

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

**Investigation of UGI Utilities, Inc. – Gas Division
relating to plastic pipe fusion, inspection, and
installation issues in construction projects in
Allentown, Bethlehem, Nazareth, and Emmaus,
Pennsylvania**

**Public Meeting of July 16, 2026
3051981-OSA
Docket No. M-2026-3051981**

STATEMENT OF VICE CHAIR KIMBERLY BARROW

Before the Commission is the Joint Petition for Approval of Settlement (Settlement) filed on March 20, 2026, by the Commission's Bureau of Investigation and Enforcement (I&E) and UGI Utilities, Inc. relating to plastic pipe fusion, inspection, and installation practices of a UGI contractor, SKODA Contracting, at 12 projects.

I&E alleges that UGI, through its contractor, failed to follow its construction procedures by placing 52 fusions into service that were not visually acceptable. Specifically, I&E alleges various violations of 49 CFR § 192.13, 49 CFR § 192.303, 49 CFR § 192.273(b), and Section 1501 for the 25 electrofusion coupling joints, 27 visually unacceptable butt fusions, and 25 visually unacceptable electrofusion couplings.

Through this Settlement, UGI agrees to pay a civil penalty of \$150,000, among other things. One of the Settlement terms is ambiguous and requires clarification:

UGI Gas will not seek recovery, through ratepayers, of the costs for the work performed by SKODA to investigate, inspect, and remediate the projects, identified in this settlement, performed by SKODA in 2022.

Given that the timeframe of the incidents/investigation appears to expand beyond 2022,¹ I kindly ask the Parties to file comments clarifying what work and associated costs related to these incidents/investigation would be barred from recovery from ratepayers.

July 16, 2026



Kimberly M. Barrow, Vice Chair

¹ On or about December 29, 2022, Pipeline Safety engineers witnessed SKODA employees failing to follow UGI construction procedures when installing plastic main at the Liberty Street project in Nazareth. On January 3, 2023, UGI and SKODA met with Pipeline Safety engineers to perform 5 integrity inspections at various locations along the Liberty Street project. Of the 13 butt fusions joints that were exposed, 5 failed visual inspection. The failures were linked to a particular Foreman and Laborer employed by SKODA. UGI expanded its integrity inspections from March 2023 through July 2025 to 12 other projects where the Foreman and Laborer were involved.