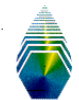

2010 Winter Reliability Meeting

November 4, 2010

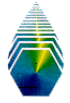
Joseph L. Hartz

Vice President Supply and Operations

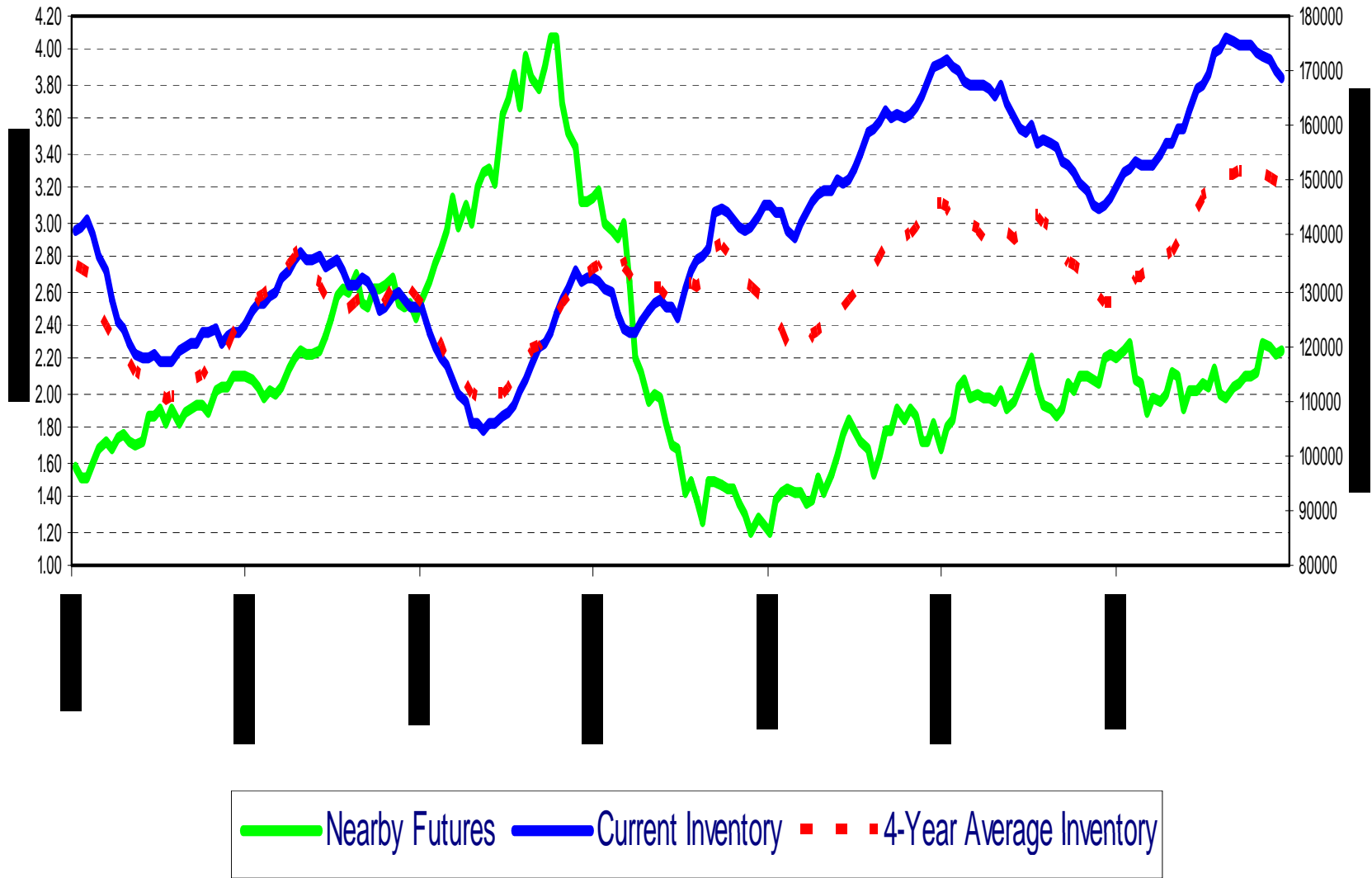
UGI Energy Services, Inc.

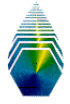


UGI ENERGY SERVICES INC.

