

PA Public Utility Commission Winter Reliability Meeting Propane Update

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UGI Corporation

NYSE: UGI

Domestic Propane

- AmeriGas LP (NYSE: APU)
- Largest U.S. retail propane marketer
- 2,000 locations in all 50 states
- Annual sales of 1.2 billion gallons



International Propane

- Antargaz; Flaga, AvantiGas, KosanGas
- France, Austria, UK, Belgium, Scandinavia, Switzerland & Eastern Europe
- Annual sales of 680 million gallons



Regulated Utilities

- UGI Utilities, Inc.
- UGI Penn Natural Gas
- UGI Central Penn Gas
- 600,000 natural gas customers
- 62,000 electric customers



Energy Services

- UGI Energy Services, Inc.
- UGI Storage Company
- UGI LNG, Inc.
- UGI Development Company (power gen)
- Deliveries to 30+ Mid-Atlantic LDC markets and 19 EDC markets
- 32,000 locations



UGI Energy Services

Retail Energy Sales

- Natural Gas
- Electricity
- Fuel Oil
- Wholesale propane (4 million gals)
- Commercial and industrial customer focus
- Serving 32,000 locations

Power Generation

- Conemaugh -- 102 MW coal (PJM)
- Hunlock --130 MW natural gas (PJM)
- Broad Mountain – 11 MW landfill gas (PJM)
- 5.5 MW solar

Midstream Services

- Gathering systems
- Pennsylvania Natural gas storage 15 BCF Transco, Tenn., Dom.

Peaking & Asset Mgt.

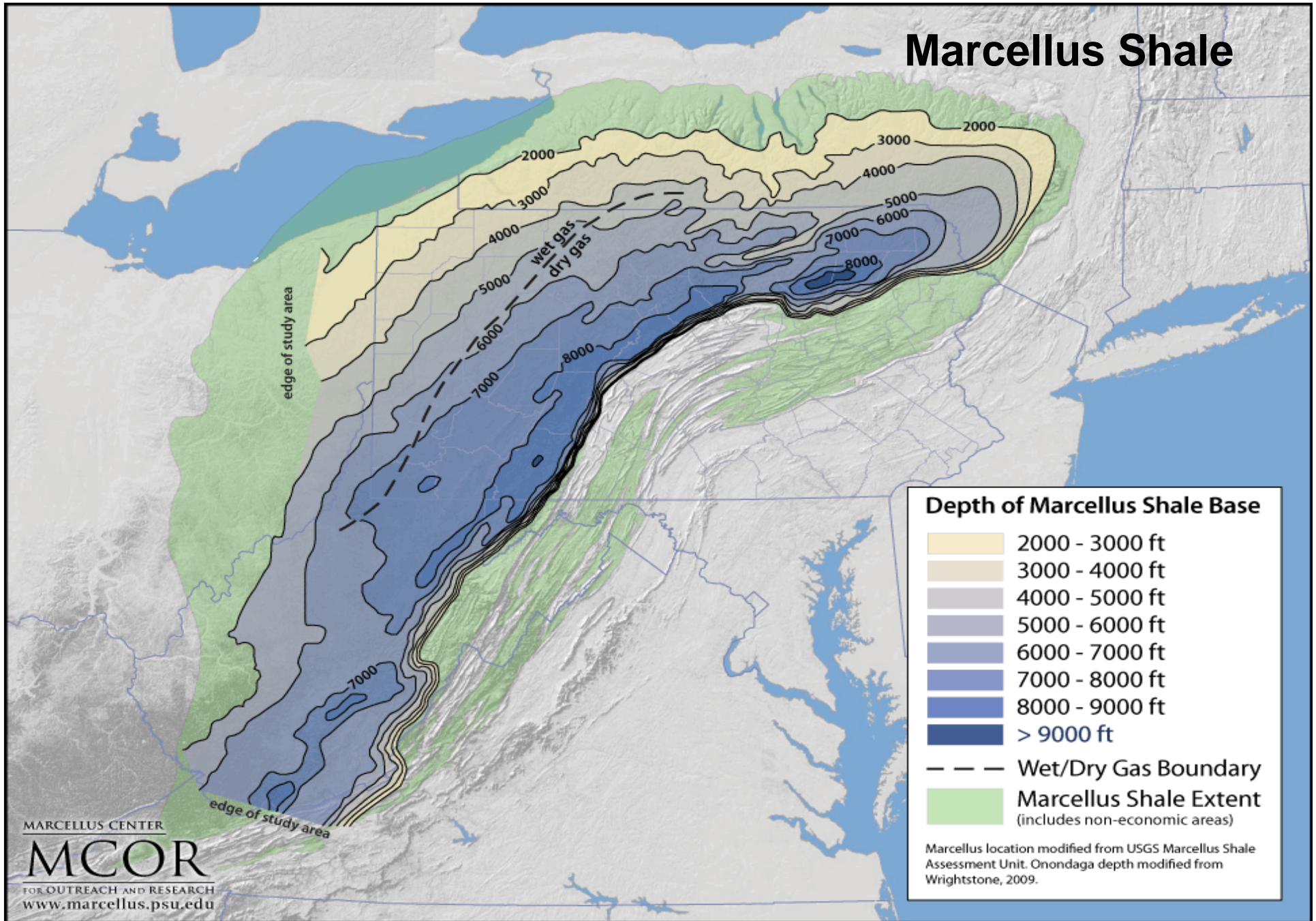
- Storage & pipeline contract management
- LNG peakshaving
- Propane-air peakshaving



