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March 27, 2026

**VIA ELECTRONIC FILING**

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Application for UGI Utilities, Inc.  
Amended Petition to Intervene and Protest of BKV Operating LLC  
PA PUC - Docket Numbers: A-2026-3060375; G-2026-3060435; G-2026-3060551**

Dear Secretary Homsher:

Please be advised that this office represents BKV Operating, LLC (“BKV”), in the above-referenced action. Enclosed for electronic filing is the Amended Petition to Intervene and Protest of BKV Operating LLC. As discussed in the filing, this Amended Petition to Intervene and Protest incorporates the additional docket numbers related to the instant application filed by UGI Gas and incorporates the address of BKV. No other modifications are made by way of the amended petition.

A Pennsylvania Limited Liability Partnership

California Nevada Colorado New Jersey Delaware New York District of Columbia North Carolina Florida Oklahoma Georgia **Pennsylvania** Illinois Massachusetts South Carolina Minnesota Texas Missouri Washington



March 27, 2026

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If you have any questions with regard to this filing, please do not hesitate to contact me. Thank you.

Respectfully,

A handwritten signature in black ink, appearing to read "Samuel W. Cortes".

Samuel W Cortes

SWC/tla

Enclosure

cc: Anthony C. DeCusatis, Esquire (w/encl. – via email: [adecusatis@postschell.com](mailto:adecusatis@postschell.com))  
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Administrative Law Judge Alphonso Arnold III (w/encl. – via email:  
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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of UGI Utilities, Inc. for:	:	
	:	
(1) Certificate of Public Convenience :	:	
Evidencing Approval Under 66 Pa. C.S. :	:	
§§1102(a)(3) and 1103(a) for the Transfer of the :	:	
Auburn City Gate Station, Located in Auburn :	:	
Township, Susquehanna County, Pennsylvania, :	:	
to UGI Auburn Gathering, LLC, an Affiliate of :	:	Docket Number: A-2026-3060375
UGI Utilities, Inc.;	:	
	:	Docket Number: G-2026-3060435
	:	
(2) Approval of the Proposed Transfer of the :	:	
Auburn City Gate Station Pursuant to 66 Pa. :	:	Docket Number: G-2026-3060551
C.S. §2102(b); and	:	
	:	
(3) Approval of a Modification of an Existing :	:	
Affiliated Interest Agreement Pursuant to 66 Pa. :	:	
C.S. §2103.	:	

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**AMENDED PETITION TO INTERVENE  
AND PROTEST OF BKV OPERATING, LLC**

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Pursuant to Sections 5.71 through 5.74 and Sections 5.51 through 5.53 of the Pennsylvania Public Utility Commission’s (Commission) Regulations,<sup>1</sup> BKV Operating, LLC (BKV) petitions to intervene in the captioned proceeding, protests the relief sought by UGI Utilities, Inc. – Gas Division (UGI Gas), and, in support thereof, states the following.<sup>2</sup>

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<sup>1</sup> 52 Pa. Code §§ 5.71-5.74 and 52 Pa. Code §§ 5.51-5.53.

<sup>2</sup> This Amended Petition to Intervene and Protest incorporates the additional docket numbers related to the instant application filed by UGI Gas and incorporates the address of BKV. No other modifications are made in this filing.

## **I. INTRODUCTION**

1. The Commission should deny the application and related requests made by UGI Gas, outright, because they materially and substantially interfere with the public's interest in access to and consumption of locally produced, competitively-priced natural gas; will produce anticompetitive and discriminatory outcomes; and are otherwise unreasonable under the circumstances. Alternatively, BKV requests that the Commission, first, stay the instant proceeding, pending resolution of an interrelated case pending before the Federal Energy Regulatory Commission (FERC), and, second, refer this matter to the Office of Administrative Law Judge for investigation and scheduling of full and public input evidentiary hearings.

## **II. BACKGROUND**

2. BKV is a Pennsylvania natural gas producer that owns and operates Marcellus Shale natural gas wellheads located in and around Wyoming County, Pennsylvania.