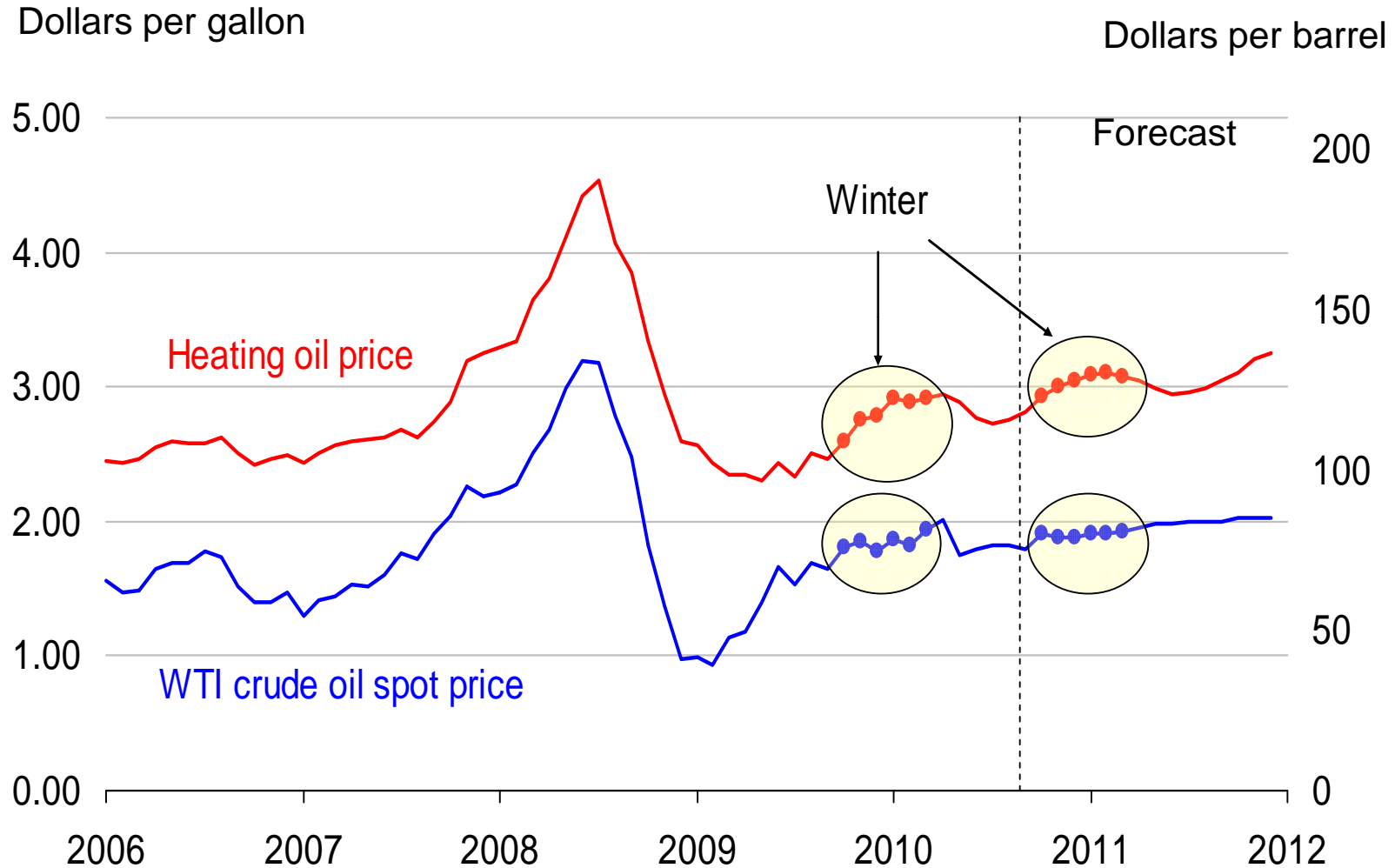


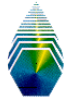
Distillate Inventory versus NYMEX Weekly Nearby Futures 2007-present



