



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

September 18, 2026

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
UGI Utilities, Inc. – Electric Division
Docket No. R-2025-3059430
I&E Comments

Dear Secretary Homsher:

Enclosed for electronic filing please find the Comments of the Bureau of Investigation and Enforcement in Opposition to the Joint Petition for Non-Unanimous Settlement in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Williams', written over a white background.

Adam J. Williams
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 310019
(717) 787-8754
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AJW/ac
Enclosures

cc: Administrative Law Judge Steven K. Haas (via email - sthaas@pa.gov)
Administrative Law Judge Chad L. Allensworth (via email - callenswor@pa.gov)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Office of Small Business Advocate	:	
Office of Consumer Advocate	:	Docket Nos. R-2025-3059430
Kory Boothe	:	C-2026-3061591
Mary Hibbard	:	C-2026-3061676
Elizabeth Saxton	:	C-2026-3061698
Carol Buchalski	:	C-2026-3061790
	:	C-2026-3062281
v.	:	C-2026-3062957
	:	
UGI Utilities, Inc. – Electric Division	:	

**COMMENTS OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT
IN OPPOSITION TO THE
JOINT PETITION FOR NON-UNANIMOUS SETTLEMENT**

**TO ADMINISTRATIVE LAW JUDGE STEVEN K. HAAS AND ADMINISTRATIVE
LAW JUDGE CHAD L. ALLENSWORTH:**

I. INTRODUCTION AND SUMMARY OF OVERALL POSITION

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Prosecutor Adam J. Williams hereby respectfully opposes approval of the terms and conditions of the *Joint Petition for Approval of Non-Unanimous Settlement of All Issues* (“Joint Petition” or “Settlement”) filed by UGI Utilities, Inc. – Electric Division (“UGI Electric” or “Company”) and the Office of Small Business Advocate (“OSBA”) (collectively referred to herein as “Petitioners”) in this proceeding on September 10, 2026. As noted in the Joint Petition, the Settlement is opposed by I&E as well as the Office of Consumer Advocate (“OCA”), while the Commission on Economic Opportunity (“CEO”) has provided no response to the Settlement.

I&E serves as the prosecutory bureau for purposes of representing the public interest in ratemaking and service matters before the Office of Administrative Law Judge.¹ By representing the public interest in rate proceedings before the Commission, I&E works to balance the interests of customers, utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.² In negotiated settlements, it is incumbent upon I&E to identify how amicable resolution of any such proceeding may benefit the public interest and to ensure that the public interest is served.

Following extensive review of the testimony and exhibits filed in this matter as well as the Joint Petition, I&E is of the opinion that, while some of the terms and conditions of the Joint Petition are reasonable, granting the Joint Petition in full would not be in the public interest, and the terms of the Joint Petition as a whole are not supported by substantial evidence of the record. As this matter has been fully litigated and all parties were given ample opportunity to submit briefs in this matter describing their litigation positions and opposing other parties' litigation positions in full, I&E recommends that Administrative Law Judges Steven K. Haas and Chad L. Allensworth ("The ALJs") reject the Settlement and instead issue a Recommend Decision ("RD") based on the full available evidence of record. I&E's litigation position, as summarized in its Main and Reply Briefs, will not be repeated in full in these Comments, but I&E would recommend that the ALJs adopt I&E's position on all issues which were substantially addressed by I&E in this matter. To the extent that the proposed terms of the RD may include some terms or conditions which are substantially similar to terms provided in the Settlement, I&E would not object to such inclusion provided that the specific terms would promote just and reasonable rates and are supported by substantial evidence of the record.

¹ *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852, p. 5 (Order Entered August 11, 2011).

² *See* 66 Pa.C.S. §§ 1301(a), 1304.

II. STANDARDS FOR APPROVAL OF SETTLEMENT

Among the standards for approval of a partial or non-unanimous settlement is whether the settlement is reasonable and in the public interest.³ “The Commission’s standards for reviewing a non-unanimous settlement . . . are the same as those for deciding a fully contested proceeding.”⁴ Accordingly, the non-unanimous settlement must demonstrate that the proposed rates are “supported by substantial evidence of record, achieve a fair and equitable balance of the issues impacting the Company, residential consumers, business customers, and the public interest at large, and are in the public interest.”⁵