3. The company moves gas from these wellheads to markets exclusively through a non-jurisdictional, *intrastate* pipeline system spanning multiple counties in northeastern Pennsylvania and commonly referred to as the Auburn Gathering System (Auburn).

4. Auburn is owned and operated by a UGI Gas affiliate, UGI Energy Services, LLC (UGIES), and BKV contracts with UGIES for gathering service (Gathering Agreement). BKV could not move gas from its wellheads to Pennsylvania retail customers without the Auburn facilities and the Gathering Agreement.

5. BKV isn't the only user of Auburn. UGI Gas leases capacity on Auburn for the purpose of serving its retail customers with gas on the Auburn system, including molecules produced and delivered by BKV. These customers include a large industrial facility owned and operated by Procter & Gamble (P&G).

6. UGI Gas filed the instant application because it and its affiliates desire to materially and substantially change Auburn’s operations. The UGI companies seek to make all remaining and purportedly uncommitted capacity on Auburn—equal to 281,970 dekatherms (dth) per day—subject to the Natural Gas Act and the jurisdiction of FERC. The intent is to operate Auburn as a non-jurisdictional, *intrastate* gathering pipeline and a FERC-jurisdictional *interstate* pipeline. The instant proceeding is an integral part of that broader enterprise, which eliminates gathering capacity that would otherwise be used to deliver locally produced gas to retail customers served on Auburn, and in a manner that BKV has argued violates the law and the company’s contractual rights.

7. To achieve that end, on February 6, 2026, UGI Gas filed the instant application requesting permission to divest itself of the Auburn City Gate Station (Application). The station comprises city gate facilities interconnected with Auburn and located in Susquehanna County, Pennsylvania.

8. Specifically, UGI Gas seeks issuance of a certificate of public convenience, under 66 Pa. C.S. §§ 1102(a)(3) and 1103(a), to transfer the Auburn City Gate Station to its newly formed affiliate, UGI Auburn Gathering, LLC (UGI Gathering), and for approval of that affiliate transfer under 66 Pa. C.S. § 2102(b). UGI Gas also seeks authority to modify the existing affiliated interest agreement between UGI Gas and UGIES, under 66 Pa. C.S. § 2103, so that UGI Gas can substitute its counterparty on the UGI capacity lease. If the Commission agrees, UGI Gas will lease capacity on Auburn—to serve UGI Gas’s customers like P&G—from UGI Gathering instead of UGIES (as is the present case).<sup>3</sup>

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<sup>3</sup> App. ¶¶ 1-4.

9. UGI Gathering and another affiliate, UGI Auburn, LLC (UGI Auburn), were formed for the relief sought in this proceeding and to effectuate the broader enterprise. Prior to the instant application, on October 10, 2025, UGI Gathering and UGI Auburn applied to FERC for a certificate under Section 7(c) of the Natural Gas Act (FERC Proceeding). The certificate application requested that FERC approve a capacity lease for the 281,970 dth per day that is purportedly uncommitted on Auburn (FERC Application).<sup>4</sup> If approved by FERC, UGI Gathering will lease that capacity to UGI Auburn. And UGI Auburn has already marketed that capacity to third-party interstate shippers under a proposed FERC-jurisdictional transportation tariff (FERC Service).<sup>5</sup>

10. Critically, UGI Auburn intentionally—and, as argued, unlawfully—precluded BKV’s use and access by *not* providing the company with a receipt point on the FERC Service. For this and other reasons, BKV intervened and protested the FERC Application on the grounds that it did not meet FERC’s standard for approving jurisdictional capacity leases on non-jurisdictional pipelines.<sup>6</sup> As of the date of this filing, FERC has not issued a decision.

11. So, in sum, if the UGI companies prevail, the Auburn City Gate will be transferred to an affiliated entity that this Commission does not regulate and that has entered a capacity lease with another affiliated company that this Commission doesn’t regulate, which will materially and substantially alter the operations of Auburn by offering FERC Service to third parties that this Commission doesn’t regulate.

