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File #: 207056

February 17, 2026

VIA ELECTRONIC FILING

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box
Harrisburg, PA 17105-3265

**Re: UGI Utilities, Inc. - Gas Division and UGI Utilities, Inc. - Electric Division
Universal Service and Energy Conservation Plan for 2026-2030
Docket Nos. M-2025-3054362, et al.**

Dear Secretary Homsher:

Attached for filing are UGI Utilities, Inc. – Gas Division (“UGI Gas”) and UGI Utilities, Inc. – Electric Division (“UGI Electric”) (collectively, “UGI” or the “Company”) Reply to the Office of Consumer Advocate (“OCA”) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) Comments in the above-referenced proceeding.

Copies are being provided as indicated on the Certificate of Service.

Respectfully submitted,



Emily S. Grecu

ESG/bfc
Attachment

cc: Certificate of Service
Joseph Magee, BCS (via Email jmagee@pa.gov)
Nathan Froehlich, BCS (via Email nfroehlich@pa.gov)

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Christina Chase-Pettis, Office of Communications (*via Email cchasepett@pa.gov*)
Stephanie Wilson, Law Bureau (*via Email stepwilson@pa.gov*)

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this filing 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 E-MAIL

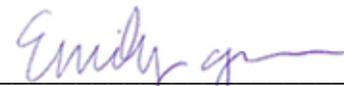
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Dated: February 17, 2026



Emily S. Greco

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

UGI Utilities, Inc. – Gas Division	:	
Universal Service and Energy	:	Docket No. M-2025-3054362
Conservation Plan for 2026-2030	:	
UGI Utilities, Inc. – Electric Division	:	
Universal Service and Energy	:	Docket No. M-2025-3054366
Conservation Plan for 2026-2030	:	
UGI Utilities, Inc. – Gas Division Petition	:	Docket No. P-2025-3054381
for Limited Waiver of 52 Pa. Code	:	

**REPLY COMMENTS OF
UGI UTILITIES, INC.**

I. INTRODUCTION

On April 1, 2025, UGI Utilities, Inc. (“UGI Gas” or “Company”) filed its 2026-2030 USECP (“Proposed 2026-2030 USECP”) at the above-captioned dockets.

On July 24, 2025, the Pennsylvania Public Utility Commission (“Commission”) entered an Order (“July 2025 Order”) in the above-captioned proceeding directing UGI Gas to file supplemental information and establishing a comment and reply period.

On August 25, 2025, UGI Gas filed Supplemental Information at the above-captioned dockets in response to the July 2025 Order (“Supplemental Information”).

On September 10, 2025, the Commission’s Bureau of Consumer Services (“BCS”) issued a Secretarial Letter (“September 2025 Secretarial Letter”) instructing UGI Gas to file additional information to fully comply with the July 2025 Order.

On September 22, 2025, UGI Gas filed additional information at the above-captioned dockets responding to the Commission’s direction (“Additional Information”).

On October 6, 2025, the Office of Consumer Advocate (“OCA”) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed Comments.

On November 10, 2025, CAUSE-PA, OCA, and UGI Gas filed Reply Comments.

On December 22, 2025, the Commission issued a Secretarial Letter (“December 2025 Letter”) that directed UGI Gas to revise the consumer counts in its projected needs assessment using the 2019-2023 United States Census (“U.S. Census”) data to identify: (1) the estimated number of low-income customers; (2) number of confirmed low-income customers; (3) number of identified payment-troubled customers; (4) number of potential LIURP-eligible customers; (5) estimated number of customers with incomes between 151-200% FPIG; (6) number of identified customers with incomes between 151-200% FPIG; and (7) number of potentially LIURP-eligible customers with incomes between 151-200% FPIG.

On January 16, 2026, UGI Gas filed its Revised Table B-1 Projected Needs Assessment for UGI Gas with supporting information about the itemized numbers. Comments were to be filed within 10 days after the revised needs assessment.

