

Buchanan

Alan M. Seltzer
717 237 4862
Alan.seltzer@bipc.com

409 North Second Street
Suite 500
Harrisburg, PA 17101-1357
T 717 237 4800
F 717 233 0852

September 17, 2026

VIA E-FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: UGI-Argo Joint Application
Docket Nos. A-2026-3063610, A-2026-3063612 and A-2026-3063614

Dear Secretary Homsher:

Enclosed please find UGI Utilities, Inc. and Argo Infrastructure Partners LLC's ("Joint Applicants") Pre-Hearing Conference Memorandum to be filed in the above-captioned matters.

Copies of this filing are being served as indicated on the Certificate of Service.

Sincerely,

BUCHANAN INGERSOLL & ROONEY PC

By: 

Alan M. Seltzer, Esquire

AMS/psm

Enclosure

cc: Administrative Law Judge F. Joseph Brady (via email only)
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JOINT APPLICATION OF UGI UTILITIES, INC.	:	
AND ARGO INFRASTRUCTURE PARTNERS LLC	:	
FOR A CERTIFICATE OF PUBLIC	:	
CONVENIENCE UNDER CHAPTER 11 OF THE	:	
PUBLIC UTILITY CODE AND ALL OTHER	:	
NECESSARY APPROVALS (I) FOR THE	:	
CONVERSION OF UGI UTILITIES, INC. TO UGI	:	
UTILITIES, LLC, (II) TO EFFECT A DIVISION OF	:	
THE ASSETS AND LIABILITIES OF UGI	:	
UTILITIES, LLC, (III) TO ESTABLISH A NEW	:	
ENTITY TO OWN AND OPERATE THE ASSETS	:	DOCKET NO. A-2026-3063610
OF UGI UTILITIES, LLC – ELECTRIC DIVISION	:	
AND PROVIDE RETAIL ELECTRIC SERVICE AS	:	DOCKET NO. A-2026-3063612
A PUBLIC UTILITY, (IV) FOR THE SALE AND	:	
TRANSFER OF THE MEMBERSHIP PURCHASE	:	DOCKET NO. A-2026-3063614
INTERESTS IN THE NEW ENTITY TO A NEW	:	
LIMITED LIABILITY COMPANY TO BE	:	
FORMED, OWNED AND CONTROLLED BY AN	:	
AFFILIATE OF ARGO INFRASTRUCTURE	:	
PARTNERS LLC, AND (V) FOR THE CESSATION	:	
AND ABANDONMENT OF ANY AND ALL RETAIL	:	
ELECTRIC SERVICE IN PENNSYLVANIA FOR	:	
UGI UTILITIES, INC.	:	

PREHEARING MEMORANDUM OF THE JOINT APPLICANTS

Pursuant to Section 5.222(d) of the regulations of the Pennsylvania Public Utility Commission (the “Commission”), UGI Utilities, Inc. (“UGI”) and Argo Infrastructure Partners LLC (“Argo” and, together with UGI, the “Joint Applicants”) submit this Prehearing Memorandum in preparation for the Prehearing Conference in this matter scheduled for Friday, September 18, 2026, at 10:00 am.

I. INTRODUCTION AND BACKGROUND

On June 24, 2026, the Joint Applicants filed an application (the “Joint Application”) requesting the approvals by the Commission under Sections 1102(a)(3) and 1103 of the Public

Utility Code (the “Code”) for a proposed transaction, the effect of which would allow UGI to transfer its electric utility operations to an Argo-controlled entity and cease and abandon the ownership and operation of the utility assets and retail electric service it is currently providing to the public through its Electric Division (“UGI Electric”) in all or portions of Luzerne and Wyoming Counties, Pennsylvania (“Proposed Transaction”). To effectuate the Proposed Transaction, UGI plans to (1) convert from a Pennsylvania corporation to a Pennsylvania limited liability company (the “Conversion”), (2) divide into two entities (the “Division”) and allocate to Wyoming Valley Electric LLC, a Pennsylvania limited liability company to be formed as a result of the Division (the “Company”), the assets and related certificates of public convenience (“CPCs”) currently possessed by UGI Electric in support of its current retail electric service to the public and (3) sell to Wyoming Valley Electric Holdings LLC (“Holdings”), a limited liability company indirectly controlled by Argo,¹ 100% of the membership interests in the Company.

The Conversion and the Division will be effected after Commission approval of the Proposed Transaction, but prior to closing. The Conversion will be effected by adopting a Plan of Conversion and the filing a Certificate of Conversion with the Pennsylvania Department of State, all in accordance with the Pennsylvania Entity Transaction Law (“ETL”), 15 Pa. C.S. §351-56.