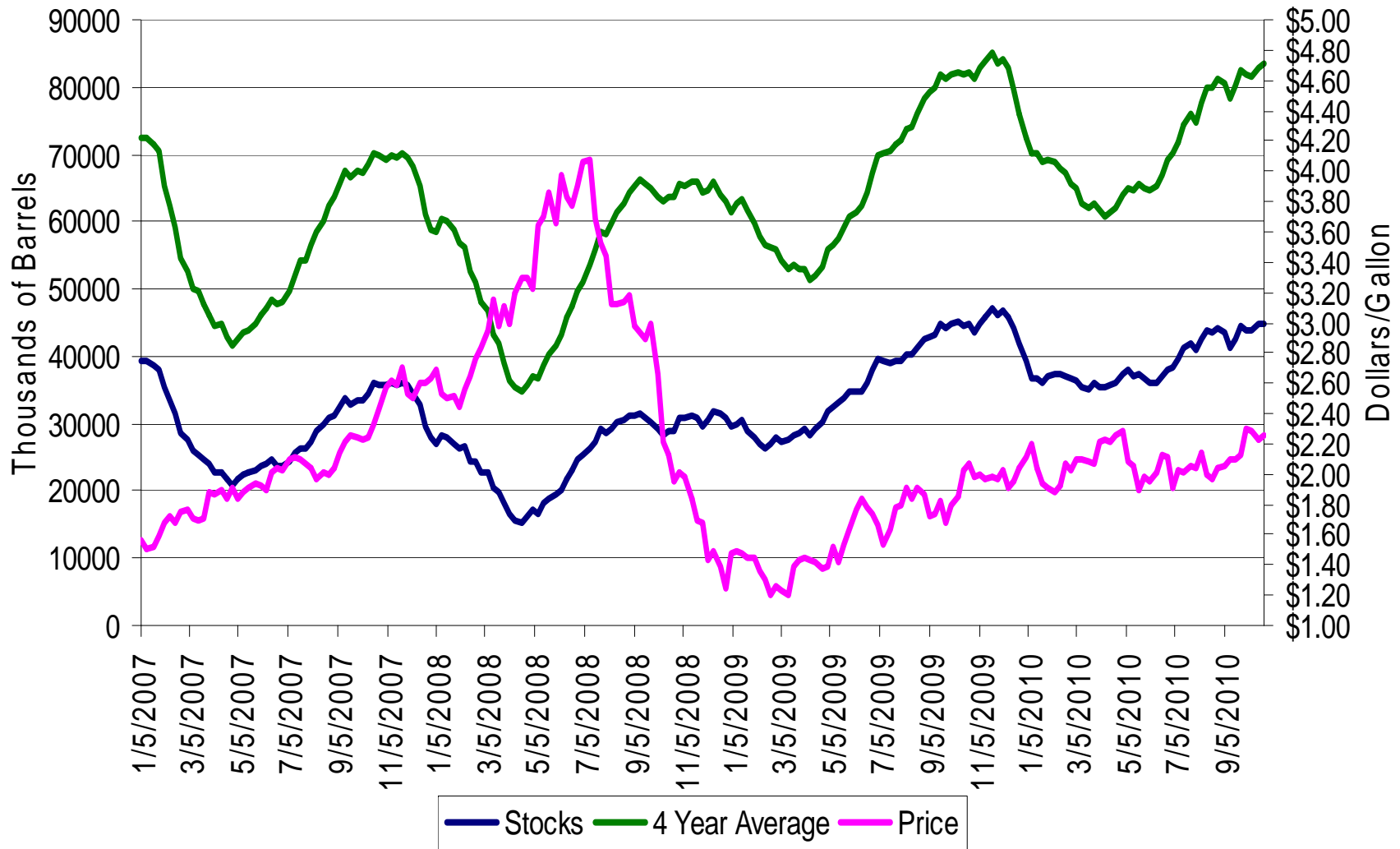


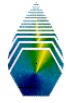
U.S. heating oil retail price forecast to average 23 cents per gallon higher than last winter