On January 23, 2026, CAUSE-PA filed a letter requesting an extension, and on January 26, 2026, the Commission issued a Secretarial Letter extending the deadline for the submission of comments until February 6, 2026.

On February 6, 2026, both CAUSE-PA and OCA submitted Comments responding to the revised projected needs assessment.

II. CAUSE-PA’S COMMENTS

A. UGI GAS’S DEFINITION OF CONFIRMED LOW-INCOME CUSTOMER

CAUSE-PA recommends that UGI Gas use its revised, confirmed low-income customer count to set appropriate, measurable Customer Assistance Program (“CAP”) enrollment goals. In

its initial Comments on UGI Gas’s USECP, CAUSE-PA claimed that the definition UGI Gas initially used to quantify its confirmed low-income customers is narrow and inconsistent with the explicit definition of that term, and that it results in a circular needs assessment. The December 2025 Letter directed UGI to update its projected needs assessment to identify the number of estimated and confirmed low-income customers based on 2019-2023 U.S. Census data and the definition of confirmed low-income customer agreed to in UGI Gas 2025 Rate Case Settlement, respectively. UGI Gas’s revised projected needs assessment now identifies 68,697 confirmed low-income gas customers, using the Company’s definition of confirmed low-income as agreed to in Paragraph 67(a)(i-iii) of the UGI Gas 2025 Rate Case Settlement.¹ The Company’s revised needs assessment now identifies 143,404 estimated low-income customers based on the 2019-2023 American Community Survey 5-Year Estimates from the U.S. Census Bureau provided by the BCS.²

CAUSE-PA now recommends that the Commission direct UGI Gas to set additional goals to increase its CAP enrollment. Specifically, CAUSE-PA recommends that the Commission direct UGI Gas to set enrollment targets at 20% per year of its estimated low-income customer count until the Company reaches at least 75% enrollment of this estimated group.

First, it is worth noting that the estimated low-income population of 143,404 was derived by multiplying UGI Gas customer counts against the 2019-2023 American Community Survey 5-Year Estimates census data at the county level. However, this methodology is only a high-level estimate and does not reflect actual UGI customer demographics or customer counts. In fact, the Company has used Experian's services to conduct its own assessment of estimated low-income

¹ December 2025 Letter at 2, n.3.

² UGI Revised Projected Needs Assessment.

customers in 2023 and 2026. In both instances, results indicated approximately 99,000 and 96,000 customers, respectively.

Second, the Company explains that enrolling 20% of its 143,404 estimated low-income customers in CAP annually would require the Company to achieve approximately 28,700 new enrollments in just one year of the proposed multi-year enrollment efforts proposed by CAUSE-PA. The Company's current CAP enrollment as of February 2026 is 26,274. Therefore, CAUSE-PA requests that UGI Gas enroll more customers in one year than its entire current CAP enrollment. Furthermore, the recommendation to reach at least 75% enrollment of this estimated group would increase the Company's CAP enrollment by 108,000, or a total CAP enrollment of 134,274 customers. UGI Gas has only 68,867 confirmed low-income customers in its customer information system, so it may be impossible to enroll up to 108,000 additional customers. Third, facilitating such a significant increase in CAP enrollment through the Universal Service Plan ("USP") Rider would significantly increase costs to other ratepayers. An increase of 28,700 CAP customers in one year, as suggested by CAUSE-PA, would nearly double the cost of the USP Rider to approximately \$100 per year for all non-CAP ratepayers.

CAUSE-PA also recommends that the Commission require UGI Gas to establish quantitative goals for affirmative customer outreach to enroll low-income customers in CAP. CAUSE-PA recommends affirmative outreach, including telephone calls, mailings, and electronic communications with customer consent. CAUSE-PA further recommends that UGI Gas work with its Universal Service Advisory Committee ("USAC") to develop these goals and outreach materials, and that it be required to track and report relevant data on its progress to the USAC.