The Joint Application included written testimony and exhibits describing the Proposed Transaction and its substantial affirmative benefits to the public, UGI Electric, and its customers.

¹ Holdings was formerly known as “Erdinger Holdings LLC” (“Erdinger”).

The Proposed Transaction will, among other things, allow the new public utility to access capital and other resources untethered from the larger UGI organization that currently includes both the smaller UGI Electric and UGI's larger retail gas public utility business in Pennsylvania, i.e., UGI Utilities, Inc. – Gas Division ("UGI Gas").

Notice of the Joint Application was published in the *Pennsylvania Bulletin* on July 11, 2026, and pursuant to a Secretarial Letter dated June 30, 2026, that notice was also published in general circulation newspapers in the area relevant to the Joint Application (i.e., *Times Leader* and *Citizens' Voice*). The Commission's Secretarial Letter advised that the Notice of the filing of the proceeding would appear in the Saturday, July 11, 2026 issue of the *Pennsylvania Bulletin*.

On July 9, 2026 the Office of Small Business Advocate ("OSBA") filed a Notice of Appearance. On July 15, 2026, the OSBA filed a Notice of Intervention, Public Statement and Verification.

On July 24, 2026, the Commission of Economic Opportunity ("CEO") filed a Petition to Intervene in this proceeding.

On July 27, 2026, the Office of Consumer Advocate ("OCA") filed a Public Statement and Protest.

On July 28, 2026, the Commission's Bureau of Investigation and Enforcement ("I&E") filed a Notice of Appearance.

On July 30, 2026, the OCA filed a Notice of Appearance.

On August 5, 2026, the Joint Applicants filed and served a letter noting that the absence of filing an Answer to the OCA Protest of July 27, 2026 should not be construed as concurrence in the grounds of, or the issues addressed in, the Protest.

On August 14, 2026, the Commission issued a Prehearing Conference Notice setting the initial prehearing conference in this proceeding via Microsoft Teams for Friday, September 18, 2026, before Administrative Law Judge F. Joseph Brady.

The Retail Energy Supply Association (“RESA”) filed a Petition to Intervene on August 14, 2026, and an Amended Petition to Intervene on August 18, 2026. On August 21, 2026, the Joint Applicants filed a Letter in Lieu of Answer to RESA’s Amended Petition to Intervene indicating that they do not oppose RESA’s request to intervene in this proceeding, but do reserve their rights to file a Motion in Limine and/or to Strike any evidence or arguments presented by RESA in this proceeding related to UGI Gas, including, but not limited to, UGI Gas’s compliance with its 2026 Rate Case Settlement that remains pending before the Commission at Docket Nos. R-2025-3059523, *et al.*

The Joint Applicants’ absence of filing an answer or other responsive pleading to any Protests, Petitions to Intervene, or Notices to Intervene should not be considered their acquiescence in, or agreement with, any substantive positions taken by any parties that filed such pleadings. Subject to the above caveat and the Letter in Lieu of Answer to RESA’s Amended Petition to Intervene, the Joint Applicants do not oppose the intervention and/or participation in this proceeding by the OCA, OSBA, I&E, RESA or CEO.

II. ISSUES

The issues in this proceeding result from the specific relief being sought by the Joint Applicants. First, the proposed conversion of UGI to a limited liability company requires the Commission to issue a CPC pursuant to Code Section 1102(a)(3).² An internal restructuring of a

² See 66 Pa. C.S. § 1102(a)(3); *PPL Elec. Utils. Corp. v. Pa. PUC*, 2020 Pa. Commw. Unpub. 521, at *8-22 (Pa. Cmwlth. 2020) (“*PPL*”).

public utility does not need to meet the substantial and affirmative public benefits test under the *City of York v. Pa. PUC*³ and its progeny. *See PPL Elec. Utils. Corp. v. Pa. PUC*, 2020 Pa. Commw. Unpub. 521, at *8-22 (Pa. Cmwlth. 2020). Rather, the applicant must establish that the proposed restructuring is “necessary or proper” pursuant to Code Section 1103(a). *Id.*; *see* 66 Pa. C.S. § 1103(a).

Second, based upon the fully effective and approved Division, there is no need or legal requirement for the Company to obtain a new CPC from the Commission to provide retail electric service in the former service territory of UGI Electric because, under the ETL, the Company will hold the items/property allocated to it as the successor to UGI Electric and *not by transfer*. The Division does not operate or constitute a transfer of any items/property, directly or indirectly. In the alternative, if the Commission disagrees, the Commission should issue a CPC for the Division and a CPC for the Company to commence the provision of retail electric service, under the same legal standards addressed for change of control, discussed below.