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<sup>4</sup> *Joint Abbreviated Application of UGI Auburn, LLC and UGI Auburn Gathering, LLC for Certificate of Public Convenience and Necessity, Blanket Certificates and Request for Waivers*, FERC Docket No. CP26-9 (Oct. 10, 2025).

<sup>5</sup> App. ¶ 61.

<sup>6</sup> *Motion to Intervene and Protest of BKV Operating, LLC*, FERC Docket No. CP26-9 (Nov. 13, 2025).

12. For the reasons set forth below, BKV requests that this Commission deny the Application or stay this proceeding pending resolution of the FERC Proceeding and refer this matter to the Office of Administrative Law Judge for investigation and scheduling of full evidentiary hearings, including necessary public input hearings.

### **III. PETITIONER INFORMATION AND STANDING**

13. BKV is a Delaware limited liability company authorized to do business in the Commonwealth of Pennsylvania.

14. BKV maintains an office at 5385 State Route 6, Tunkhannock, PA 18657 for the development of business in Pennsylvania.

15. The company is captive to UGIES and Auburn. That is because the Gathering Agreement with UGIES requires BKV to deliver all produced gas from BKV's nearby dedicated acreage to Auburn.

16. From the receipt point, UGIES delivers gas on behalf of BKV: locally, to the Manning Measurement and Regulation Station; north, to the Tennessee Gas Pipeline; and south, to the Transcontinental Pipeline. This allows BKV to make gas sales to retailers that serve customers on Auburn and retailers that serve customers taking gas from Tennessee and Transcontinental.

17. BKV currently enjoys firm service under the Gathering Agreement and, in 2026, anticipates fully utilizing its quantified contract capacity on the Auburn system. Consistent with BKV's long history of developing productive wells in Wyoming County, Pennsylvania, the company has drilled four new wells on the committed acreage served by Auburn—just within the

last seven months.<sup>7</sup> These four new wells markedly increased BKV's production on the Auburn Gathering System from 57,000 dth per day to over 110,000 dth per day at peak flow. This new supply came online shortly after Winter Storm Fern and helped reduce prices and mitigate the local supply constraints, greatly benefiting the retail customers.

18. Due to Auburn's configuration, BKV has a unique status as both a competitor to UGI Gas and the primary source of gas molecules used by P&G and, upon information and belief, the other retail customers on the system. BKV has served as a natural gas supplier to P&G (and may again in the future) and will continue to provide UGI Gas's retail customers located on Auburn with a competitively priced source of gas if they elect to shop for their gas.<sup>8</sup> Even when retail customers do not purchase gas directly from BKV, the gas molecules produced by BKV and delivered to Auburn are nominated and serve UGI Gas's retail customers like P&G.

19. BKV is the successor-in-interest to Citrus Energy Corporation and an anchor gatherer on Auburn. Since 2011, BKV has paid UGIES a minimum monthly charge for gathering service under the Gathering Agreement, independent of the quantity of gas actually delivered by UGIES on BKV's behalf. Revenue from BKV's minimum monthly charge capitalized UGIES's development of the Auburn system, including, on information and belief, a substantial portion of the Auburn Line Extension connecting Auburn to Transco described in the Application.<sup>9</sup>

20. BKV would not have agreed to commit to mandatory minimum billing—nor accepted the contract risk inherent in the liquidated damages provisions of the Gathering

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<sup>7</sup> See Pa. Dep't Env't Prot., Office of Oil & Gas Mgmt., *SPUD Data Report*, [http://cedatareporting.pa.gov/Reportserver/Pages/ReportViewer.aspx?/Public/DEP/OG/SSRS/Spud\\_External\\_Data](http://cedatareporting.pa.gov/Reportserver/Pages/ReportViewer.aspx?/Public/DEP/OG/SSRS/Spud_External_Data) (last accessed Mar. 8, 2026) [Search SPUD Begin Date: 3/8/2025, SPUD End Date: 3/8/2026, Operator: BKV OPR LLC].

<sup>8</sup> See Natural Gas Choice and Competition Act, 66 Pa. C.S. §§ 2201 *et seq.*

<sup>9</sup> App. ¶ 22.