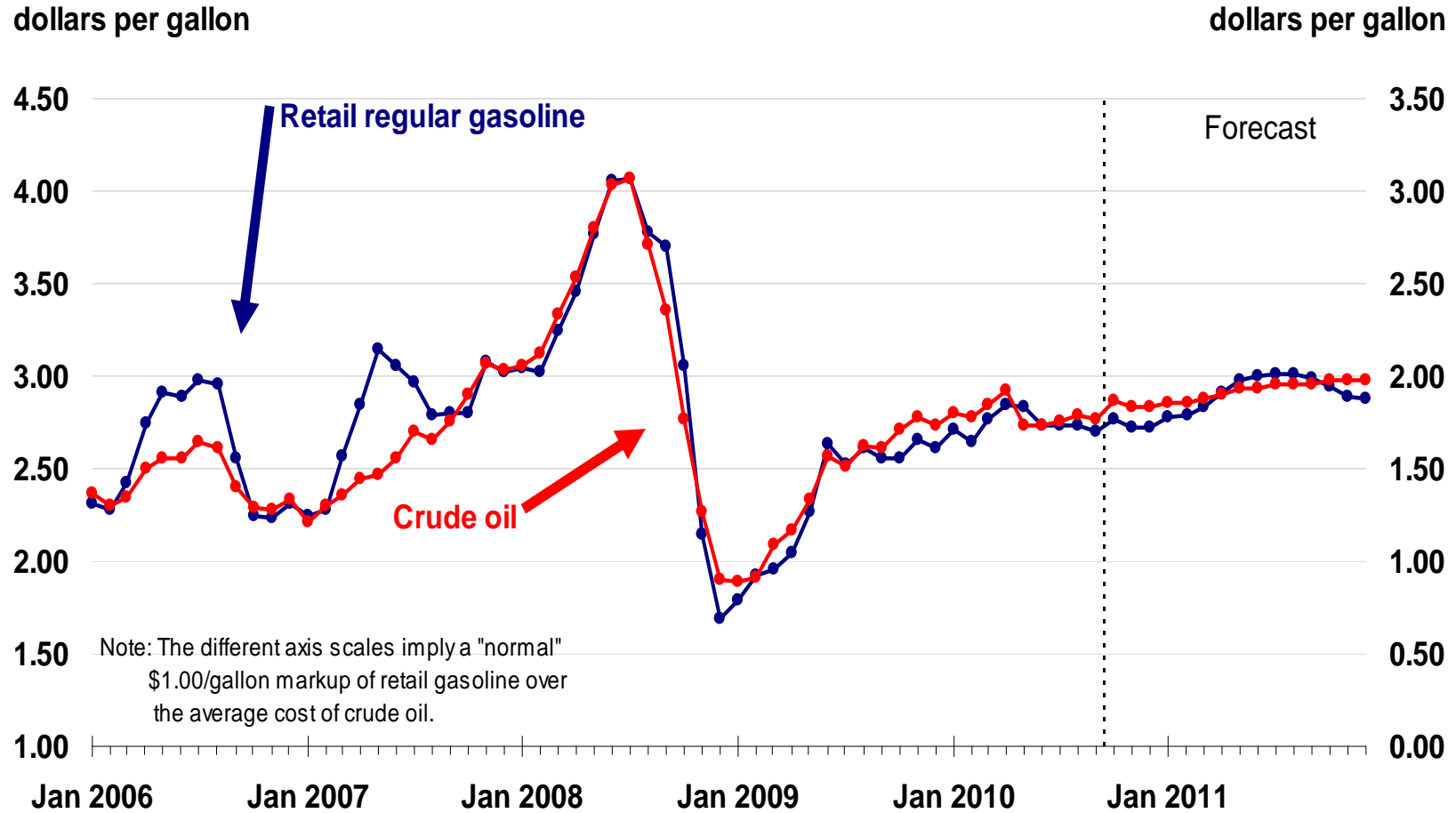


Central Atlantic HO stocks vs. NYMEX price

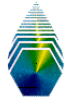




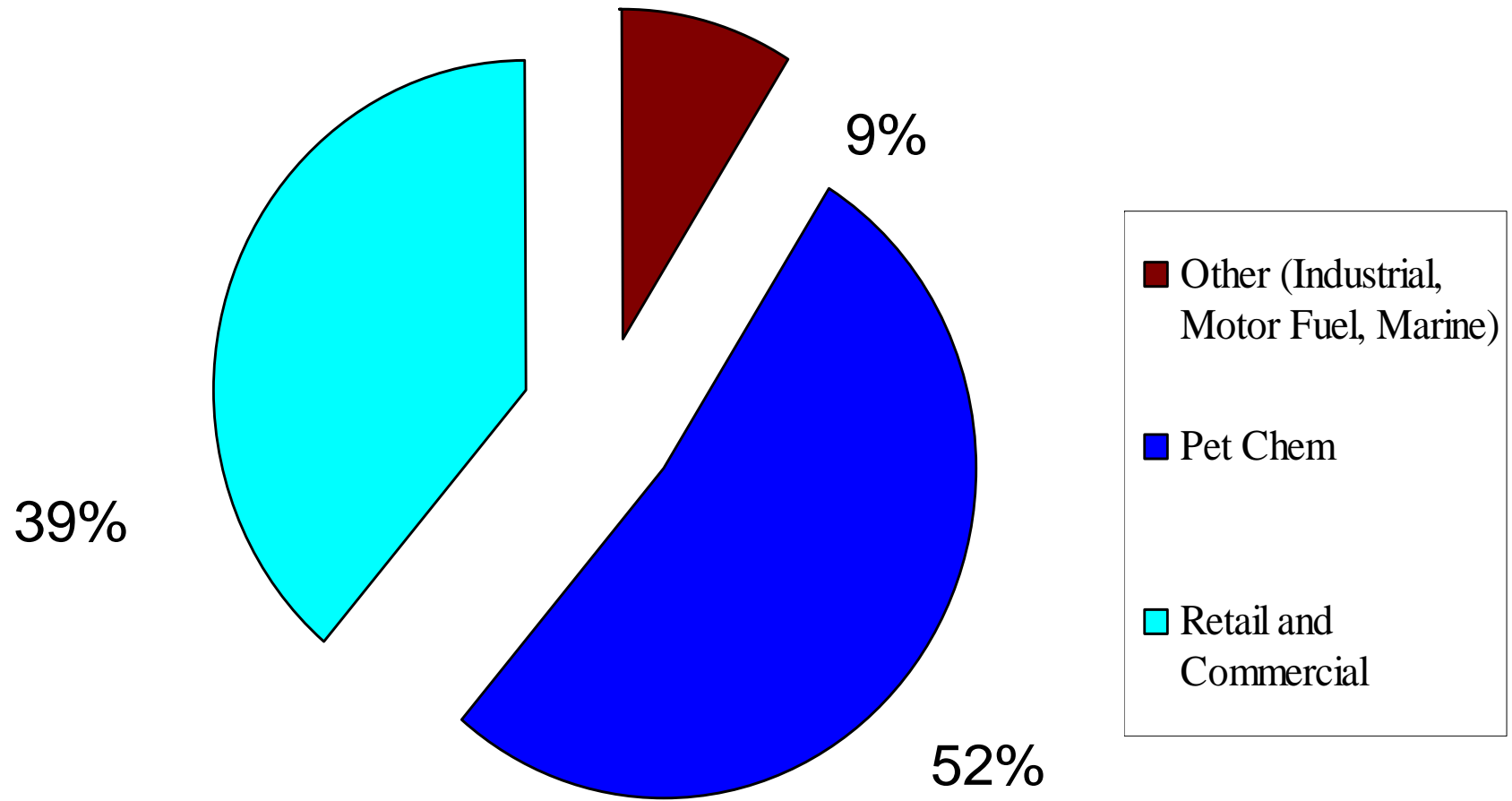
U.S. Gasoline and Crude Oil Prices

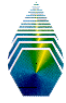


Note: Crude oil price is refiner average acquisition cost. Retail gasoline price includes State and Federal taxes.