Third, a CPC is necessary before Holdings may acquire 100% of the outstanding membership interests in the Company at closing. Section 1102(a)(3) of the Code requires the Commission to issue a CPC, upon application, to authorize a “public utility or an affiliated interest of a public utility” to “acquire from, or transfer to [any other entity by any means whatsoever] the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.” 66 Pa. C.S. § 1102(a)(3).

Further, any issues regarding change of control in this proceeding are guided by the provisions of Code Chapter 11 and the Commission’s policy statement at 52 Pa. Code § 69.901.

³ *See City of York v. Pa. PUC*, 295 A.2d 825 (Pa. 1972).

The Commission has clarified, under 52 Pa. Code § 69.901, that, regardless of the tier, a CPC is required, pursuant to 66 Pa. C.S. § 1102(a)(3), when a new controlling interest results from “a different entity becoming the beneficial holder of the largest voting interest in the utility or the parent.” The Proposed Transaction’s change in controlling interest is Holdings’ acquisition of all the membership interests in the Company. The Commission is required to issue a CPC upon finding that “the granting of such certificate is necessary or proper for the service, accommodation, convenience or safety of public.” 66 Pa. C.S § 1103(a).

Fourth, a CPC will be required before UGI – an existing public utility – may abandon or cease the provision of utility service in the Commonwealth. *See* 66 Pa. C. S. §1102(a)(2).

Fifth, the Proposed Transaction contemplates UGI’s sale of the entirety of its ownership interest in the Company to Holdings at closing. As an existing regulated public utility in Pennsylvania, UGI must obtain Commission approval – via the granting of a CPC – before it can sell its membership/ownership interests in the Company which, under the ETL, is deemed to be the successor to UGI Electric. *See* 66 Pa. C. S. §1102(a)(3).

As set forth in the Joint Application and supporting direct testimony, the Proposed Transaction will result in substantial affirmative public benefits as required by *City of York*.⁴

⁴ In *City of York v. Pa. P.U.C.*, 449 Pa. 136, 295 A.2d 825 (1972) (“*City of York*”), the Pennsylvania Supreme Court articulated the legal standard for approval of public utility mergers and acquisitions known as the public benefits test:

[A] certificate of public convenience approving a merger is not to be granted unless the Commission is able to find affirmatively that public benefit will result from the merger . . . [T]hose seeking approval of a utility merger [are required] to demonstrate more than the mere absence of any adverse effect upon the public [T]he proponents of a merger [are required to] demonstrate that the merger will affirmatively promote the ‘service, accommodation, convenience, or safety of the public’ in some substantial way.

Argo is a financially strong, diversified owner and manager of infrastructure assets with the management, employee experience, technical expertise, and financial resources to acquire control of the Company. As explained by Andrew Zaroulis in Joint Applicants Statement No. 1, Argo manages a \$7.4 billion investment portfolio and has over 12,700 employees as of year-end 2025. Among the substantial affirmative benefits of the Proposed Transaction are:

- **Greater Access to Capital**
- **System Reliability and Integrity**
- **High-Quality Customer Service**
- **Community Involvement**
- **Strong Relationships with Regulators**
- **Strategy Development and Management Practices**
- **Commitment to Employees**
- **Strong Leadership in Local Communities**
- **Potential Savings**

In addition to the *City of York* test, the Commission considers the following ten public interest factors, known as the *Penn Estates* factors,⁵ when investment fund control of a Pennsylvania utility is involved in a transaction: (a) capital to be allocated to ongoing operating and maintenance expenses; (b) corporate governance/Sarbanes-Oxley compliance; (c) the expected term of ownership; (d) experience as an owner and operator of utilities; (e) community presence; (f) the nature and objectives of the various affiliated relationships involved; (g) fees paid to and services performed by affiliates; (h) limits on use of leverage and other capital structure

⁵ *Application of Penn Estates Utils., Inc.*, Docket Nos. A-210072F0003 et al. (Order entered Oct. 2, 2006).

protections; (i) transparency on corporate structure issues; and (j) creditworthiness. As described in the Joint Application, Argo clearly satisfies the *Penn Estates* criteria.⁶

The Joint Applicants are prepared to satisfy their burden of proof⁷ and demonstrate that all the relief requested in the Joint Application and summarized in part above should be granted. In that regard, the Joint Applicants will address all issues raised by the parties in their Protests/pleadings and such other issues that may arise during the course of the proceeding.