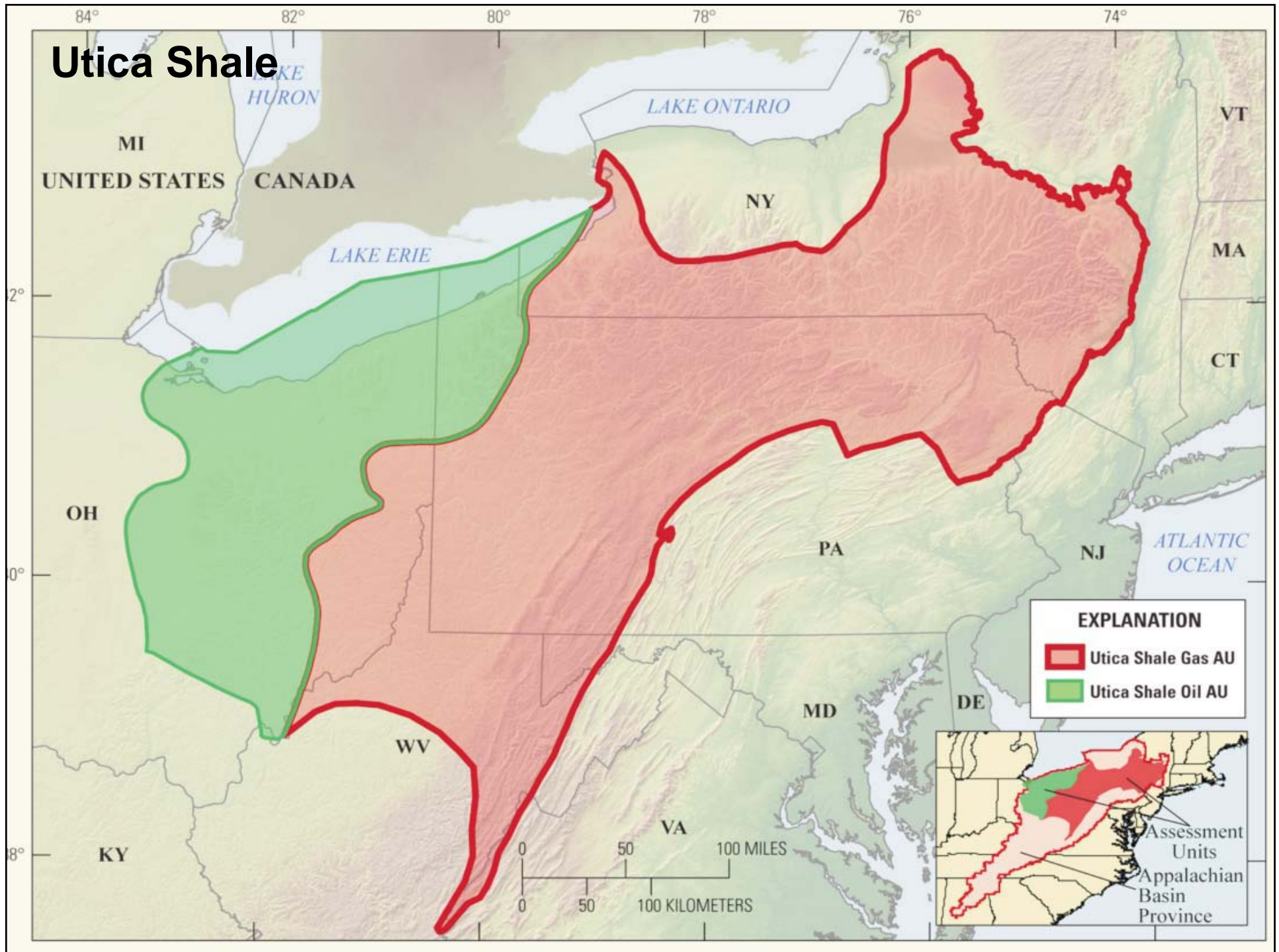
Propane Market Factors

- There will be continued growth in the natural gas liquids (NGL's) portion of the Marcellus and Utica shale
- Gas processing/fractionation capacity will increase by a factor of 5 by end of 2015 (Wood MacKenzie)
 - Plant expansion/new construction
 - Dominion, NiSource, Markwest, Caiman, Momentum
 - NGL Pipelines (mostly ethane)
 - Mariner West, Mariner East, ATEX
- Mid-Atlantic region will be significantly long propane in summer and net short in winter (Wells Fargo)

