

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

Public Meeting held January 29, 2026

Commissioners Present:

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

Application of UGI Utilities, Inc. for Certificate of Public Convenience and for Approval to begin to offer, render, furnish or supply natural gas distribution service in Frailey Township, Schuylkill County, Pennsylvania.

Docket Number:
A-2025-3056020

ORDER

BY THE COMMISSION:

On June 30, 2025, UGI Utilities, Inc.-Gas Division (UGI Utilities), Utility Code: 123100, filed with the Pennsylvania Public Utility Commission (Commission) the above-captioned Application pursuant to Section 1102(a)(1) of the Public Utility Code, 66 Pa.C.S. §1102(a)(1) seeking a Certificate of Public Convenience (CPC) for the approval to offer, render, furnish or supply natural gas distribution in Frailey Township, Schuylkill County, Pennsylvania. On July 28, 2025, the Office of Consumer Advocate (OCA) filed a Protest. On October 6, 2025, the OCA filed a Notice of Withdrawal of its

Protest. On October 21, 2025, the Administrative Law Judge transferred the Application to the Commission's Bureau of Technical Utility Services for disposition. For the reasons expressed in this Order, the Commission approves the Application consistent with this Order.

UGI Utilities is a certificated natural gas distribution company. UGI Utilities states that it provides service to approximately 660,000 customers in all or portions of forty-five counties within Commonwealth of Pennsylvania. Application ¶5.

UGI Utilities is requesting approval to expand its certificated service territory to provide natural gas service to two proposed industrial customers located in Frailey Township: (1) Keystone Potato Products, LLC, at its existing industrial facility located at 2317 Sherman's Mountain Rd, Hegins, PA; and (2) The Espoma Company at its new industrial facility located adjacent to Keystone (collectively, the Customers). Application ¶7.

UGI Utilities states that 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 Utilities in the requested territory. Therefore, no competitive conditions will be created if the Commission grants UGI Utilities the requested CPC. UGI Utilities further states that if this Application is approved, it will consider opportunities to provide natural gas services to additional customers in Frailey Township, subject to Commission approval. Application ¶¶16-17.

UGI Utilities states that it will need to construct an approximately 10,000-foot main extension to provide service to these Customers. UGI Utilities states that approximately 2,500 feet of the main extension will traverse through Frailey Township. UGI Utilities further states that the remaining 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. Application ¶8.

UGI Utilities anticipates that the entire construction of the main extension will cost approximately \$5,000,000. UGI Utilities avers that annual sales to the Customers should be approximately 200,000 Mcf and will produce annual revenues, less natural gas costs and considering depreciation and expenses, sufficient to enable UGI Utilities to recover a reasonable return on its investment in the main extension. Application ¶¶11-13.

UGI Utilities states that if it is granted authority to serve, UGI Utilities will charge the rates set forth in its currently effective Tariff Supplement No. 58 to UGI Gas – Pa P.U.C. No. 7. In order to recognize the additional service territory, UGI Utilities has supplied a pro forma tariff supplement. Application ¶19 and Exhibit G.

UGI Utilities maintains that approval of this Application is in the public interest because no other public utility is authorized to provide natural gas distribution service to customers in any portion of the requested territory. UGI Utilities also states that approval of this Application will provide natural gas distribution service to the Customers industrial facilities, which will support jobs and increase tax revenue to the benefit of the local municipalities. UGI Utilities further states that by expanding its customer base, its 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 Utilities' customers. Application ¶25.

UGI Utilities served the Application on the Office of Small Business Advocate, the Office of Consumer Advocate, the Commission's Bureau of Investigation and Enforcement, Frailey Township Board of Supervisors, and the Schuylkill County Commissioners.

Notice of the filing of this Application was published in the *Pennsylvania Bulletin* on July 12, 2025, with a protest period ending on July 28, 2025. Notice of the filing of this Application was also published in the *Pottsville Republican Herald* on July 13, 2025, and the notarized proof of publication was provided to the Commission on July 22, 2025.

We find the record supports approval for UGI Utilities to expand its certificated service territory to provide natural gas distribution service in Frailey Township and that the proposed transaction will provide affirmative benefits in the public interest.

Upon full consideration of all matters of record, we find that approval of this Application is necessary and proper for the service, accommodation, and convenience of the public. For these reasons, we conclude that approval of the Application is in the public interest; **THEREFORE,**

IT IS ORDERED:

1. That the application of UGI Utilities, Inc., filed June 30, 2025, is hereby approved.

2. That a Certificate of Public Convenience be issued pursuant to 66 Pa. C.S. Section 1102(a)(1)(i) authorizing approval to UGI Utilities, Inc. to begin to offer, render, furnish, or supply natural gas distribution service to the public in the additional territory of Frailey Township, Schuylkill County, Pennsylvania.

3. That UGI Utilities, Inc. shall file a tariff supplement on at least one day's notice to the Commission with the changes proposed in the pro forma tariff to furnish natural gas distribution service in the additional territory of Frailey Township, Schuylkill County, Pennsylvania.

4. That a copy of this Order be served on the Office of Small Business Advocate, the Office of Consumer Advocate, the Commission's Bureau of Investigation and Enforcement, Frailey Township Board of Supervisors, and the Schuylkill County Commissioners.

5. That this proceeding at Docket No. A-2025-3056020 be closed.

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: January 29, 2026

ORDER ENTERED: January 29, 2026