



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120
October 22, 2026

**MR. STEVEN COOK
DIRECTOR REGULATORY AND LEGISLATIVE AFFAIRS
UGI UTILITIES, INC.
ONE UGI DRIVE
DENVER, PA 17517
SCOOK@UGI.COM**

Re: Management Audit (MA), D-2025-3056901

Dear Mr. Cook:

The Commission appreciates the cooperation extended by the officers and employees of UGI Utilities, Inc. (UGI Utilities or Company) to our Bureau of Audits' staff during the recent Management and Operations Audit. We seek UGI Utilities' further cooperation in implementing the recommendations cited in the audit report.

As you know, during the audit, the staff analyzed and evaluated management performance in 13 functional areas at UGI Utilities. Staff identified five areas as needing moderate improvement for UGI Utilities (see Chapters: V – Affiliated Interests and Cost Allocations, Chapter VII – Gas Operations, Chapter VIII – Electric Operations, Chapter X – Materials Management, and Chapter XI –Information Technology), three areas as needing minor improvement, and five areas that meet expectations. The moderate improvement areas offer the greatest potential for increased effectiveness. Consequently, the Commission believes that these areas should be the focus of UGI Utilities' implementation efforts.

At its Public Meeting on October 22, 2026, the Commission acknowledged receipt of UGI Utilities' October 5, 2026 Implementation Plan and released it, along with the audit report, to the public. The Commission notes that UGI Utilities' Implementation Plan indicates acceptance of all 20 recommendations. Receipt of this Implementation Plan does not constitute acceptance by the Commission of the actions already taken, those actions to be taken, or any explanations and cost/benefit analyses provided. UGI Utilities' implementation actions, together with the explanations and analyses, will be reviewed by the Commission at a later date.

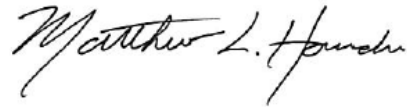
Accordingly, the Commission directs UGI Utilities to:

- Proceed with the October 2026 Implementation Plan, and
- Submit implementation progress reports annually, by November 1st for the next three years.

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The Commission's direction to proceed with the Implementation Plan should not be construed as approval of the plan.

Sincerely,

A handwritten signature in black ink, reading "Matthew L. Homsher". The signature is written in a cursive style with a large, stylized "M" and a long, sweeping underline.

Matthew L. Homsher
Secretary