Marcellus Shale

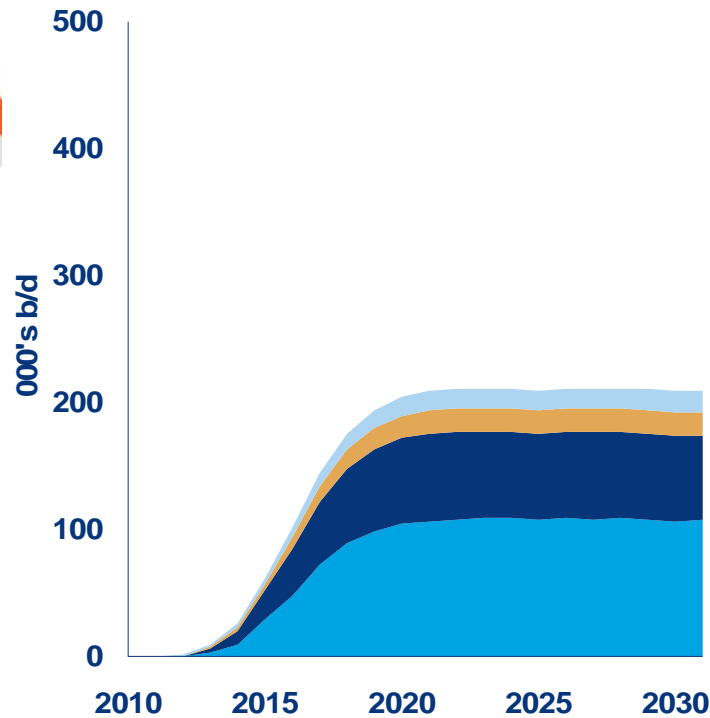


Utica Shale



Two key shales account for large growth in NGLs

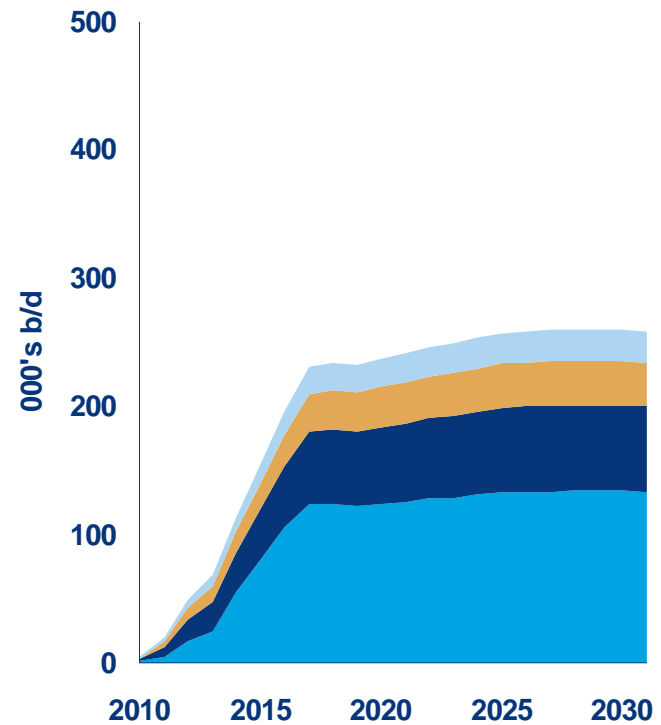
Utica by component



■ Utica Ethane ■ Utica Propane
■ Utica Butane ■ Utica Pentane

Sources: Wood Mackenzie (North America Gas Service, NGL Service)

Marcellus by component



■ Marcellus Ethane ■ Marcellus Propane
■ Marcellus Butane ■ Marcellus Pentane

Sources: Wood Mackenzie (North America Gas Service, NGL Service)

