only after BCS encouraged UGI to do so, and there is no indication that UGI ever reached out directly to the thousands of other impacted customers. *Id.* at 12.

Next, CAUSE-PA states that 3,957 households were affected by UGI's errors occurring in two incidents, discovered 13 months apart, and that an additional several thousand more households were impacted by a third incident related to UGI leaving erroneous Spanish language voicemails for consumers. CAUSE-PA Comments at 12. As to the duration of the error, CAUSE-PA explains that customers impacted by the March 2022 Incident may have been without service for as long as 11 months and customers impacted by the April 2023 Incident may have been without service for as long as 16 months. *Id.* CAUSE-PA further stresses that 212 customers impacted by the March 2022 and April 2023 Incidents are still without service. *Id.* CAUSE-PA acknowledges that UGI refunded the reconnection fees collected from impacted customers; however, CAUSE-PA points out that the refunds were delayed by nearly a year for those affected by the March 2022 Incident and five months for those affected by the April 2023 Incident. *Id.* at 13.

Additionally, CAUSE-PA addresses the proposed amount of the civil penalty, which is \$90,000, or roughly \$22 for each unlawful termination. CAUSE-PA Comments at 13. CAUSE-PA asserts that the proposed civil penalty is not adequate to appropriately reflect the seriousness of UGI's violation or to deter future violations. *Id.* CAUSE-PA recommends that the Commission modify the Settlement and increase the civil penalty to \$250,000. *Id.* at 14.

Finally, CAUSE-PA points to the Commission's recently amended proposed Settlement between I&E and PPL Electric Utilities Corporation,⁸ where the Commission ordered a civil penalty of \$1 million be directed to support PPL's Hardship Fund. CAUSE-PA Comments at 14. CAUSE-PA opines that by directing that the instant civil penalty support UGI's Hardship Fund, it will help ensure that impacted households and those who are similarly situated can prevent termination and avoid the related consequences. *Id.*

2. OCA's Comments

In its Comments, the OCA urges the Commission to further investigate the underlying cause of the violations described in the Settlement before reaching any final determination on the proposed Settlement. The OCA explains that I&E's informal investigation into UGI on June 1, 2022 was based upon information submitted by BCS, where BCS identified a pattern of potential violations based on consumer informal complaints. It is the OCA's position that it is reasonable to assume that because BCS only handles complaints after the customer has submitted their concerns to the utility and the utility's response was unsatisfactory to the customer, UGI would have in its possession customer disputes and communications that could have revealed the violations documented by BCS if UGI routinely evaluated such information. OCA Comments at 2.

The OCA contends that there are significant underlying concerns not identified or reflected in the proposed Settlement. OCA Comments at 3. The OCA

⁸ *Pa. PUC v. PPL Electric Utilities Corp.*, Docket No. M-2023-3038060 (Opinion and Order entered May 16, 2024).

submits the following questions it believes to be relevant and crucial to the final resolution of the failure of the auto-dialer system:

1. Why did UGI not identify the non-compliance and failure of the auto-dialer system as a result of its own review of the volume of customer complaints either before or at the time of their review of the complaint records to BCS?
2. What internal practices exist to track and evaluate customer disputes and complaints prior to relying on BCS's review of complaint resolutions and the BCS's analysis of the content of the complaint records?
3. Does UGI properly audit and evaluate the performance of its third party call center contractors that are located out of state as well as its own internal call center employees?
4. Does UGI's management require regular reports and analysis of customer disputes and complaints with the obligation to conduct a regular root cause analysis of complaints that reflect common themes or threads?
5. Does UGI's management reward employees who bring forth indicators or evidence of non-compliance with Chapter 56?
6. Does UGI's management conduct proactive audits and evaluation of call center resolution of customer calls to ensure compliance with Chapter 56?
7. What is the management structure of UGI to ensure a proactive culture and chain of command for compliance with Chapter 56 and other relevant consumer protections?

OCA Comments at 3.