III. WITNESSES

The Joint Applicants intend to present the following witnesses in their case in chief in support of the Joint Application, but reserve the right to add such other witnesses as they deem appropriate upon further notice to the presiding Administrative Law Judge and the parties:

Andrew Zaroulis is a Managing Director and a senior investment professional at Argo. Mr. Zaroulis explains why Argo is entering into the Proposed Transaction with UGI. He also summarizes the benefits of the Proposed Transaction from Argo's perspective, Argo's commitment to the public utility industry in Pennsylvania, and the satisfaction of the *Penn Estates* standards (Joint Applicants Statement No. 1).

Richard Klapow is a Managing Director and senior investment professional at Argo. Mr. Klapow explains Argo's experience with and expertise in the ownership and operation of public utilities in Pennsylvania and elsewhere, as well as Argo's financial, legal and operating fitness. (Joint Applicants Statement No. 2).

⁶ Joint Application, ¶¶ 37-47.

⁷In *Popowsky v. Pa. P.U.C.*, 937 A.2d 1040 (2007), the Pennsylvania Supreme Court interpreted the Code and the *City of York* standard as satisfied by a simple preponderance of benefits, which every customer is not required to receive, and that such burden can be shown by the likelihood or probability of public benefits that need not be specifically quantified or guaranteed.

Christopher Brown is the Vice President of Natural Gas and Electric Operations of UGI. Mr. Brown provides an overview of UGI, summarizes UGI's requested approvals in this proceeding, including UGI Utilities, Inc.'s conversion to UGI Utilities, LLC, and explains the Company's support for the Proposed Transaction. (Joint Applicants Statement No. 3).

IV. DISCOVERY

The Joint Applicants propose that discovery should be conducted in accordance with the Commission's regulations at 52 Pa. Code, Chapter 5, Subchapter D, subject to the following modifications:

1. Answers to written interrogatories and requests for production of documents shall be served in-hand within seven (7) calendar days of service.⁸
2. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing within five (5) calendar days of service of the interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections. Answers to motions to dismiss objections and/or answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
4. Requests for admissions will be deemed admitted unless answered within seven (7) calendar days or objected to via written objections served within five (5) calendar days of service.

⁸ All references in the proposed discovery rule modifications to calendar day due dates assume that due dates falling on a Saturday, Sunday or holiday default to the next business day.

5. Answers to on-the-record data requests shall be served in-hand within seven (7) calendar days of the requests.

6. Any discovery served after noon (12:00 p.m.) on a Friday or the day before a holiday will be deemed to have been served on the following business day for purposes of tracking due dates.

7. All discovery due dates are to be “in-hand” and electronic service on the due date will satisfy the “in-hand” requirement.

8. Pursuant to 52 Pa. Code § 5.341(b) and § 5.342(e), respectively, neither discovery requests and responses, nor objections to interrogatories, are to be served on the Commission or the Administrative Law Judges, although a certificate of service evidencing such service should be filed with the Commission’s Secretary and served on active parties.

In addition, the Joint Applicants have executed Stipulated Protective Agreements with the parties to address Confidential Information. If a form of Protective Order is desired in lieu of the already executed Stipulated Protective Agreements, the Joint Applicants will prepare an appropriate Motion and form of Protective Order for consideration by the Administrative Law Judge.

V. PROPOSED PROCEDURAL SCHEDULE

The Joint Applicants propose the following litigation schedule for this proceeding:

Application Filing	June 24, 2026
Prehearing Conference	September 18, 2026
Informal Discovery Meeting	October 1, 2026

Non-Company Direct Testimony	October 22, 2026
Informal Settlement Conference	October 28, 2026
Rebuttal Testimony	November 11, 2026
Surrebuttal Testimony	November 23, 2026
Written Rejoinder Testimony	December 9, 2026
Hearings	December 14 and 15 (if necessary), 2026
Main Briefs	January 8, 2027
Reply Briefs	January 22, 2027
Recommended Decision	February 22, 2027
Commission Decision	March 25, 2027 ⁹

The Joint Applicants are conferring with all the parties on the above schedule and public input hearings and will report on the status of these discussions at or before the Prehearing Conference.

VI. SERVICE LIST

The Joint Applicants request that the official service list for the Joint Applicants be as follows:

Alan M. Seltzer
John F. Povilaitis
Buchanan Ingersoll & Rooney PC

⁹ The Joint Applicants recognize that there is no statutorily required deadline for a decision by the Commission but are requesting this date to facilitate the transaction, which cannot close without Commission approval.