Propane pipeline projects in Marcellus will maximize producer economics

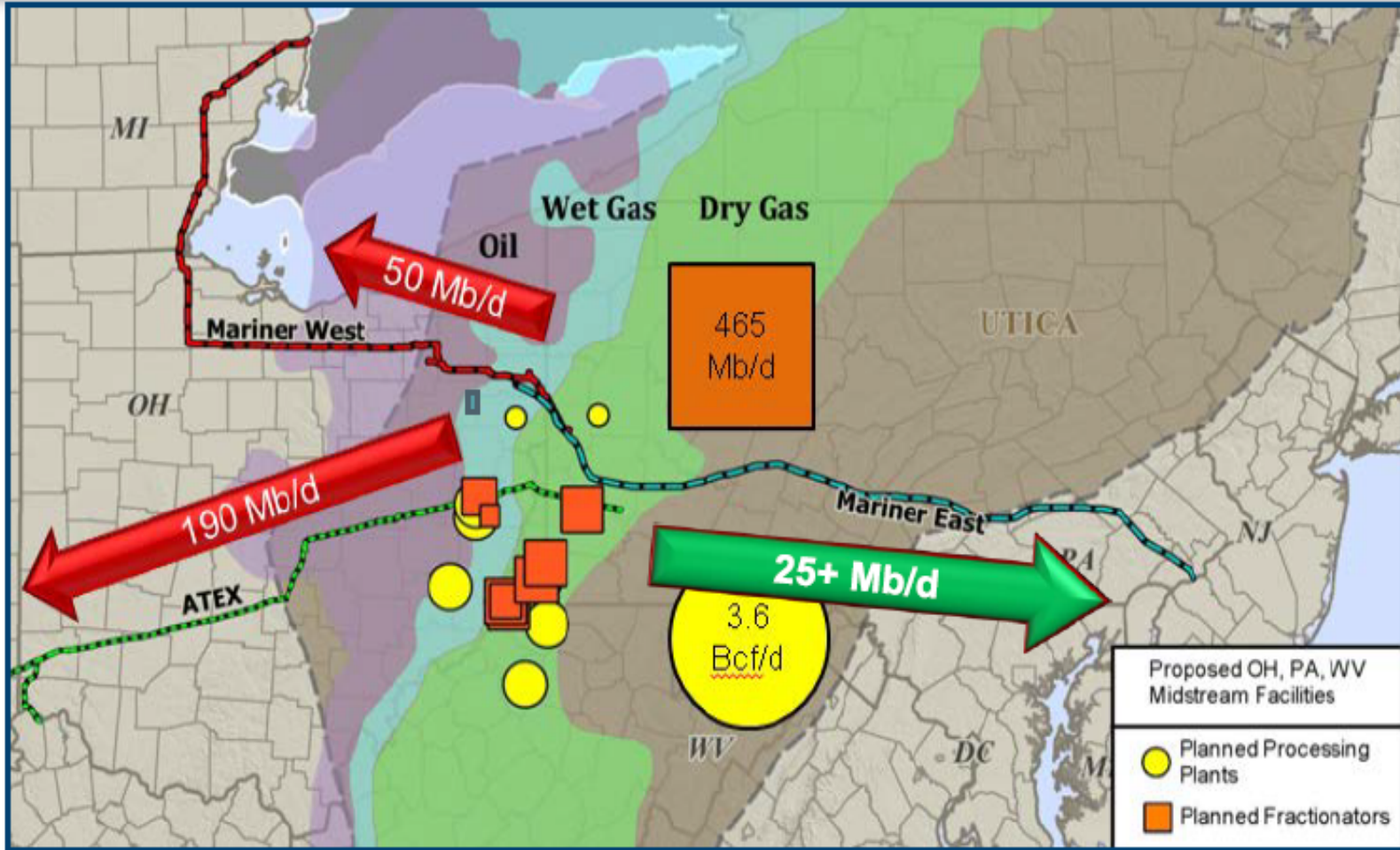


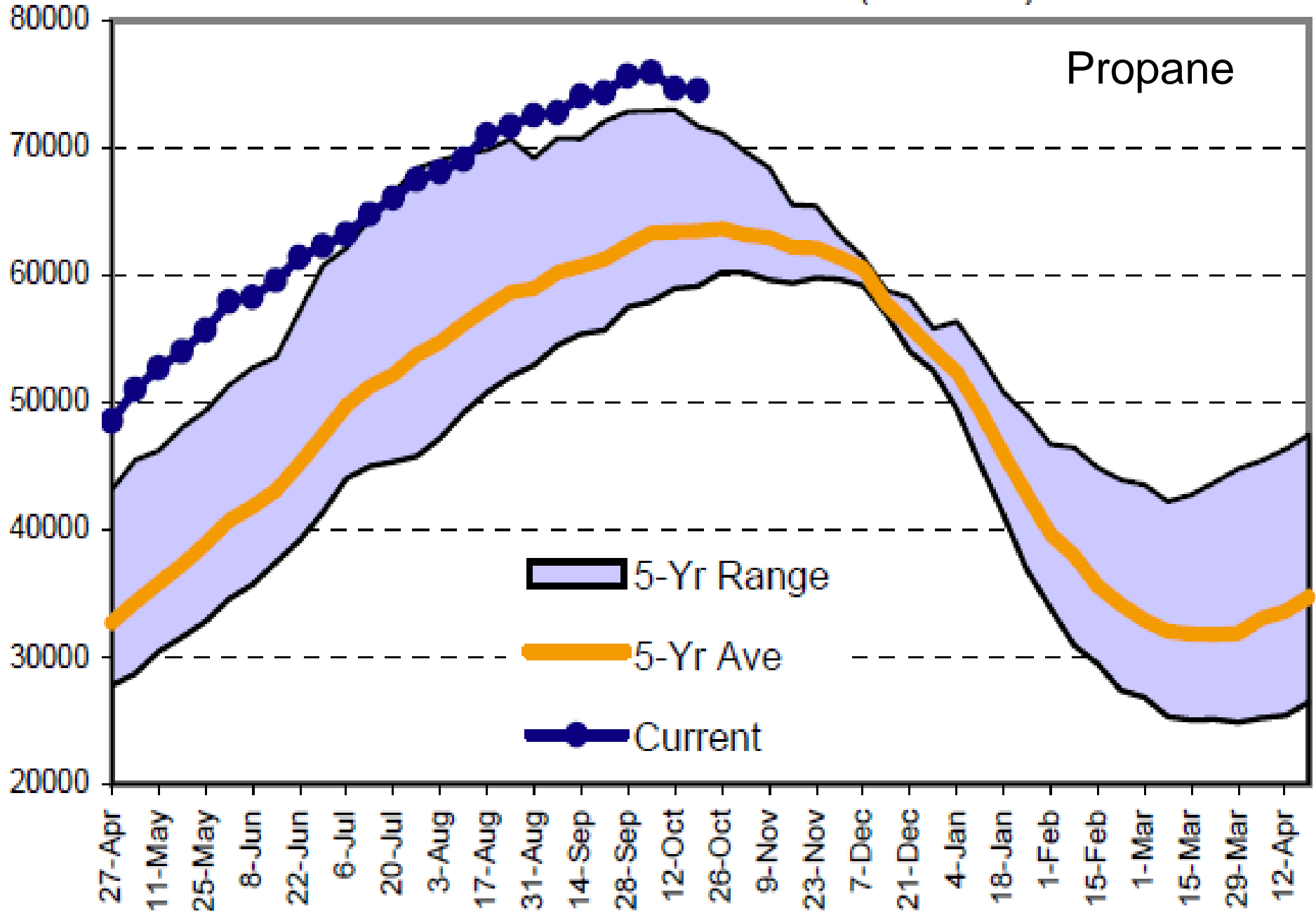
Image Source: BENTEK

Wells Fargo Northeast Propane Supply and Demand Report – May 2012

| (Thousand barrels per day) | 2009 | 2012E | 2014E |
|----------------------------|------|-------|-------|
| Natural Gas Processing | 11 | 40 | 113 |
| Refining | 43 | 36 | 36 |
| Propane Imports | 60 | 28 | 0 |
| Pipeline (TEPPCO) | 54 | 91 | 75 |
| Total Propane Supply | 168 | 195 | 224 |
| Propane Demand | 165 | 195 | 194 |
| Exports | 3 | 0 | 30 |