Agreement—but for UGIES’s commitment of firm capacity and the contractual expectation for additional capacity.

21. In addition, BKV enjoys a contractual right of first refusal for any unused capacity offered on the Auburn system. Under the Gathering Agreement, if the unused capacity offered to third parties results from UGIES’s investment in expansion of the Auburn system, UGIES is contractually obligated to offer the unused capacity to BKV on the same terms as offered to such third parties. As argued, neither UGIES nor UGI Gathering provided BKV with this right of first refusal for additional Auburn capacity, on the same or similar terms offered by UGI Gathering under the proposed capacity lease or tariff filed with FERC.

22. As a captive gathering customer, BKV does not have another means of delivering produced gas to market. If BKV loses the right to deliver additional capacity on Auburn, however, it will *not* develop additional wells on its dedicated acreage that has proven productive.

23. BKV has a direct, immediate, and substantial interest in the outcome of this proceeding. The proposed transfer and associated transactions will directly and adversely affect BKV’s contractual rights under the Gathering Agreement, BKV’s access to capacity on Auburn, BKV’s ability to transport gas on Auburn for the benefit of retail customers like P&G, and BKV’s development of existing and future well inventory on its dedicated acreage in northeastern Pennsylvania. These adverse impacts are antithetical to the public interests involved in this proceeding because they will reduce the corresponding benefits to retail customers and the local economy.

24. No other party to this proceeding can adequately represent BKV’s unique interests as an anchor gathering customer with a bilateral agreement and unique receipt point on the Auburn pipeline that provides services for the benefit of retail customers served on Auburn.

#### **IV. PETITION TO INTERVENE**

25. BKV respectfully petitions for leave to intervene in this proceeding pursuant to 52 Pa. Code § 5.72. BKV is directly affected by the proceeding, is not adequately represented by any other party, and may be bound by the action of the Commission in this proceeding.

26. Specifically, BKV's interest arises, first, from its status as a competitor to UGI Gas and as the primary provider of the gas molecules on Auburn used to serve retail customers on the system and, second, its contractual rights under the Gathering Agreement with UGIES. Those rights include, among others: (i) firm service commitments for gathering and delivery capacity on Auburn; (ii) an exclusive gathering dedication covering all products derived from BKV's drilling and well operations on dedicated acreage in northeastern Pennsylvania; (iii) a right of first refusal for unused capacity on Auburn; (iv) the right to request additional unused Auburn capacity that does not interfere with UGIES's obligations to other users; and (v) an express covenant requiring that UGIES operate BKV's interests in the Gathering Agreement on a non-exclusive basis. And the Gathering Agreement never expressly nor implicitly contemplated FERC Service.

27. If UGI Gas's Application is approved, all remaining capacity on Auburn will be intentionally and, as argued, excluded from BKV's access and use, thereby directly impairing BKV's enumerated contractual rights and restricting the development of existing and future well inventory that serves retail customers on Auburn and other downstream customers.

28. For these reasons, BKV satisfies the standards for intervention under 52 Pa. Code § 5.72 and respectfully requests the Commission to allow BKV to intervene with full party status in the proceeding.

## V. PROTEST

### A. THE PROPOSED TRANSFER IS NOT IN THE PUBLIC INTEREST.

29. Section 1102(a)(3) of the Public Utility Code requires a public utility to obtain a certificate of public convenience before it may transfer to any person or corporation the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.<sup>10</sup>

30. Section 1103(a) provides that a certificate of public convenience shall be granted only if the Commission finds that the granting of such certificate is “necessary or proper for the service, accommodation, convenience, or safety of the public.”<sup>11</sup> As the Pennsylvania Supreme Court held in *City of York v. Pa. Pub. Util. Comm’n*, this standard requires an applicant to demonstrate that the proposed transaction will “affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way.”<sup>12</sup> For the reasons set forth below, the Application fails to meet this standard.