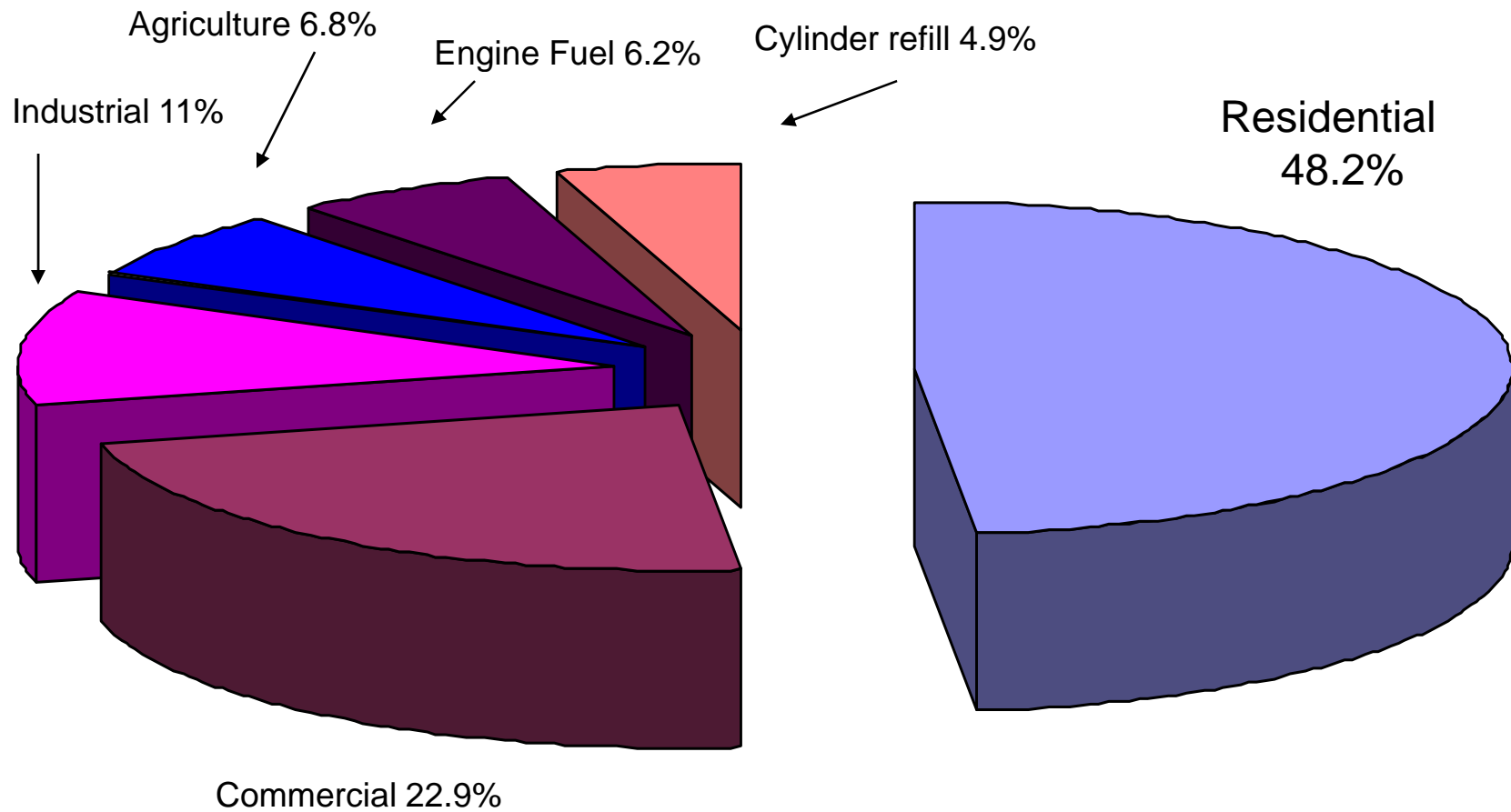


Propane Demand



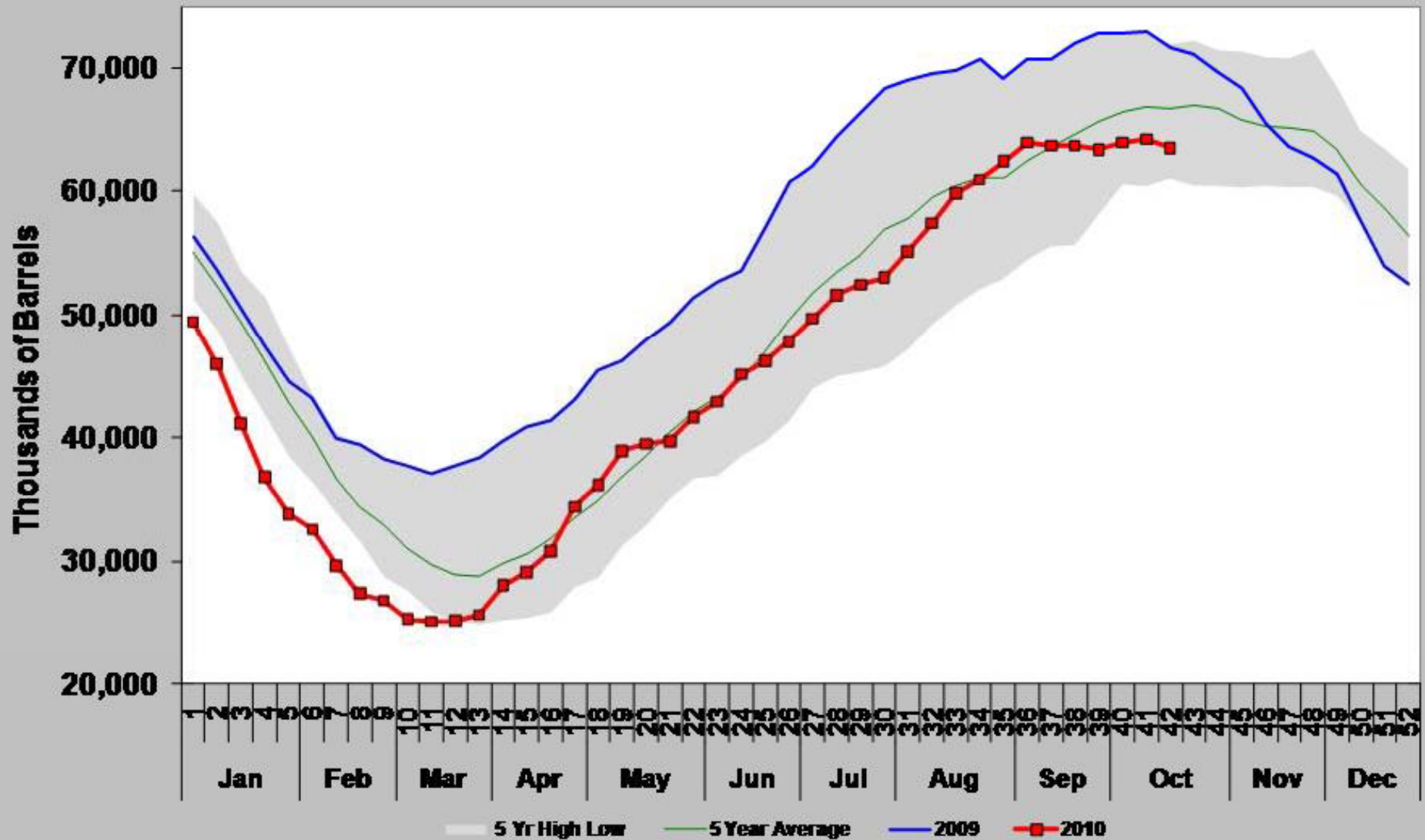


Retail Propane Usage (non Pet Chem)



