

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

Pennsylvania Public Utility Commission	Public Meeting held October 1, 2026
v.	3059523-ALJ
UGI Utilities, Inc.- Gas Division	Docket No. R-2025-3059523, <i>et al.</i>

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Before the Pennsylvania Public Utility Commission (Commission) for consideration is the Joint Petition for Approval of a Settlement filed in UGI Gas's rate case on July 6, 2026. The Settlement was entered between the Office of Consumer Advocate (OCA), the Office of the Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, the Retail Energy Supply Association and UGI Gas (the Joint Petitioners), and unopposed by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania. Today I am voting to approve the Settlement.

My vote to approve the Settlement is based upon my extensive review and scrutiny of the full evidentiary record created in this case, as well as the 322-page Settlement document. At the outset, I acknowledge that the Joint Applicants' \$65 million revenue settlement, which is \$34.4 million less than the \$99.37 million UGI Gas proposed, is a "black box settlement" which does not identify a return on equity or capital structure. I want to stress that my approval of the Settlement should not be construed as a rejection of concerns surrounding ratepayer transparency, ratemaking processes, and methodologies. On the contrary, I remain committed to working with advocates, the Governor, the General Assembly, and utilities to reform rate case process as warranted.

To be sure, the Commission unanimously approved my motion to create a Ratemaking Working Group (RWG) at our last public meeting. The RWG will explore issues that include better transparency around rate case settlements, including identification of a settlement return on equity, as well as new methods of establishing utility returns on equity. While I look forward to receiving robust recommendations from the RWG, I will continue to scrutinize utility rate filings, extensively review the record evidence, and hold parties accountable to meet their burden of proof. I did that in this case, and I find that the Joint Applicants met their burden of proving that the Settlement warrants approval because it is in the public interest.

Upon review, I agree with the OCA that the revenue savings provided in the Settlement should be considered not just in the context of a \$34.4 million revenue

reduction, but also in the context of the important terms that likely would not have been achieved through litigation.¹ I wish to highlight several of these terms:

- First, although UGI Gas did not propose a Multi-Year rate plan, under the Joint Petition, UGI agreed to phase-in the revenue increase over two years. As a result, customers will be provided with additional time to budget for the full increase, as only a portion of the increase, \$40 million, will now become effective. The remaining \$25 million increase will not go into effect until October of 2027.
- Additionally, the Joint Petitioners conditioned the Settlement on a stay-out provision requiring UGI Gas to refrain from filing for another rate increase before January 15, 2029.² Through the stay-out commitment, UGI Gas's ratepayers will be protected from further increased rates for an extended and defined period.
- UGI Gas has also agreed to implement an Expanded Arrearage Forgiveness Pilot and to make it available to customers with income levels of 151% to 300% of the Federal Poverty Level. Through this commitment, UGI Gas is providing an arrearage forgiveness opportunity to customers in low-to-moderate income households who may be ineligible for other forms of assistance, but who still experience affordability challenges.

As demonstrated, the Joint Petitioners included both revenue and non-revenue terms to address rate affordability by phasing in a reduced rate increase, imposing a stay-out on future increases, and extending arrearages forgiveness opportunities. I commend the Joint Petitioners for designing pragmatic Settlement terms that the Commission may not have been authorized to impose on its own accord. In totality, I find that the Joint Petitioners have met their burden of proving that the terms and conditions of the Settlement are in the public interest; therefore, I am voting to approve it.

October 1, 2026
Date



Stephen M. DeFrank
Chairman

¹ See *Joint Petition for Approval of Settlement*, Appendix I, Statement in Support of the Office of Consumer Advocate at 8.

² The Joint Petition acknowledges that identified exigent circumstances could require UGI Gas to make a rate filing prior to January 15, 2029.