

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

In re: Petition of UGI Utilities, Inc. – Gas Division Requesting An Ex Parte Emergency Order To Temporarily Lower its Quarterly Adjustment Mechanism for its March 1, 2026, PGC Quarterly Adjustment	Docket No. P-2026-3060521
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EX PARTE EMERGENCY ORDER

On February 17, 2026, UGI Utilities, Inc. – Gas Division (UGI Gas or Company)¹ filed an Ex Parte Petition for Emergency Relief (Petition) with the Pennsylvania Public Utility Commission (Commission) requesting permission to temporarily reduce the Company’s Purchased Gas Adjustment (PGC) Quarterly Adjustment Mechanism (QAM) rate change cap from 25% to 10% for the March 1, 2026 quarterly C-factor adjustment. Additionally, as it must file its next quarterly adjustment on February 27, 2026, the Company requests that the Commission grant and ratify its Petition by the Commission’s February 19, 2026 Public Meeting.

UGI states that, in Paragraph 21 of the Company’s 2023 PGC Settlement at Docket No. R-2023-3040290, the Company agreed to cap quarterly PGC rate changes at 25% of the current PGC rate and to bring forward amounts over this cap for inclusion in subsequent quarterly adjustments. UGI agreed to continue this approach in Paragraph 30 of its 2025 PGC Settlement at Docket No. R-2025-3054938. However, during this current winter period, UGI has experienced natural gas commodity prices that are above

¹ The Company is a certificated public utility in Pennsylvania engaged in the business of selling and distributing natural gas to retail customers within the Commonwealth and is subject to the regulatory jurisdiction of the Commission.

the amount forecasted in its December 1, 2025 PGC rate, including significant price increases due to Winter Storm Fern. Therefore, if the Company utilizes the currently-- approved QAM method for its March 1, 2026 adjustment, the PGC rate will increase by 25%. Yet, even at the 25% cap, UGI will not be able to fully reflect the gas costs incurred since December 1, 2025.

Due to the very cold 2025/2026 Winter, UGI asserts that its customers have received winter heating bills that are larger than in recent winters, due to larger gas consumption. Thus, increasing the PGC rate by 25% would further challenge affordability during the 2025/2026 winter. Consequently, the Company seeks a temporary modification to its QAM for March 1, 2026 to support PGC customer affordability during the peak winter heating season. Specifically, UGI requests permission to lower the 25% PGC rate cap to 10% for the QAM effective June 1, 2026. If the Petition is granted, the total bill impacts on an average residential customer bill would be as follows:

	Current	10% Increase	25% Increase
PGC Rate (\$/Mcf)	\$6.7486	\$7.4235	\$8.4358
Average Residential Bill	\$119.67	\$124.72	\$132.29
Average Residential Bill Increase (%)		4.2%	10.5%

Further, the Company notes that it is not proposing any modification to the previously utilized process for the recovery of costs over the cap at this time and that the temporary 10% cap will help avoid clear and present dangers to life and property by enabling customers, including non-low-income customers, to reduce affordability challenges that could limit access to essential natural gas heating service.

Pursuant to 52 Pa. Code § 3.2(b), a petition for emergency order must be supported by a verified statement of facts which establishes the existence of an emergency, including facts to support the following:

- (1) The petitioner's right to relief is clear.
- (2) The need for relief is immediate.
- (3) The injury would be irreparable if relief is not granted.
- (4) The relief requested is not injurious to the public interest.

52 Pa. Code § 3.2(b). Based on the information provided in the Petition, the Commission finds that UGI has satisfied the requirements of 52 Pa. Code § 3.2(b). Specifically, UGI has established an immediate need for relief, while also establishing irreparable injury in the absence of such relief. In particular, implementation of a PGC at the 25% cap will likely result in affordability issues for affected customers. Immediate need for relief was established by the fact that UGI's next PGC quarterly adjustment is due to occur on February 27, 2026, thus approval of this request is required prior to that date to avoid harm to affected customers. Further, the granting of the request will not be injurious to the public. The Company avers that it has notified the Office of Consumer Advocate, which indicated it does not oppose the petition. Lowering the QAM cap to 10% serves the public interest and will protect customers from immediate financial hardship during the winter heating season as costs recovery will be over a longer period of time and a lower bill impact. Cost recovery for costs incurred over the cap may be addressed in the Company's upcoming PGC proceeding. Consequently, the Petition is, hereby, granted.

THEREFORE,

IT IS ORDERED:

1. That the Petition of UGI Utilities, Inc. – Gas Division requesting an Ex Parte Emergency Order allowing it to temporarily reduce its Purchased Gas Adjustment Quarterly Adjustment Mechanism rate change cap from 25% to 10% for the March 1, 2026 quarter C-factor adjustment is granted.

2. That a copy of this Order be served on UGI Utilities, Inc, the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate and all parties to Docket No. R-2025-3054938.

A handwritten signature in blue ink, appearing to read "Stephen M. DeFrank", written over a horizontal line.

Stephen M. DeFrank,
Chairman

Date: 2/19/26