Total United States Propane Inventory

High/Low 2005 thru 2010

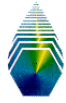


Cost Management Solutions

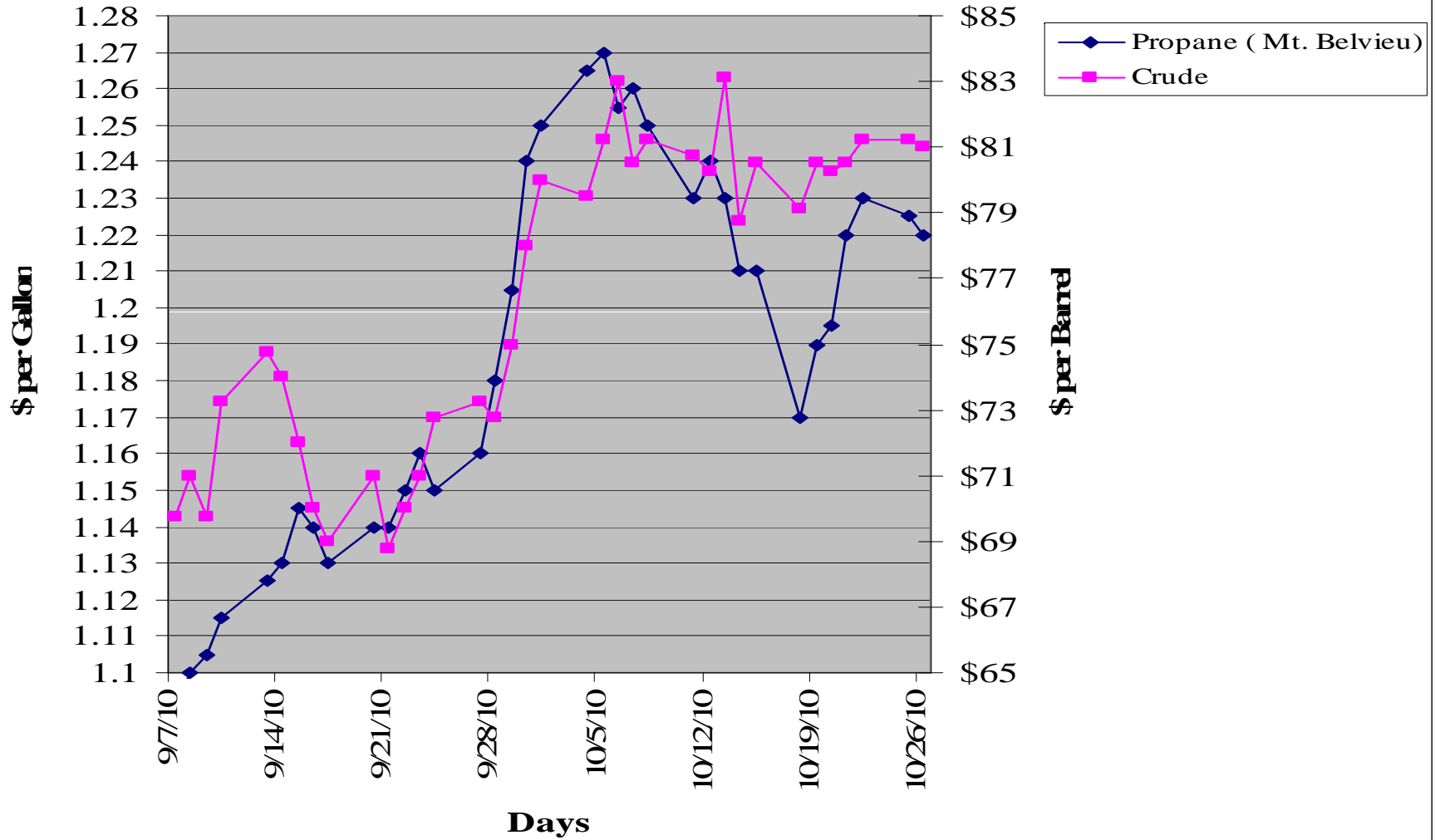


Propane Price Insider

"Your Market Informant"