In response, UGI Gas states that it has already created a detailed Customer Education & Outreach Plan ("CEOP") outlining the Company's marketing efforts, which was included in its

pending 2026-2030 USECP filing and vetted by the USAC. The Company's CEOP promotes the availability of the Company's Universal Service programs and has successfully driven customers to enroll in CAP. Furthermore, the Company provides periodic updates on the results of the CEOP communications through USAC meetings, taking place a few times per year. Requiring UGI Gas to complete additional, unspecified communications with customers will not necessarily improve CAP enrollment and goes beyond what is required of the Company in the CAP policy statement. CAUSE-PA's request is too vague and informal and will not lead to effective or efficient policy implementation for low-income customers.

In addition, in the fall of 2024, the Company conducted a Low Income Assessment Pilot, which targeted approximately 100,000 customers to encourage enrollment in CAP. These 100,000 customers were identified by Experian as estimated low-income customers. The Company is conducting a second Low Income Pilot Assessment, which begins in late February 2026, and will again target approximately 100,000 estimated low-income customers. With ongoing marketing and the two large-scale Low Income Assessment efforts, the Company believes it is taking adequate steps to encourage CAP enrollment. As part of the 2025 UGI Gas Base Rate Case Settlement, Paragraph 61(a), the Low Income Assessment Pilot will continue for a term of three years.

B. REVISED PROJECTED LIURP NEEDS ASSESSMENT

CAUSE-PA recommends that UGI Gas use its revised projected LIURP needs assessment to establish increased participation goals. Both CAUSE-PA and the Commission previously noted that UGI Gas's LIURP needs assessment referenced the factors in the now-former Section 58.4(c)(1)-(4) of the Commission's regulations; however, CAUSE-PA claims that UGI Gas did not provide further information necessary to independently evaluate UGI Gas's assertion that it properly assessed the regulatory factors. In its December 2025 Letter, the Commission directed

UGI Gas to update its projected gas LIURP needs assessment to indicate the number of potentially LIURP-eligible low-income customers by each eligibility factor used. UGI Gas's revised projected needs assessment provides further detail regarding certain factors used to determine the number of households potentially eligible for LIURP.

CAUSE-PA summarizes that the previous version of section 58.4(c) outlined the following factors: 1) the number of eligible customers, taking into consideration those who have already received services and those who are not in need in usage reduction services, 2) expected customer participation rates based on historical participation rates, 3) the total expense of providing those services, and 4) a plan for providing program services within a reasonable period of time.³ CAUSE-PA believes that UGI Gas appears to have met the criteria outlined in former Section 58.4(c), but argues that UGI Gas's plan will not provide program services *within a reasonable period of time*, claiming it will take 65 years to reach all eligible customers. CAUSE-PA submits that it is unreasonable to set projected enrollment levels at a pace that will not reach all eligible customers for 65 years from the date of UGI Gas's needs assessment. While CAUSE-PA deems the current 65-year timeframe for reaching all eligible customers unreasonable, CAUSE-PA claims that it cannot provide what it considers a reasonable period of time without additional factual information and data.

UGI Gas believes that CAUSE-PA is oversimplifying its analysis of the 65-year timeframe to reach all eligible customers. First, CAUSE-PA uses the population of 32,747 potentially LIURP-eligible customers from the Revised Table B-1 Needs Assessment and divides it by 500 jobs per year. In reality, UGI Gas has averaged 533 jobs over the past four years (2022-2025). Second, CAUSE-PA fails to acknowledge that UGI Gas just recently increased its LIURP budget by

³ 52 Pa. Code §58.4(c)(1)-(4), replaced December 13, 2025.

\$1,000,000 to \$5,214,350 as part of the 2025 Gas Base Rate Case settlement (Paragraph 60(a)). This expanded budget will allow more LIURP jobs to be completed starting in 2026. UGI Gas anticipates that its annual number of LIURP jobs will increase up to 600, or 20% higher than the 500 jobs assumed by CAUSE-PA.