III. SETTLEMENT TERMS

A. Revenue Requirement (Joint Petition ¶ III.A.29)

The Settlement provides for a total base rate revenue increase of \$10,7000,000 to become effective on one day’s notice after entry of a Commission Order, as opposed to the Company’s proposed increase of \$16,050,000. The Company considers the Settlement revenue amount a “just and reasonable outcome based on the record established by the parties in this proceeding.”⁶ Additionally, the OSBA states that the Settlement revenue amount is “just, reasonable and based upon the record evidence in this proceeding”.⁷ The OSBA curiously also provides its estimate of an ROE range that would result from the proposed revenue amount, even though the Settlement itself is a “black box” settlement and contains no reference to the ROE that will be used.⁸ The OSBA however failed to provide a cost of equity analysis or workpapers supporting this

³ *Pa. PUC v. Philadelphia Electric Company*, 60 Pa. P.U.C. 1 (1985).

⁴ *Joint App. of West Penn Power Co. d/b/a Allegheny Power, Trans-Allegheny Interstate Line Company and FirstEnergy Corp.*, Docket Nos. A 2010 2176520 and A-2010-2176732 (Order entered March 8, 2011) at 17.

⁵ *Pa. PUC v. Pa.-American Water Co.*, Docket Nos. R-2020-3019369 *et al.* (Order entered Feb. 25, 2021) at 46.

⁶ UGI Electric Statement in Support of Joint Petition for Approval of Non-Unanimous Settlement of All Issues (“UGI SiS”), p. 5.

⁷ Statement of the Office of Small Business Advocate in Support of the Joint Petition for Approval of Non-Unanimous Settlement of All Issues (“OSBA SiS”), p. 3.

⁸ *Id.* See also Joint Petition for Approval of Non-Unanimous Settlement, Appendix D, page 8, proposed finding of fact 50.

calculated range. I&E would therefore recommend that the ALJs give little to no weight to this portion of the OSBA's statement.

I&E's recommended revenue increase in this case is \$6,082,000, and the OCA's recommended revenue increase is \$5,127,616.⁹ While the I&E and OCA revenue recommendations are based on different rationales, both parties testified extensively concerning UGI Electric's high proposed rate of return and ROE, as well as the proposed equity-heavy capital structure.¹⁰ These issues are not explicitly addressed in the Joint Petition, but they remain important issues that warrant thorough examination by the ALJs and the Commission. In this case and other recent cases, significant concerns regarding utility company rate of returns, ROEs and capital structures have been raised by individual PUC Commissioners as well as Governor Shapiro¹¹. I&E's litigation arguments regarding the appropriate rate of return, ROE and capital structure are incorporated herein by reference.

UGI Electric, in their statement in support, highlights that the Settlement's revenue increase is a reduction of their litigation position, but that fact alone does not make the revenue requirement in the Settlement in the public interest, nor supported by substantial evidence. A large gap remains between the Settlement revenue requirement position and the litigation positions of I&E and OCA and acceptance of the Settlement's revenue requirement position as a "just and reasonable outcome based on the record established by the parties in this proceeding" would require rejection of significant portions of the adjustments made by both I&E and OCA.

Though the Settlement does provide for a reduced revenue increase, the revenue increase remains inappropriately high given the weight of the evidence of record. I&E recommends rejection of the Settlement, as it is not in the public interest and is not supported by substantial

⁹ I&E MB p. 10; OCA MB p. 11.

¹⁰ See I&E MB pp. 13-36, OCA MB pp. 15-69.

¹¹ See I&E Exhibit No. 2, Schedule 2, pp. 1-5, 8-15.

evidence of the record, and recommends the ALJs instead issue an RD based on the fully litigated positions of the parties.

B. Revenue Allocation and Rate Design (Joint Petition ¶¶ III.B.30-32)

The Settlement lowers the monthly customer charges for Rate R to a level commensurate with I&E's recommendation while also lowering the Rate GS-1 and GS-5 charges, but leaves Rate FCP and Rate GS-4 at the significant increase recommended by UGI Electric, an over 100% increase for each. The Company, in its Statement in Support, highlights the lowered costs but makes no comment on the remaining charges they did not lower.¹²

I&E recognizes that the Settlement does lower some of the monthly customer charges to levels closer to the I&E recommended levels. While I&E would support the lowering of customer costs as part of a substantive RD in this matter based on the litigation positions, the overall Settlement customer cost provisions are not in the public interest and are not supported by substantial evidence of the record.

Regarding Revenue Allocation, I&E does not specifically object to or support the Settlement's Revenue Allocation provisions, I&E recommends rejection of the Settlement overall, as it is not in the public interest and is not supported by substantial evidence of the record, and recommends the ALJs instead issue an RD based on the fully litigated positions of the parties.