#### **1. The Transfer is Not Consistent with the Commission’s Order in *Application of UGI Penn Natural Gas*.**

31. The proposed transfer of the Auburn City Gate Station to UGI Gathering and resulting FERC Service would result in a substantial and material change in the operation of Auburn that undermines many of the affirmative benefits identified in the Commission’s Order approving the transfer of Auburn I to UGIES in the *Application of UGI Penn Natural Gas*.<sup>13</sup>

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<sup>10</sup> 66 Pa. C.S. § 1102(a)(3).

<sup>11</sup> 66 Pa. C.S. § 1103(a).

<sup>12</sup> 295 A.2d 825, 828 (Pa. 1972) (internal quotations omitted); see *Popowsky v. Pa. Pub. Util. Comm’n*, 937 A.2d 1040, 1057 (Pa. 2007).

<sup>13</sup> *Application of UGI Penn Natural Gas, Inc. for Approval of the Transfer by Sale of a 9.0 Mile Natural Gas Pipeline Appurtenant Facilities and Right-Of-Way located in Mehoopany, Pennsylvania*, Docket Nos. A-2010-2213893 and G-2010-2213894 (July 25, 2011) (hereafter cited as “*Application of UGI Penn Natural Gas*”).

32. In *Application of UGI Penn Natural Gas*, BKV’s predecessor in interest, Citrus Energy Corporation, filed comments in support of the application stating that the transfer of the Auburn I “will provide UGIES with an integral asset to enable Citrus Energy to deliver locally produced Marcellus Shale gas into a broader marketplace for the benefit of the natural gas marketplace” and “provide PNG’s customers located on the Auburn . . . with another reasonably priced source of natural gas production.”<sup>14</sup>

33. The Commission determined that “PNG has presented us with an overall transaction which is acceptable to PNG, UGIES, Proctor & Gamble, and Citrus Energy and is also beneficial to PNG’s customers.”<sup>15</sup> The Commission specifically identified “the promotion of Marcellus Shale development and enhanced access to Marcellus Shale natural gas” together with “related benefits to the local economy” as affirmative benefits under the *City of York* standard.<sup>16</sup>

34. The city gate transfer and the interrelated lease of all purportedly uncommitted capacity on Auburn undermines these significant public benefits by eliminating BKV’s contractual rights to increase deliveries of natural gas to Auburn. As further described in Section V.A.2, UGI Auburn will have to dramatically increase operating pressure to operate Auburn as a certificated interstate pipeline, which threatens to displace existing natural gas being delivered by BKV and ultimately consumed by retail customers on Auburn.

35. UGI Gas asserts that the transfer will facilitate the movement of natural gas between Tennessee and Transco and alleviate existing bottlenecks on the Tennessee system.<sup>17</sup> However, customers served by Transco and Auburn who desire access and use of Marcellus and Utica Shale

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<sup>14</sup> Comments of Citrus Energy Corporation in Support of Application of UGI Penn Natural Gas, Docket Nos. A-2010-2213893 and G-2010-2213894, at 1, 3 (Jan. 3, 2010).

<sup>15</sup> *Application of UGI Penn Natural Gas*, slip op. at 23.

<sup>16</sup> *Application of UGI Penn Natural Gas*, slip op. at 22-23.

<sup>17</sup> App. ¶ 48.

production already have multiple means to obtain such gas without the FERC Service, including through existing non-jurisdictional capacity on Auburn, Energy Transfer LP's Wyoming System, Williams Company, Inc.'s Springville Pipeline, and the Transco Leidy Pool. The Application fails to demonstrate a public need for the conversion of this capacity to interstate service at the expense of additional capacity that could be used to transport additional supplies of locally produced gas for the benefit of retail customers.

36. In contrast to *Application of UGI Penn Natural Gas*, this proposed transfer would be carried out over the objection of a fully captured, anchor gathering customer (*i.e.*, BKV) and in direct breach of UGIES's obligations under the Gathering Agreement. The Commission should not issue a certificate that facilitates a breach of existing contractual obligations owed to a gathering customer whose payments capitalized the very pipeline facilities that are the subject of the Application.