Third, the 32,747 potentially LIURP-eligible customers reflects an estimate, and it is unrealistic to expect *all* potentially eligible customers to participate in the program. In fact, many customers are not interested in receiving LIURP services. Fourth, many of the potentially eligible LIURP customers may have homes that are not suited for weatherization services. In the past five years, UGI Gas has seen approximately 30% of identified homes not qualify for LIURP services for various reasons, such as the condition of the housing stock. Fifth, the potentially eligible LIURP population may be served not only by UGI Gas, but also by Pennsylvania’s Weatherization Assistance Program or other neighboring electric distribution companies (“EDCs”). Therefore, the 65-year estimate is likely overstated, as many of these customers may have already received weatherization services from another provider. UGI Gas does not have data on how many of these customers may have been served by another entity, but even a 20% reduction in the potentially eligible population would be significant. Therefore, for all of the reasons stated above, UGI Gas believes the 65-year timeframe is substantially overstated. Moreover, UGI does not believe there are any issues of material fact in dispute that would require the case to be referred to the Commission’s Office of Administrative Law Judge for further review and hearings on this issue.

III. OCA’S COMMENTS

A. USE OF THE 2019-2023 AMERICAN COMMUNITY SURVEY

UGI Gas states that the number of estimated low-income customers is based on the 2019-2023 American Community Survey 5-Year Estimates from the U.S. Census Bureau, which the

BCS provides annually. The 151-200% FPIG was calculated by subtracting the number of households at 150% from the number of households at 200% in UGI Gas’s franchised service area. The OCA requests that the Company provide further information regarding how it used the American Community Survey (“ACS”) data, specifically, which ACS Table was used.

In response, UGI Gas states that it receives data at issue from the Commission annually, in a report titled “Poverty Levels for Pennsylvania Counties (Low Income - < 150 and Higher Income 150 >): 2019-2023. Poverty Levels Shown for Households, Families and Individuals. Source: 2019-2023 American Community Survey 5-Year Estimates - United States Census Bureau.” This report provides a breakdown of poverty levels for each county in Pennsylvania, including levels below 50%, 100%, 150%, and 200%. Therefore, the OCA’s “understanding of the ACS information that the ACS does not report households using the range of Federal Poverty Level” is incorrect, as the Commission is able to provide this information to the Company.⁴

B. DISCREPANCIES BETWEEN THE REVISED TABLE B-1 PROJECTED NEEDS ASSESSMENT FOR UGI GAS AND THE 2024 BCS REPORT

The OCA identified discrepancies between the number of customers reported in the revised needs assessment and in the recently released 2024 BCS Report, and seeks clarification on the reasons for the differences in the following numbers.

1) Estimated Low-Income Customers

In the Revised Table B-1 Projected Needs Assessment for UGI Gas, the Company states that its estimated low-income population is 143,404.⁵ The 2024 BCS Report states that UGI Gas’s estimated low-income number was 153,045 in 2024 and 166,336 in 2023. The OCA requests clarification on why the numbers differ.

⁴ OCA Comments at 3.

⁵ Revised Table B-1 Projected Needs Assessment at 1.

In response, UGI states that the numbers reported in the 2023 and 2024 BCS reports included non-residential customers, which inflated the population of estimated low-income customers who qualify for assistance programs. The Company has corrected the methodology utilized to calculate the estimated low-income residential population so that future needs assessments will be based on residential customer counts only.

2) Confirmed Low-Income Customers

In the Revised Table B-1 Projected Needs Assessment for UGI Gas, the Company states it has 68,867 confirmed low-income customers.⁶ In the 2024 BCS report, UGI Gas reported that it had 88,897 confirmed low-income customers in 2024 and 89,923 in 2023.⁷ The OCA requests clarification on why the number of confirmed low-income customers differs.

As previously explained by the Company, the 2023 and 2024 BCS Reports overstated the number of confirmed low-income customers by including those up to 250% of the FPIG. This issue was clarified by Brian Meilinger in direct testimony for UGI Gas's 2026 Base Rate Case Direct Testimony (UGI Gas Statement No. 12). There, he stated that

[d]uring the 2025 UGI Gas Base Rate Case, it was discovered that the Company had inadvertently reported self-certified low-income customers up to 250% FPIG on prior USR filings; however, the Company should have reported only those customers up to 150% FPIG. Therefore, the Company's confirmed low-income customer counts on prior USR were affected by unintentional data inconsistencies that increased the number of customers included.⁸

Furthermore, the Company has had specific discussions with OCA regarding this matter. Therefore, the Company believes the reason for the difference in the number of confirmed low-income customers has been fully explained.

