PENNSYLVANIA
PUBLIC UTILITY COMMISSION
HARRISBURG, PA 17120

Commissioners Present:

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

Petition of UGI Utilities, Inc. – Electric Division for approval to Modify its Default Service Supplier Master Agreement	Docket Number: P-2024-3049343

ORDER GRANTING MASTER AGREEMENT MODIFICATION

BY THE COMMISSION:

On June 9, 2026, UGI Utilities, Inc. – Electric Division (UGI), Utility Code 111100, filed a Petition for Approval to Modify its Default Service Supplier Master Agreement (SMA) to incorporate the 2018 International Swaps and Derivatives Association, Inc. (ISDA) U.S. Resolution Stay Protocol (U.S. Stay Protocol). On June 11, 2026, UGI filed Attachment A to the Petition.

UGI served the Petition on the Pennsylvania Public Utility Commission's (Commission) Bureau of Investigation and Enforcement (BI&E), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), and all parties of record. No answers or comments were filed, and no hearings were held. For the reasons expressed in this Order, the Commission approves this Petition consistent with this Order.

UGI is requesting approval to modify its SMA, included in UGI's fifth default service plan (DSP V), to add a new Appendix I to the SMA which incorporates the ISDA U.S. Stay Protocol into the SMA which is necessary for Global Systematically Important Banks (GSIBs) to participate in UGI's wholesale default supply auctions. UGI states that the Commission approved a similar request for PECO Energy Company at Docket No. P-2023-3045119, Order entered February 1, 2024. UGI is further requesting approval of this Petition by June 26, 2026, so that the GSIBs can participate in UGI's wholesale default supply auction scheduled for July 30, 2026. UGI states that it consulted with all parties in UGI's DSP V Proceeding and none of the parties object to this filing. Petition pages 1 and 2.

UGI states that GSIBs are extremely large financial institutions whose failure could trigger a broad financial crisis and threaten the global economy and as a result, GSIBs are subject to higher capital requirements and more stringent stress tests than regular financial institutions. UGI further states that GSIBs are closely monitored by credit ratings agencies and have some of the highest credit ratings available. UGI submits that the Financial Stability Board has identified a list of 29 GSIBs in 2025[1] that include JPMorgan Chase, Citigroup, and Bank of America, among others. Petition ¶9.

UGI states that GSIBs are subject to extensive regulations including the U.S. Stay Regulations issued by the Board of Governors of the Federal Reserve System,[2] the Federal Deposit Insurance Corporation,[3] and the Office of the Comptroller of Currency[4] (collectively referred to as the GSIB regulation regime). UGI submits that the U.S. Stay Regulations impose requirements on the terms of swaps and other qualified financial contracts of GSIBs. Petition ¶10.

[1] https:www.fsb.org/2025/11/2025-list-of-global-systemically-important-banks-g-sibs/.
[2] 12 C.F.R. §§ 252.2, 252.81-88.
[3] 12 C.F.R. §§ 382.1-7.
[4] 12 C.F.R. §§ 47.1-8 (U.S. Stay Regulations).

UGI states that given the importance of GSIBs to the global banking system, GSIBs are not subject to typical bankruptcy rules and can only execute contracts with counterparties that agree to be subject to the ISDA U.S. Stay Regulations. UGI further states that the ISDA U.S. Stay Regulations allow bank regulators time (48-hours) to manage a potential crisis by imposing stays on parties' rights to terminate contracts. UGI also states that the 48-hour stay period is designed to provide a stable environment for the orderly transfer of troubled banks' contracts to prevent a potential broader collapse and that all counterparties to a GSIB qualified financial contract are subject to the same stay requirement. Petition ¶11.

UGI states that the GSIB regulation regime does not invalidate an otherwise enforceable contact or security interest in any collateral taken to secure performance under the qualified contract and does not permit the GSIB to fail to pay or perform under a qualified contract. Petition ¶12.

UGI submits that it has been approached by a GSIB seeking to participate in UGI's wholesale auctions for default supply. UGI further submits that the GSIB advised UGI that it would need to adhere to the ISDA U.S. Stay Regulations for the GSIB to bid in the default supply auction. UGI states that incorporation of the ISDA U.S. Stay Regulations into the SMA is necessary for well-qualified GSIBs to compete and bid in UGI's wholesale default supply auction, thereby expanding the scope of eligible bidders. UGI further states that GSIBs will be subject to all other provisions of UGI's SMA and other bidder requirements, including credit and collateral requirements. Petition page 1, ¶8 and ¶14.

We agree with UGI's proposal to modify its Default Service Supplier Master Agreement. We find this modification may attract more suppliers, may increase competition, and may lead to lower prices for customers. Accordingly, we grant UGI's request to modify its Default Service Supplier Master Agreement; **THEREFORE,**

IT IS ORDERED:

1. That the Petition filed by UGI Utilities, Inc. – Electric Division, for approval to modify its Default Service Supplier Master Agreement to incorporate the 2018 International Swaps and Derivatives Association, Inc. U.S. Resolution Stay Regulations, is hereby granted.

2. That a copy of this Order be served on UGI Utilities, Inc. – Electric Division, Bureau of Investigation and Enforcement (BI&E), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), and all Parties of Record.

3. That the proceeding at Docket No. P-2024-3049343 be closed.

BY THE COMMISSION,

Matthew L. Homsher

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: June 24, 2026

ORDER ENTERED: June 24, 2026