The OCA asserts that the questions it submitted are intended to determine whether UGI's failure to find and fix the non-compliance with the auto-dialer system was an indication of UGI's lack of management oversight of compliance with Chapter 56. The OCA urges the Commission to require I&E to expand the nature of the investigation. Ultimately, the OCA explains that if the investigation results in a larger scale issue beyond the narrow focus of the proper software used for the auto-dialer, a different civil penalty may be appropriate. OCA Comments at 4.

3. I&E Reply Comments

In its Reply Comments, I&E contends that the proposed Settlement should not be modified, as requested by CAUSE-PA, by increasing the amount to be paid by UGI, but directing that this amount be paid into the Company's Hardship Fund, in lieu of an outright civil penalty. I&E asserts that allowing UGI to forgo a civil penalty would contradict the primary purpose of enforcement, which is deterrence. According to I&E, instead of deterrence, CAUSE-PA is seeking mitigation of harm to impacted customers. However, I&E points out, UGI provided refunds to impacted customers in the instant matter. I&E Reply Comments at 6.

I&E next discusses CAUSE-PA's request for direct relief to customers affected by UGI's actions and states that essentially CAUSE-PA is seeking damages, which are outside the scope of the Settlement and not within the power of the Commission to bestow. I&E Reply Comments at 7.

I&E asserts that there is no evidence before the Commission regarding the income or familial status of those UGI customers whose service was terminated. I&E Reply Comments at 7. I&E adds that the particular demographic group that the impacted customers belong to has no bearing on whether the Settlement is in the public interest. *Id.* at 7-8.

In response to CAUSE-PA's request for funds to be allocated to UGI's Customer Assistance Program (CAP), I&E contends that such allocation would nullify any punitive impact of the payment, and the limited beneficiaries of the program may have no connection to the customers who were affected by UGI's termination. I&E Reply Comments at 8.

I&E acknowledges the seriousness of the Incidents, but states that UGI did not intend to terminate its customers improperly and that the Incidents stemmed from a technical issue within UGI's auto-dialer system. I&E Reply Comments at 9.

I&E, in addressing the OCA's Comments, states that the Settlement before the Commission is limited to the March 2022 and April 2023 Incidents, and concerns raised by the OCA are outside the scope of I&E's investigation. I&E explains that, "[t]he role of I&E within the Commission is to investigate and prosecute alleged violations of the Public Utility Code and attendant regulations – not to micromanage how entities under the Commission's jurisdiction comply." I&E claims that if there are any deficiencies with UGI's management, the Commission's Bureau of Audits is better suited to address the questions posed by the OCA in a separate investigation. I&E Reply Comments at 11.

Finally, I&E reiterates that under the terms of the Settlement, UGI implemented a number of corrections to its procedures, detailed in the Settlement. In addition, I&E states that UGI restored service to and refunded connection fees to its customers who were impacted by the terminations. I&E explains that the civil penalty of \$90,000 is commensurate with the civil penalties imposed on other utilities for similar violations relating to improper termination of service, and therefore, the Settlement is in the public interest. I&E Reply Comments at 15.

4. UGI Reply Comments

In its Reply Comments, UGI recognized the impact the Incidents have had on its customers, and in particular, its low-income customers. UGI outlined commitments it has made since discovering the Incidents, including: (1) resolving the problems with its auto-dialer system; (2) restoring service and refunding reconnection fees and security deposits to the affected customers; and (3) implementing additional procedural steps to help ensure compliance and help prevent these issues from recurring. UGI Reply Comments at 2-3. According to UGI, after implementing a daily manual review of the dialer log files on April 4, 2022, UGI discovered the terminations at issue and reported them to BCS in June 2022 after the Company completed its initial review. *Id.* at 3.

In addition to the commitments made by UGI, the Company states that it also performs: (1) a weekly call recording screening on a sample of calls received during that two-week period; (2) a daily analysis of the call data to see if any calls were made outside of the Commission-specified calling window; and (3) a bi-annual collaboration with its auto-dialer system vendor to conduct an end-to-end test of the credit and collection campaign to ensure calls have been dialed as expected. UGI Reply Comments at 3.