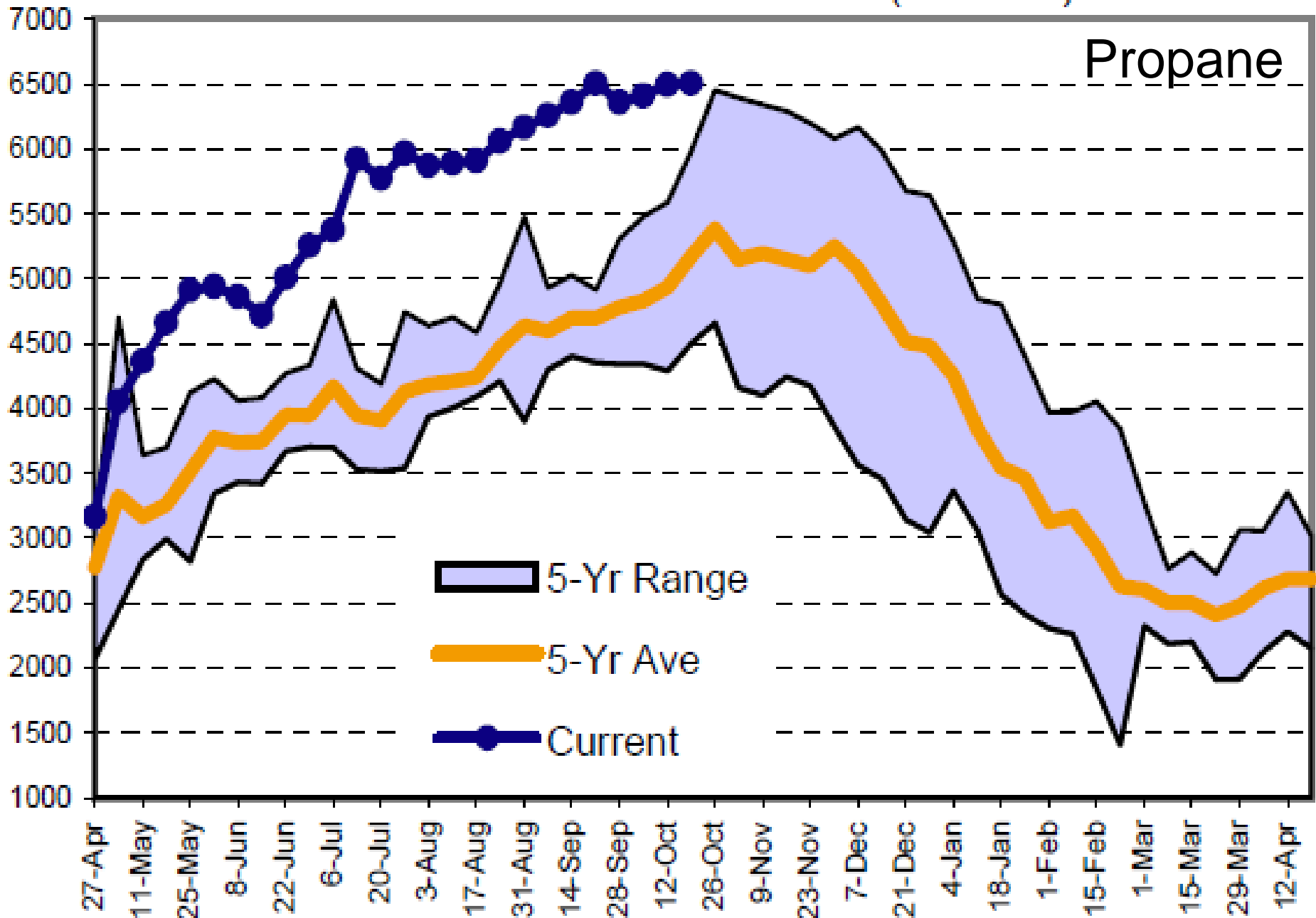
Total U.S. Inventories (000 bls)