37. Furthermore, UGI Gas has provided no evidence or compelling justification that its proposed valuation of \$200,000 over net book value for the Auburn City Gate Station is reasonable and in the public interest.<sup>18</sup> In *Application of UGI Penn Natural Gas*, the Commission determined that the net book value was a reasonable valuation of the asset based on record evidence that the market value of the Auburn Line was "negligible because it is not currently configured to deliver natural gas into the Tennessee System without the estimated \$15 million investment contemplated by UGIES."<sup>19</sup> UGI Gas has offered no such information to support such a finding in this case.

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<sup>18</sup> See App. ¶¶ 13-14, 44-45.

<sup>19</sup> *Application of UGI Penn Natural Gas*, slip op. at 19.

## **2. The Transfer Will Cause Quantifiable Harm To BKV.**

38. The proposed transfer and related transactions will cause quantifiable harm to BKV. In addition to the loss of its contractual rights to additional capacity on the Auburn, the proposed capacity lease for the remaining capacity on Auburn excludes BKV's receipt point and effectively excludes BKV from contracting for interstate transportation.<sup>20</sup>

39. This resulting loss of capacity will directly impair BKV's ability to: (i) fully utilize its maximum contract capacity under the Gathering Agreement, which BKV anticipates reaching in 2026; (ii) develop existing commercially viable well inventory on its dedicated acreage; and (iii) discover and develop new well inventory on additional nearby acreage, as contemplated by the Gathering Agreement.

40. Additionally, BKV's analysis shows that the operation of interstate pipeline service on Auburn may cause system pressures to exceed 900 pounds per square inch (psig), which could pressure BKV's production out of Auburn entirely. BKV estimates that adverse pressure impacts could result in a loss of approximately \$1,000,000 from the net present value of natural gas sales that are deferred because of adverse pressures, and that compression upgrades required to match pressures exceeding 900 psig could cost BKV an additional \$3,500,000. The Application provides no analysis of these impacts and no plan to mitigate or compensate for the harm to BKV and other existing gathering customers.

41. For these reasons, the Application does not demonstrate that the proposed transfer will affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way, and the Commission should deny the requested certificate of public convenience.

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<sup>20</sup> FERC Application, Ex. I, Operating Lease Agreement, Ex. A.

**B. THE AFFILIATED INTEREST TRANSFER IS NOT REASONABLE OR CONSISTENT WITH THE PUBLIC INTEREST.**

42. Section 2102(b) of the Public Utility Code provides that contracts or arrangements between a public utility and an affiliated interest shall be approved by the Commission “only if [such contract or arrangement] . . . shall clearly appear and be established upon investigation that it is reasonable and consistent with the public interest.”<sup>21</sup>

43. The proposed transfer and related transactions will take place exclusively among indirect subsidiaries of UGI Corporation, and UGI Gathering and UGI Auburn were formed in 2025 solely for the purpose of facilitating these transactions. As UGI Gas acknowledges in the Application, these entities “will be indirect subsidiaries of UGI Corporation and will benefit from being part of UGI Corporation’s corporate family.”<sup>22</sup>

44. Under these circumstances, the Commission cannot presume that the terms of the transaction are reasonable or consistent with the public interest, and the Application offers no independent evidence to that effect.

45. The proposed transaction concentrates the ownership, gathering, and interstate transportation functions of the Auburn system within a single corporate family. UGI affiliates will simultaneously own the gathering pipeline, own the Auburn City Gate Station, operate the gathering service, own and operate the proposed interstate pipeline, and lease the interstate capacity—all while maintaining contractual control over BKV who cannot access the FERC Service because the receipt points offered under the tariff are not practicably accessible to them.

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<sup>21</sup> 66 Pa. C.S. § 2102(b).

<sup>22</sup> App. ¶ 52.

46. Contrary to the Applicant’s claim,<sup>23</sup> the proposed transfer and related transactions will have direct adverse effects on BKV as well as local natural gas production and the associated benefits to the local economy.

47. There is a strong potential for anticompetitive abuse where a company or its affiliates perform both the gathering and transportation of natural gas.<sup>24</sup> The Commission should not approve a transaction that places the Auburn City Gate Station outside of its jurisdiction and creates such a concentration of market power within a single affiliated group without adequate safeguards to protect existing retail customers and the competitive market.