409 North Second Street, Suite 500
Harrisburg, PA 17101
Phone: (717) 237-4862
Email: alan.seltzer@bipc.com
john.povilaitis@bipc.com

For: Argo Infrastructure Partners LLC

David B. MacGregor
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Email: dmacgregor@postschell.com

Devin T. Ryan
Post & Schell, P.C.
One Oxford Center
301 Grant Street, Suite 3010
Pittsburgh, PA 15219
Email: dryan@postschell.com

Michael S. Swerling
UGI Corporation
500 North Gulph Road
King of Prussia, PA 19406
Email: swerlingm@ugicorp.com

For: UGI Utilities, Inc.

VII. SETTLEMENT

The Joint Applicants intend to engage in settlement discussions with the parties in this proceeding in order to facilitate an effective and timely resolution of this matter.

Respectfully submitted,



Alan M. Seltzer (Pa. No. 27890)
John F. Povilaitis (Pa. No. 28944)
Buchanan Ingersoll & Rooney PC
409 North Second Street, Suite 500
Harrisburg, PA 17101
Email: alan.seltzer@bipc.com
john.povilaitis@bipc.com

*Counsel for Argo Infrastructure Partners
LLC*



David MacGregor (Pa. No. 28804)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Email: dmacgregor@postschell.com

Devin T. Ryan (Pa. No. 316602)
Post & Schell, P.C.
One Oxford Center
301 Grant Street, Suite 3010
Pittsburgh, PA 15219
Email: dryan@postschell.com

Michael S. Swerling (Pa. No. 94748)
UGI Corporation
500 North Gulph Road
King of Prussia, PA 19406
Email: swerlingm@ugicorp.com

Counsel for UGI Utilities, Inc.

Dated: September 17, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JOINT APPLICATION OF UGI UTILITIES, INC.	:	
AND ARGO INFRASTRUCTURE PARTNERS LLC	:	
FOR A CERTIFICATE OF PUBLIC CONVENIENCE	:	
UNDER CHAPTER 11 OF THE PUBLIC UTILITY	:	
CODE AND ALL OTHER NECESSARY	:	
APPROVALS (I) FOR THE CONVERSION OF UGI	:	
UTILITIES, INC. TO UGI UTILITIES, LLC, (II) TO	:	
EFFECT A DIVISION OF THE ASSETS AND	:	
LIABILITIES OF UGI UTILITIES, LLC, (III) TO	:	
ESTABLISH A NEW ENTITY TO OWN AND	:	DOCKET NO. A-2026-3063610
OPERATE THE ASSETS OF UGI UTILITIES, LLC –	:	
ELECTRIC DIVISION AND PROVIDE RETAIL	:	DOCKET NO. A-2026-3063612
ELECTRIC SERVICE AS A PUBLIC UTILITY, (IV)	:	
FOR THE SALE AND TRANSFER OF THE	:	DOCKET NO. A-2026-3063614
MEMBERSHIP PURCHASE INTERESTS IN THE	:	
NEW ENTITY TO A NEW LIMITED LIABILITY	:	
COMPANY TO BE FORMED, OWNED AND	:	
CONTROLLED BY AN AFFILIATE OF ARGO	:	
INFRASTRUCTURE PARTNERS LLC, AND (V)	:	
FOR THE CESSATION AND ABANDONMENT OF	:	
ANY AND ALL RETAIL ELECTRIC SERVICE IN	:	
PENNSYLVANIA FOR UGI UTILITIES, INC.	:	

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the attached document on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL ONLY

Christy Appleby, Esquire
Jacob Guthrie, Esquire
Katherine Kennedy, Esquire
Johnathan Longhurst, Esquire
Crystal Zook, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921
OCAArgoUGI26@paoca.org

David B. MacGregor, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
dmacgregor@postscheull.com

Devin T. Ryan, Esquire
Post & Schell, P.C.
One Oxford Center
301 Grant Street, Suite 3010
Pittsburgh, PA 15219
dryan@postschell.com

Carrie B. Wright, Esquire
Adam J. Williams, Esquire
Joanna Toft-Funk, Esquire
Bureau of Investigation and Enforcement
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120
carwright@pa.gov
adawilliam@pa.gov
jtoftfunk@pa.gov

Michael S. Swerling, Esquire
UGI Corporation
500 North Gulph Road
King of Prussia, PA 19406
swerlingm@ugicorp.com

Steven C. Gray, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101
sgray@pa.gov

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
jlvullo@bvrrlaw.com

Todd S. Stewart, Esquire
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
tsstewart@hmslegal.com

BUCHANAN INGERSOLL & ROONEY PC

Dated: September 17, 2026

By: 

Alan M. Seltzer, Esquire