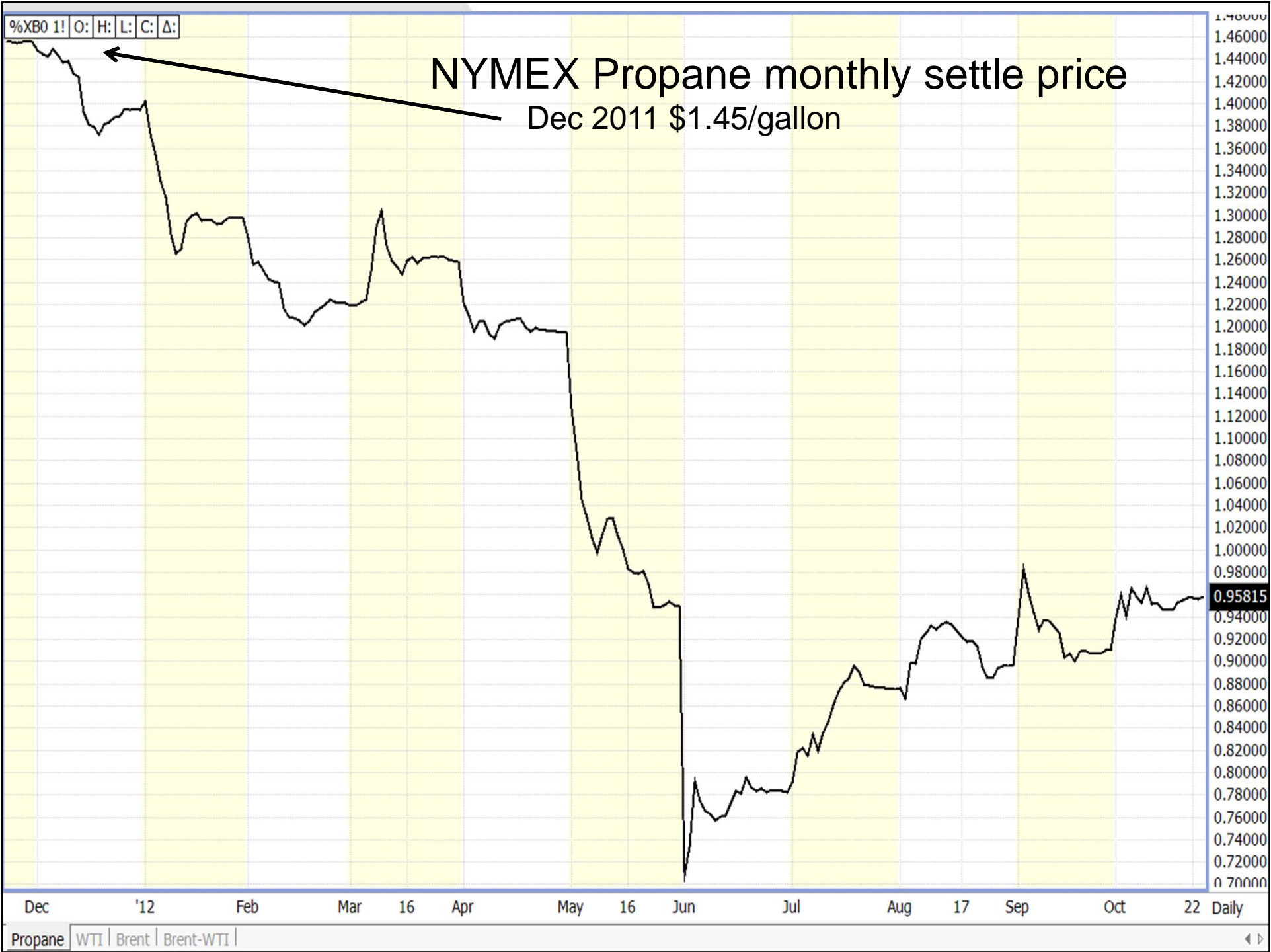
Propane



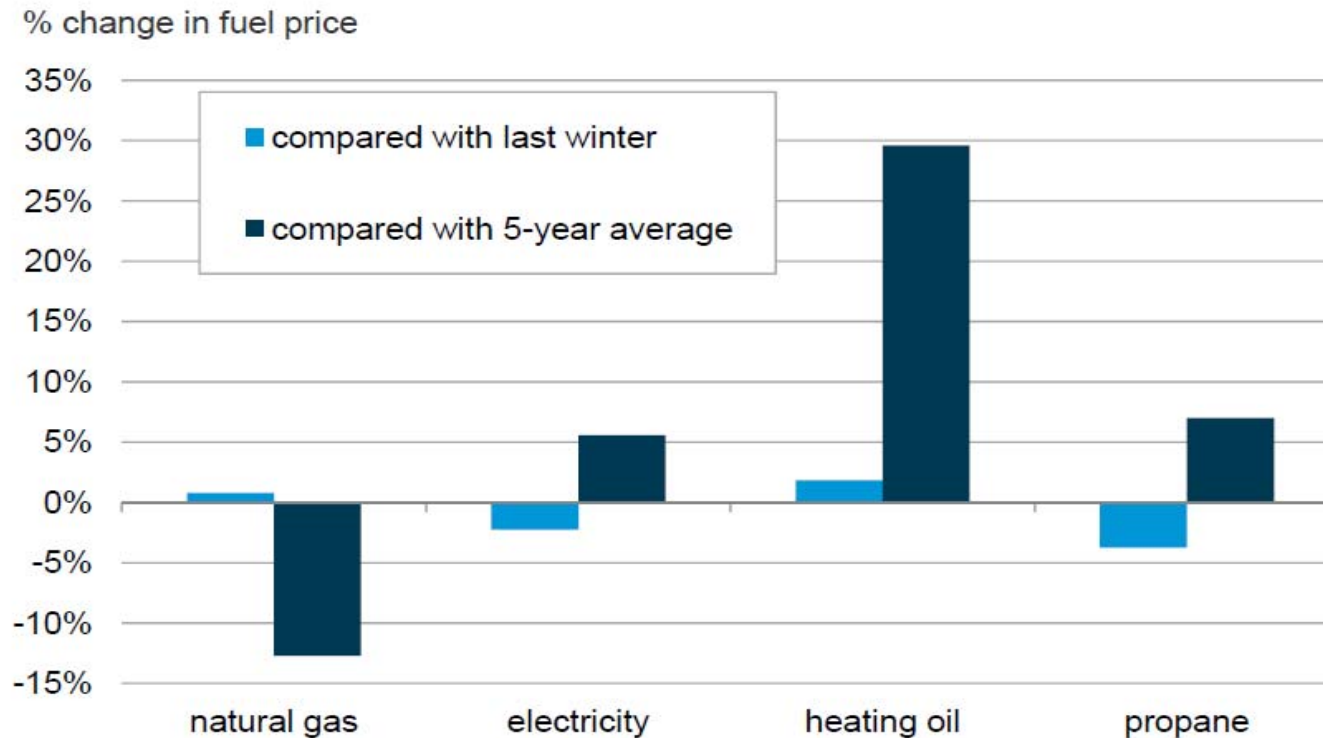
East Coast Inventories (000 bls)

