

PAPUC Announces Increase in Act 13 Impact Fees

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On January 24, 2026, the Pennsylvania Public Utilities Commission (PAPUC) published notice of an increase in the Act 13 unconventional gas well impact fees for calendar year 2025. 56 Pa. Bull. 580 (Jan. 24, 2026). Act 13 of 2012 allows counties or municipalities to impose fees on unconventional gas wells within their borders based on a 15-year fee schedule, provided the county or municipality passed an impact fee ordinance. Act 13 requires a significant portion of the funds received from the impact fees to go to the affected local governments, with remaining fees being divided between various state agencies and funds, including the Marcellus Legacy Fund. The impact fees are intended to offset the local impacts of unconventional gas well drilling and are based on the average annual price of natural gas. They are adjusted on an annual basis as appropriate to reflect upward changes in consumer price index if the total number of unconventional wells spud in a given year exceeds the prior year.

PAPUC reported 444 wells spud in 2025 as compared to 309 in 2024. Some categories of PAPUC's impact fees for 2025 increased significantly as compared to 2024 fees (as much as 116%), while others barely increased. Impact fees for calendar year 2025 for horizontal unconventional gas wells are \$59,700 for Year 1, \$47,800 for Year 2, \$35,800 for Year 3, \$23,900 for Years 4–10, and \$12,100 for Years 11–15. Horizontal unconventional gas wells pay the yearly fee upon spudding plus two subsequent years. Fees after the first three years are based on production levels. Impact fees for calendar year 2025 for vertical (producing) unconventional gas wells are \$11,900 for Year 1, \$9,600 for Year 2, \$7,200 for Year 3, and \$4,800 for Years 4–10. Vertical wells producing gas levels above a 90,000 cubic feet average in any one given month during the current reporting year are subject to 20% of the applicable horizontal well fee rounded to the nearest \$100. Active vertical wells are assessed a fee for 10 years.

Impact fees for calendar year 2024 for horizontal unconventional gas wells were \$51,800 for Year 1, \$40,200 for Year 2, \$34,500 for Year 3, \$17,200 for Years 4–10, and \$5,600 for Years 11–15. Impact fees for calendar year 2024 for vertical (producing) unconventional gas wells were \$10,400 for Year 1, \$8,000 for Year 2, \$6,900 for Year 3, and \$3,400 for Years 4–10.

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