48. For the reasons set forth in Section V.A, the proposed affiliated interest transaction is not reasonable and consistent with the public interest, and the Commission should deny approval under Section 2102(b).

**C. THE PROPOSED TRANSFER WILL PRODUCE ANTICOMPETITIVE AND DISCRIMINATORY OUTCOMES.**

49. Section 2210(a) of the Public Utility Code directs the Commission, in exercising its authority to approve the acquisition or disposition of assets of natural gas distribution companies, to consider whether the proposed transaction “is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market.”<sup>25</sup>

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<sup>23</sup> App. ¶ 54 (“These benefits can be achieved with no adverse effects on UGI Gas or on existing shippers on UGI Gathering’s gathering system . . .”).

<sup>24</sup> See *N. Nat. Gas Co., Div. of Enron Corp. v. FERC*, 929 F.2d 1261, 1270, 1274 (8th Cir. 1991); *Conoco Inc. v. FERC*, 90 F.3d 536, 549 (D.C. Cir. 1996).

<sup>25</sup> 66 Pa. C.S. § 2210(a)(1).

50. In addition to eliminating BKV's contractual rights to additional intrastate pipeline capacity on Auburn, the proposed capacity lease and associated FERC tariff are designed to exclude BKV from the FERC Service. The receipt points offered under the proposed tariff are limited to three primary locations, none of which are practicably accessible to BKV's wellheads and acreage without substantial investment and construction.<sup>26</sup>

51. Thus, BKV is effectively excluded from using the FERC Service while simultaneously being forced to continue paying a higher legacy gathering rate under the Gathering Agreement. That rate was based on the firm capacity commitment and contractual expectation for additional capacity that the proposed transactions would eliminate. And the Gathering Agreement never expressly nor implicitly contemplated FERC Service.

52. For these reasons, the proposed transaction is likely to result in anticompetitive and discriminatory conduct and should not be approved without conditions that ensure nondiscriminatory access for existing gathering customers.

**D. THE MODIFICATION OF UGI GAS'S CAPACITY LEASE IS NOT A MERE SUBSTITUTION AND SHOULD BE DENIED.**

53. Section 2103 of the Public Utility Code provides that the Commission "shall have continuing supervisory control over the terms and conditions of contracts and arrangements" with affiliated interests of a public utility, and "shall have the same jurisdiction over the modifications or amendment of contracts or arrangements as it has over such original contracts and arrangements."<sup>27</sup> Accordingly, a modification of an affiliated interest agreement (AIA) is subject

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<sup>26</sup> FERC Application, Ex. I, Operating Lease Agreement, Ex. A.

<sup>27</sup> 66 Pa. C.S. § 2103.

to Section 2102(b)'s requirement that the modification must be "reasonable and consistent with the public interest."<sup>28</sup>

54. The Application characterizes the proposed AIA modification as a simple substitution of UGI Gathering for UGIES under the existing capacity lease, with all other terms remaining unchanged. However, the proposed modification is not a ministerial change of party name. The substitution of UGI Gathering for UGIES is inextricable from the broader enterprise and restructuring, which includes the transfer of the Auburn City Gate Station, the lease of 281,970 dth per day of (purportedly) uncommitted capacity to UGI Auburn, and the conversion of that capacity from non-jurisdictional gathering service to FERC-jurisdictional interstate pipeline service.

55. For the reasons stated in Section V.A, the proposed AIA modification is not reasonable or consistent with the public interest and should be denied.

**E. IN THE ALTERNATIVE, THE COMMISSION SHOULD STAY THIS PROCEEDING, PENDING THE RESOLUTION OF THE FERC PROCEEDING.**

56. In the FERC Proceeding, BKV raised substantive concerns about the impact of the proposed capacity lease and interstate transportation service on Auburn's existing gathering customers.<sup>29</sup> BKV has requested that the Commission deny the FERC Application or, in the alternative, conduct additional evidentiary hearings to determine what adequate mitigation measures should be implemented before the proposed capacity lease can be approved.<sup>30</sup>

57. If the FERC Application is denied, the proposed transfer will be rendered meaningless, as its core objective—enabling interstate transportation on Auburn—cannot be

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<sup>28</sup> 66 Pa. C.S. § 2102(b).