Propane





Forecast fuel prices are close to last winter's averages



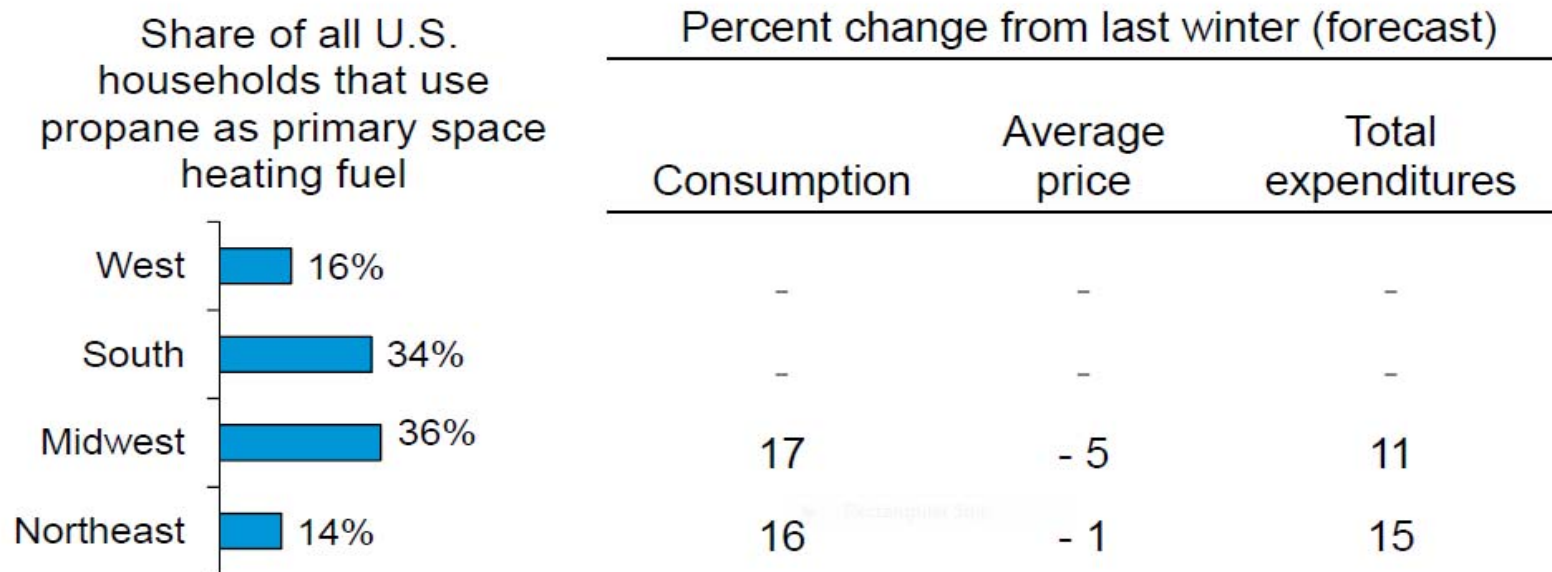
Source: EIA Short-Term Energy Outlook, October 2012



Short-Term Energy and Winter Fuels Outlook
October 10, 2012

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Forecast propane expenditures also higher than last winter because of colder weather and increased demand



Source: EIA Short-Term Energy Outlook, October 2012





Conclusion

- Propane prices are down from last year
- The EIA expects higher average fuel bills this winter for propane users due to the return of normal winter weather which will increase propane volume consumed
 - Winter 2011-12 was 22% warmer than normal
- Significant propane supplies are being developed from the Marcellus and Utica shale plays
- Propane stocks for the Central Atlantic and U.S. in general are in good shape to meet potential supply disruptions or demand increases this winter
 - Propane inventory at October 26th (+18%) to 5 year average and (+26%) to last year