UGI explains that it engaged in a substantial campaign to communicate with the affected customers, restore their service, and refund them any reconnection fees and security deposits obtained, as well as provide Operation Share grants to those customers who qualified. UGI Reply Comments at 4. UGI states that as of

July 15, 2025, only 74 impacted customers’⁹ service remains off due to the March 2022 Incident and 3 impacted customers’ service remains off due to the April 2023 Incident. *Id.* at 7.

UGI requests that the Commission reject the recommendations made by both the OCA and CAUSE-PA and approve the Settlement without modification. UGI Reply Comments at 13. In responding to the OCA’s Comments, UGI claims, *inter alia*, that it takes its responsibility to comply with Chapter 56 of the Commission’s regulations seriously, which is why the Company self-reported issues and implemented a daily manual review of the auto-dialer system log files. *Id.* at 9.

In response to CAUSE-PA’s Comments, UGI states, *inter alia*, that it undertook substantial affirmative outreach to the affected customers and is confident that the remaining 77 customers whose service remains off do not want to reestablish service. UGI Reply Comments at 11. Next, UGI contends there is no need to increase the penalty amount from \$90,000 to \$250,000, given UGI’s cooperation with I&E’s investigation, the corrective measures taken by UGI to address the issues and prevent further issues from recurring, and the fact that the violations which stemmed from the auto-dialer system have been permanently resolved. *Id.* In addition, UGI cites to a past Commission Order to support the agreed-upon civil penalty. *Id.* at 12 (citing *I&E v. PECO 2022*).

B. Disposition

Initially, we note that any issue or argument that we do not specifically address shall be deemed to have been duly considered and denied without further

⁹ The remaining impacted customer total of 74 is comprised of the 5 remaining customers of what UGI considers the “March Terminations” and 69 remaining customers of what UGI considers the “Spanish Terminations,” but what we refer to collectively as the “March 2022 Incident.” UGI Reply Comments at 7.

discussion. The Commission is not required to consider, expressly or at length, each contention or argument raised by the Parties. *Consolidated Rail Corp. v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also, generally, University of Pennsylvania v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984).

The focus of inquiry for determining whether a proposed settlement should be recommended for approval is not a “burden of proof” standard, as is utilized for contested matters. *Pa. PUC, et al. v. City of Lancaster - Bureau of Water*, Docket Nos. R-2010-2179103, *et al.* (Order entered July 14, 2011). Rather, the benchmark for determining the acceptability of the proposed Settlement is whether the proposed terms and conditions are in the public interest. *Id.* (citing *Warner v. GTE North, Inc.*, Docket No. C-00902815 (Order entered April 1, 1996); *Pa. PUC v. C.S. Water and Sewer Associates*, 74 Pa. P.U.C. 767 (1991)).

Pursuant to our Regulations at 52 Pa. Code § 5.231, it is the Commission’s policy to promote settlements. The Commission must, however, review proposed settlements to determine whether the terms are in the public interest. *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Opinion and Order entered January 7, 2004).

Through Comments, CAUSE-PA and the OCA raise many important questions and concerns regarding the deficiencies of the proposed Settlement, which are not fully addressed by the respective Reply Comments filed by I&E and UGI. Although not an exhaustive list, we will highlight a few unanswered questions raised by the interested Parties.

At the outset, CAUSE-PA calls into question whether the Settlement appropriately remedies the harm the Incidents have had on low-income customers. CAUSE-PA Comments at 6-9. The proposed Settlement does not address whether

verified, low-income customers were charged and subsequently refunded a security deposit or reconnection fee and thus, such an assessment cannot be evaluated. Another important issue that CAUSE-PA raises is the delay in providing refunds to the affected customers. *Id.* at 13. The proposed Settlement states that as of March 13, 2023, the Company refunded all reconnection fees to customers impacted by the March 2022 Incident, and as of September 7, 2023, the Company refunded all reconnection fees stemming from the April 2023 Incident. *See* Petition at 10-11. As explained by CAUSE-PA, those affected by the March 2022 Incident waited one full year to receive a refund while those affected by the April 2023 Incident waited five months to receive a refund. CAUSE-PA Comments at 13. UGI has not provided any reasoning for the delays in issuing the refunds to impacted customers or whether or not such refunds included interest at the legal rate of 6% per annum, in accordance with 66 Pa.C.S. § 1312(a) and 41 Pa. Stat. Ann. § 202. Additionally, CAUSE-PA questions how long affected customers went without service after being terminated due to the Incidents. CAUSE-PA Comments at 9. As with the above, this is a question to which the proposed Settlement does not address.