3) Payment-Troubled Low-Income Customers

⁶ Revised Table B-1 Projected Needs Assessment at 1.

⁷ 2024 BCS Report at 6.

⁸ UGI Gas 2026 Base Rate Case, Docket No. R-2025-3059523, UGI Gas Statement No. 12 at 16.

In the Revised Table B-1 Projected Needs Assessment for UGI Gas, the Company identifies that it has 7,258 payment-troubled low-income customers.⁹ The 2024 BCS Report provides that UGI Gas had 18,002 payment-troubled low-income customers in 2024 and 19,270 in 2023.¹⁰ The OCA requests clarification as to why there is a difference between the revised needs assessment and the 2024 BCS Report. The OCA also requests clarification on why the number of payment troubled low-income customers dropped significantly from the numbers identified in 2023 and 2024.

In response, UGI Gas states that the Commission’s Universal Service Programs and Collections Performance report defines a Payment-Troubled Customer as “a customer who has failed to maintain one or more utility and/or PUC payment arrangements in a 1-year period.” However, there is no documented definition for failure to maintain a payment arrangement. At the time the data was compiled for the 2024 report and in preceding years, the Company internally defined failure to maintain a payment arrangement for reporting purposes as assessment of a late payment charge while on a payment arrangement. The Company has since redefined this as issuance of a written termination notice followed by an attempt to make personal contact while on a payment arrangement, which is more in line with the practices of other EDCs. This change in definition accounts for the difference between the 2024 BCS report and Revised Table B-1.

C. QUALIFICATIONS FOR INCLUSION IN LINE 6, ENROLLMENT SIZE TO SERVE ALL ELIGIBLE CUSTOMERS

In the Revised Table B-1 Projected Needs Assessment for UGI Gas, the number of “confirmed low-income households” in Line 2, 68,867, is slightly different from the “enrollment

⁹ Revised Table B-1 Projected Needs Assessment at 1.

¹⁰ 2024 BCS Report at 8.

size to serve all eligible customers” in Line 6, 68,687.¹¹ The OCA requests clarification on whether there is a difference between these populations and, if so, why the “enrollment size to serve all eligible customers” would be lower than the number of confirmed low-income customers.

UGI Gas clarifies that the number in Line 2 was inadvertently transposed and should have stated 68,867.

In addition, the OCA requests clarification on why the CAP enrollment size to serve all eligible customers equals the number of confirmed low-income customers rather than the number of eligible low-income customers. The OCA states that it is unsure why the population of eligible customers would be limited to confirmed low-income customers. As a result, the OCA requests that the Company provide clarification regarding what makes an “estimated low-income” customer not “eligible for” enrollment in CAP.

In response, UGI Gas states that the enrollment size of CAP is based on the number of confirmed low-income customers, 68,867, because the Company has information on them. The number of estimated low-income customers, 143,404, referenced by the OCA is an inflated calculation based on U.S. Census data that BCS requires utilities to report annually. However, UGI Gas does not actually have data on these customers – nobody does, it is simply a calculation and does not represent actual UGI Gas customer counts. Therefore, it is difficult to perform a needs assessment on a hypothetical number, which is why the Company uses the confirmed low-income count of 68,867.

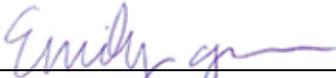
¹¹ Revised Table B-1 Projected Needs Assessment at 1.

IV. CONCLUSION

As stated above and in the Company's Comments, UGI Gas supports the Commission's efforts to update its Proposed 2026-2030 USECP and appreciates this opportunity to provide input. UGI Gas looks forward to working with the Commission and other stakeholders as this process moves forward.

Respectfully submitted,

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