<sup>29</sup> *Motion to Intervene and Protest of BKV Operating, LLC*, FERC Docket No. CP26-9, at 2 (Nov. 13, 2025).

<sup>30</sup> *Id.* at 28.

achieved. Furthermore, FERC may approve the FERC Application with conditions that would affect the Commission's analysis of affirmative public benefits associated with the proposed transfer.

58. Staying this proceeding pending the resolution of the FERC Proceeding will clarify some of the contested issues in this proceeding and promote administrative efficiency.

59. If the Commission elects not to deny the Application outright, BKV requests that it stay this proceeding pending the resolution of the FERC Proceeding for the foregoing reasons.

## **VI. LEGAL REPRESENTATION**

60. BKV is represented in this proceeding by the following attorneys:

Samuel W. Cortes  
Ashley L. Beach  
FOX ROTHSCHILD, LLP  
747 Constitution Drive, Suite 100  
Exton, PA 19341  
Ph: (610) 458-7500  
Email: scortes@foxrothschild.com  
abeach@foxrothschild.com

61. BKV's counsel consent to the service of documents by email to scortes@foxrothschild.com and abeach@foxrothschild.com as provided in 52 Pa. Code § 1.54(b)(3).

## **VII. CONCLUSION**

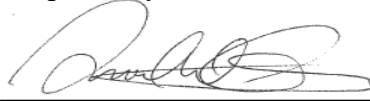
62. Based on the foregoing, and for any other issues or grounds that may arise during the proceeding,<sup>31</sup> BKV protests the Application in its entirety and requests that the Commission deny the Application or stay further proceedings pending the outcome of the FERC Proceeding.

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<sup>31</sup> BKV reserves the right to raise additional issues as this proceeding progresses and further information is obtained from UGI Gas and its affiliates.

63. To the extent the Commission does not outright deny the Application, it should be suspended and set for hearings or some other process where adequate safeguards could be developed and included.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Samuel W. Cortes', written over a horizontal line.

Samuel W. Cortes  
(Atty No. 91494)  
Counsel for BKV Operating, LLC

Dated: March 27, 2026

## VERIFICATION

I, Simon Bowman, Senior Director, Midstream Commercial, hereby state that I am duly authorized to and do make this Verification on behalf of BKV Operating, LLC; that the facts set forth in the foregoing Amended Petition to Intervene and Protest of BKV Operating, LLC are true and correct to the best of my knowledge, information, and belief; and that I expect to be able to prove the same at a hearing held in this matter. I understand that my statements made herein are subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.

Dated: March 27, 2026

Signed by:  
*Simon Bowman*  
C808F5B87F37482...

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Simon Bowman  
Senior Director, Midstream Commercial  
BKV Operating, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document 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) on March 27, 2026.

*Via Electronic Mail*

<p>Anthony C. DeCusatis, Esq. Post &amp; Schell, P.C. 17 North Second Street, 12th Floor Harrisburg, PA 17101-1601 adecusatis@postschell.com</p>	<p>Susan E. Bruce Charis Mincavage Victoria Geddis McNees Wallace &amp; Nurick LLC 100 Pine Street, P.O. Box 1166 Harrisburg, PA 17101-1166 sbruce@mcneeslaw.com cmincavage@mcneeslaw.com vgeddis@mcneeslaw.com</p> <p><i>Counsel for Procter &amp; Gamble Paper Products Company</i></p>
<p>Michael S. Swerling, Esq. UGI Corporation 500 North Gulph Road King of Prussia, PA 19406 swerlingm@ugicorp.com</p> <p><i>Counsel for UGI Utilities, Inc. – Gas Division</i></p>	<p>Administrative Law Judge Alphonso Arnold III alphonarno@pa.gov</p>

Dated: March 27, 2026



Samuel W. Cortes