The OCA, in its Comments, questions when UGI identified the failure of the auto-dialer system. OCA Comments at 3. Although the proposed Settlement addresses the fact that UGI was aware of the auto-dialer issue prior to the initiation of the informal investigation by I&E, it is devoid of any information regarding why UGI sent notifications to terminated customers only after BCS' encouragement to do so, and after over a month had passed since the first Incident occurred. *See* Settlement Petition at 6.

As noted earlier, after review of the Comments and Reply Comments filed in the instant matter, we believe that the current record is insufficient and lacks important factual details which would permit us to determine if the Settlement is in the public

interest. The additional factual information which the Settling Parties should address includes:

1. Were any security deposits or reconnection fees charged to verified low-income customers? If the answer is “yes,” provide the number of verified low-income customers who were charged a security deposit or a reconnection fee.
2. Can UGI explain its reason for the delay in refunding reconnection fees for the March 2022 Incident (approximately one year delay) and April 2023 Incident (approximately five-month delay)?
3. Did UGI include interest on the reconnection refunds, in accordance with 66 Pa.C.S. § 1312(a) and 41 Pa. Stat. Ann. § 202?
4. Provide the length of time that impacted households remained without service following the March 2022 Incident and the April 2023 Incident.
5. Provide an explanation of when UGI identified the failure of the auto-dialer system and why UGI sent notifications of the failure to terminated customers only after BCS encouragement to do so.
6. Does UGI regularly audit and evaluate the performance of its auto-dialer system?
7. Has the process or procedure in question number 6, changed since either the March 2022 or the April 2023 Incident?
8. Any other additional information pertinent to these events that can assist the Commission in making a determination in this matter.

Given the lack of detailed information regarding the Incidents in the proposed Settlement, we will stay the proceeding so that the above questions can be addressed by the Settling Parties.

We find that the Comments received by both CAUSE-PA and the OCA raise important questions that must be addressed before we can determine whether the

Settlement is in the public interest. It is clear that the remedial efforts taken by UGI after the March 2022 Incident were not adequate enough to prevent the April 2023 Incident and thus, more information is needed to ensure that a future incident does not occur. Moreover, it was only due to the informal investigation into the first Incident that UGI discovered the second Incident.

In summary, we believe that the current record is insufficient and lacks important factual details that are necessary in determining whether the Settlement is in the public interest. Accordingly, we shall stay this proceeding so that I&E and UGI can address the questions raised, *supra*, in supplemental statements in support and/or stipulated facts.

IV. Conclusion

Given this record and the questions raised in the Comments received, we conclude that this proceeding should be stayed. As such, within thirty (30) days of entry date of this Opinion and Order, the Commission's Bureau of Investigation and Enforcement and UGI Utilities, Inc. – Gas Division shall file supplemental statements in support and/or stipulated facts in support of the proposed Settlement, consistent with this determination and the eight inquiries set forth above; **THEREFORE,**

IT IS ORDERED:

1. That the proceeding regarding disposition of the Joint Petition for Settlement, filed on March 24, 2025, by the Commission's Bureau of Investigation and Enforcement and UGI Utilities, Inc. – Gas Division, at Docket No. M-2025-3032708, is stayed.

2. That the Commission's Bureau of Investigation and Enforcement and UGI Utilities, Inc. – Gas Division shall, within thirty (30) days of entry of this Opinion and Order, file supplemental statements in support and/or stipulated facts in support of the proposed Joint Petition for Approval of Settlement, consistent with this Opinion and Order.

3. That a copy of this Opinion and Order, together with the attached Settlement Agreement shall be served on the Office of Consumer Advocate and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania.

BY THE COMMISSION

A handwritten signature in black ink, reading "Matthew L. Homsher". The signature is written in a cursive style with a large initial "M".

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: September 25, 2025

ORDER ENTERED: October 9, 2025