C. Customer Assistance/Relations (Joint Petition ¶¶ III.B.33-46)

I&E did not provide testimony in this matter as to the Customer Assistance and Customer Relations issues addressed in the Settlement. While I&E does not specifically object to or support the Settlement's Customer Assistance/Relations provisions, I&E recommends rejection

¹² UGI SiS pp. 6-8.

of the Settlement overall, as it is not in the public interest and is not supported by substantial evidence of the record, and recommends the ALJs instead issue an RD based on the fully litigated positions of the parties.

D. DSIC/Reporting (Joint Petition ¶¶ III.B.47-49)

I&E recommended, and the Company ultimately agreed, to provide an update to UGI Electric Exhibit A, Schedule C-2 for the future test year and fully projected future test year.¹³ I&E would support the inclusion of paragraph 49 of the Settlement in an RD addressing the fully litigated positions of the parties as it is consistent with I&E's position as set forth in the I&E MB.

I&E does not specifically object to the Settlement's DSIC provisions as it appears consistent with what is generally agreed to in base rate case settlements. I&E however, continues to recommend rejection of the Settlement overall.

E. Accounting (Joint Petition ¶¶ III.B.50-54)

I&E recommended that the Company's Rate Case expense be normalized over a 33-month period based on a historic average.¹⁴ As it appears the Company can agree to a three-year normalization based on paragraph 53 of the Settlement, I&E submits that its recommended 33-month normalization period is the minimum rate case expense normalization period the Commission should adopt.

I&E did not provide testimony in this matter as to the remaining accounting issues addressed in the Settlement. While I&E does not specifically object to or support the Settlement's accounting provisions, I&E recommends rejection of the Settlement overall, as it is

¹³ See I&E MB pp. 11-12.

¹⁴ See I&E MB pp. 19-20.

not in the public interest and is not supported by substantial evidence of the record, and recommends the ALJs instead issue an RD based on the fully litigated positions of the parties.

F. Universal Service Cost Recovery (Joint Petition ¶¶ III.B.55-56)

I&E did not provide testimony in this matter as to the universal service cost issues addressed in the Settlement. While I&E does not specifically object to or support the Settlement's universal service cost provisions, I&E recommends rejection of the Settlement overall, as it is not in the public interest and is not supported by substantial evidence of the record, and recommends the ALJs instead issue an RD based on the fully litigated positions of the parties.

G. Tariff Cleanup (Joint Petition ¶ III.B.57)

I&E did not provide testimony in this matter as to the tariff cleanup issues addressed in the Settlement. While I&E does not specifically object to or support the Settlement's tariff cleanup provisions, I&E recommends rejection of the Settlement overall, as it is not in the public interest and is not supported by substantial evidence of the record, and recommends the ALJs instead issue an RD based on the fully litigated positions of the parties.

H. Argo Transaction (Joint Petition ¶ III.B.58)

Given the phrasing of paragraph 58 of the Settlement, it would be inappropriate to include any similar provision in an RD addressing the fully litigated positions of the parties. Though I&E does not specifically object to or support the Settlement's Argo Transaction paragraph, I&E recommends rejection of the Settlement overall, as it is not in the public interest and is not supported by substantial evidence of the record, and recommends the ALJs instead issue an RD based on the fully litigated positions of the parties.

I. Miscellaneous Terms (Joint Petition ¶¶ III.B.59-66)

The miscellaneous terms of the Settlement are appropriate legal language for any such Settlement. Though I&E does not specifically object to any of the miscellaneous terms, I&E recommends rejection of the Settlement overall, as it is not in the public interest and is not supported by substantial evidence of the record, and recommends the ALJs instead issue an RD based on the fully litigated positions of the parties.

IV. CONCLUSION

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it opposes the Joint Petition for Non-Unanimous Settlement, as the Settlement as a whole is not in the public interest and is not supported by substantial evidence of record, and respectfully requests that Administrative Law Judge Steven K. Haas and Administrative Law Judge Chad L. Allensworth recommend rejection of the Settlement and provide a full Recommended Decision based on the available evidence of record.

Respectfully submitted,



Adam J. Williams
Prosecutor
PA Attorney ID No. 310019

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: September 18, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3059430
	:	
UGI Utilities, Inc. – Electric Division	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Comments** dated September 18, 2026, in the manner and upon the persons listed below.

Served via Electronic Mail Only

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