



Borough of Chambersburg

A full service municipality in Franklin County celebrating over 65 years of consumer owned natural gas service over 120 years of community electric and a regional wastewater, water, storm sewer and municipal solid waste utility

FOR IMMEDIATE RELEASE

Chambersburg Gas Department to Work Out a Transportation Arrangement with UGI Central Penn Gas for Greene Township

Chambersburg, Pennsylvania – On Monday, August 27, 2019, Chambersburg Town Council agreed in principle to an arrangement that would bring gas supply to underserved portions of neighboring Greene Township through a transportation agreement with UGI Central Penn Gas of Reading, Pennsylvania.

Chambersburg Borough operates one of only two municipal natural gas systems in the State of Pennsylvania. Pursuant to State Law, the Borough is generally prohibited from serving gas to customers outside of the Borough. In 2005, the Gas Department was granted a rare exception, allowing it to serve gas to Menno Haven's Northgate Commons building in Greene Township. This one building was permitted after the two neighboring investor-owned gas systems, UGI Central Penn Gas and Columbia Gas, both consented to this arrangement.

In 2017, Menno Haven began a significant multi-year project to upgrade a series of facilities, mostly in Greene Township. While the campus straddles the boundary between the two municipalities, the rules are clear. Unlike the Northgate Commons building, the Borough of Chambersburg could not serve natural gas to other new or proposed facilities in Greene Township. While working with Menno Haven, the facility approached the two neighboring gas companies to request service, but there were no gas lines as close to Menno Haven as Borough of Chambersburg natural gas.

In discussions between Menno Haven and UGI Central Penn Gas, the two decided to approach the Borough of Chambersburg and request a transportation arrangement. The concept was UGI Central Penn Gas would buy its own gas supply and have it transported to the Borough's natural gas interconnection on the Texas Eastern pipeline. Chambersburg would transport that gas through the Borough system to the Greene Township line and UGI offered to pay the Borough for the transportation. UGI would then take possession of its gas at Borough line, then distribute to Menno Haven. In the end, Menno Haven gets gas service, UGI gets a gas customer, and UGI pays the Borough a fee for transportation of natural gas through the Borough system.

While working out this arrangement for Menno Haven, the Borough of Chambersburg decided a similar arrangement could work for dozens of homes and businesses in Greene Township. The Borough suggested, and UGI Central Penn Gas agreed, that gas could be made available to: the Grand Point neighborhood, the growing Summit Health campus on Parkwood Drive, undeveloped land along I-81 near Exit 17, the Franklin Square residential neighborhood, and the Chancellor Drive/Beechwood neighborhood as well. The Borough of Chambersburg could transport UGI gas from the Texas Eastern pipeline to Greene Township in these areas, in addition to the Menno Haven campus, and UGI could sell its gas to new customers in these sections of Greene Township. UGI would pay the Borough a fee for the transportation of its gas.

On Monday night, Chambersburg Town Council agreed in principle to this arrangement. In addition, according to Borough Manager Jeffrey Stonehill, "the Borough of Chambersburg has successfully obtained a grant to help implement this project. The Pennsylvania Department of Community and Economic Development has pledged \$584,000 to assist with the extension of these natural gas transportation lines into Greene Township to help the Borough deliver UGI Central Penn Gas' natural gas to the Township so they can serve its existing and new customers in this part of the Chambersburg community. We should thank Menno Haven for approaching us with this concept as well as UGI Central Penn Gas and the Greene Township Supervisors, who have all worked together to bring this plan to fruition as well as obtain the grant support from the Commonwealth of Pennsylvania."

Chambersburg is a unique community. Chambersburg supplies more services than any other municipality in the Commonwealth of Pennsylvania. In addition to typical town functions, Chambersburg is Pennsylvania's only municipality supplying electric and gas. Chambersburg is 1 of 35 Boroughs to operate a municipal non-profit electric utility. Chambersburg is the largest municipal electric utility in the State, twice as large as the second largest, Ephrata, Lancaster County; and, the only one to operate generation stations. Chambersburg is 1 of 2 municipalities in PA to operate a natural gas utility. The other is Philadelphia, which does not operate an electric utility. Nationally, Chambersburg is 1 of 2,000 communities to have its own electric system and 1 of 800 communities to have a natural gas system but 1 of only about 50 to operate both. Chambersburg manages a regional water system, a regional sanitary sewer system (not through an independent Authority), and a new storm sewer utility; one of the first storm sewer utilities to form under the new Federal mandate to regulate stormwater.

Chambersburg currently has 20,508 residents (2013). www.chambersburgpa.gov

Robert Stoyko, Vice President, Customer Relations for UGI Utilities, Inc., said “UGI supports the expansion of natural gas distribution infrastructure in unserved and underserved areas within our service territory, and we applaud the leaders of Chambersburg borough for their creativity and willingness to enter into this arrangement that helps bring environmentally friendly and low cost natural gas service to more Pennsylvanians.”

Senator Richard Alloway and Representative Rob Kauffman have supported this project and its funding; as well as Chambersburg Health Services, an affiliate of Summit Health.

Senator Alloway, said, “The expansion of natural gas as a result of the Project will have a significant economic impact in the Borough, Township and the surrounding region. This public-private partnership and inter-municipal collaboration is what allows this area to grow and prosper.”

Representative Kauffman commented, “Chambersburg Borough is unique as it is one of only two municipalities in the Commonwealth that owns and operates its own natural gas utility. The proposed extension will allow the Borough to provide competitively-priced natural gas to a considerable number of new customers seeking more efficient fuel sources.”

According to Gas Superintendent John Leary, “Chambersburg Borough is uniquely positioned to enter into such a public-private intermunicipal partnership. We hope that our partner UGI Central Penn Gas can serve its customers including Menno Haven in Greene Township through this arrangement.”

If you have any questions, please contact John Leary, at the Borough of Chambersburg, at jleary@chambersburgpa.gov