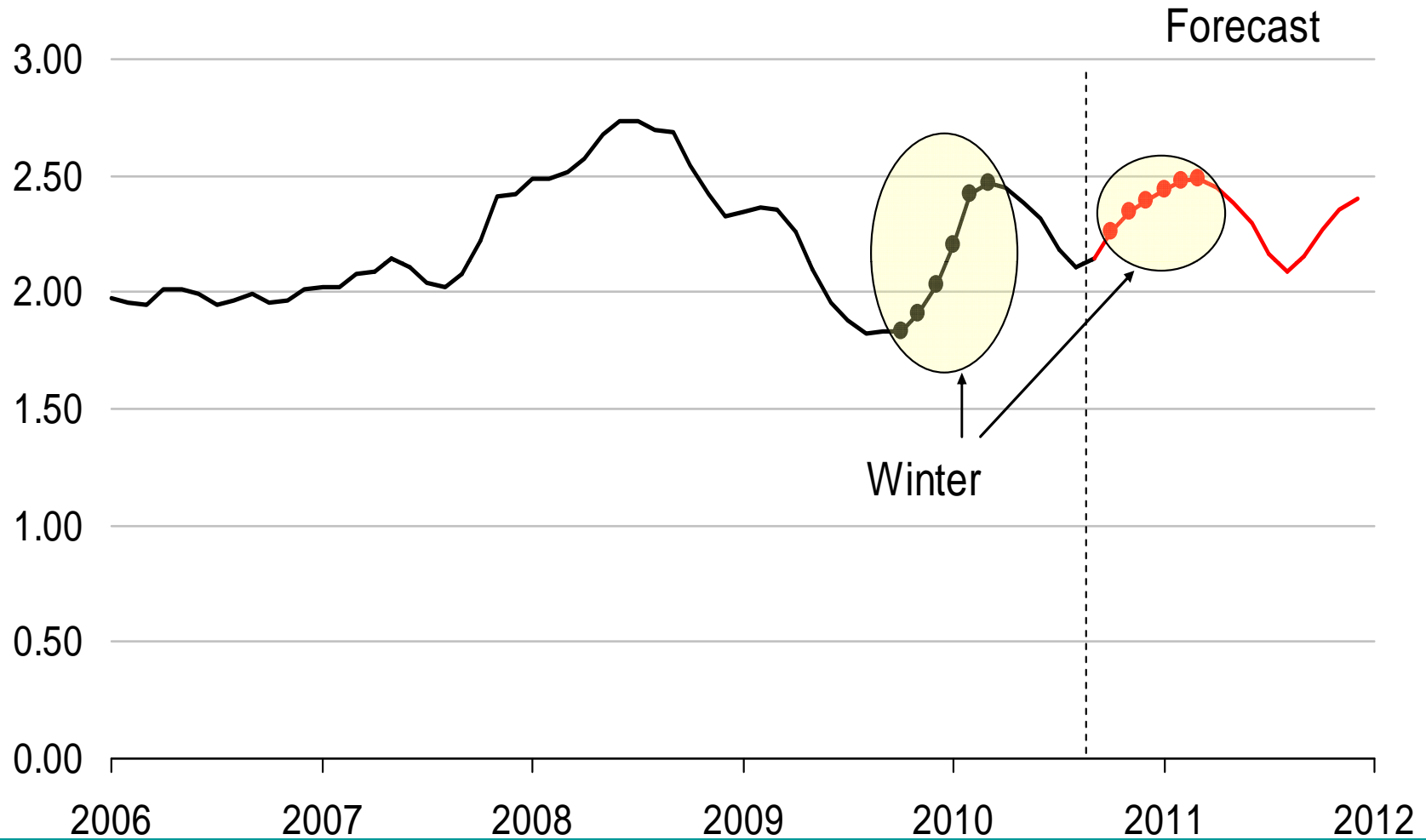
Propane Price vs. Crude Price



EIA forecasts residential propane prices will average \$2.42 per gallon, 24¢ per gallon higher than last winter

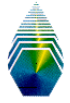


Dollars per gallon



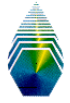
Source: EIA Short-Term Energy Outlook, October 2010

Winter Outlook 2010 – 2011



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- Propane inventory is 3.7% under 5 yr. avg. and 9.5% under last year (Central Atlantic region 9.5% under last yr)
 - Crude inventory is 13.4% above the 5 yr. avg. and 7.8% above last year
 - Propane demand is 12.4% below last year
 - (\$9-\$10/mmbtu disadvantage to natural gas)
 - Geopolitical support for crude price
 - Iran sanctions, tensions in Korea, French refinery strikes
 - Propane industry is prepared to meet normal winter demands
 - The risk of propane exports and lower inventory levels could cause pricing to rise with supply needs
-



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Thank You

