



UGI Utilities, Inc.  
2525 North 12th Street  
Suite 360  
Post Office Box 12677  
Reading, PA 19612-2677  
(610) 796-3400 Telephone

March 10, 2015

RECEIVED

VIA FEDERAL EXPRESS

MAR 10 2015

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: State Tax Adjustment Surcharge – UGI Penn Natural Gas, Inc.  
Supplement No. 42 to PNG Gas – Pa. P.U.C. No. 8  
Supplement No. 43 to UGI Penn Natural Gas Tariff Pa. P.U.C. No. 1**

Dear Secretary Chiavetta:

In accordance with the Commission's State Tax Adjustment Procedure Order dated March 10, 1970, as amended, UGI Penn Natural Gas, Inc. hereby files Supplement No. 42 to Tariff PNG Gas – Pa. P.U.C. No. 8 and Supplement No. 43 to UGI Penn Natural Gas Tariff Pa. P.U.C. No. 1, together with the computations deriving the State Tax Adjustment Surcharge of -0.29%, to become effective for service rendered on and after March 20, 2015.

If you need any further information, please contact Melanie J. El Atieh, Manager – Rates & Regulatory Planning, either via phone at (610) 796-3528 or via email at [melatieh@ugi.com](mailto:melatieh@ugi.com).

Sincerely,

Paul J. Szykman  
Vice President – Rates and Government Relations

Enclosures: Supplement No. 42 to PNG Gas – Pa. P.U.C. No. 8  
Supplement No. 43 to UGI Penn Natural Gas Tariff Pa. P.U.C. No. 1  
Supporting Documentation

**UGI PENN NATURAL GAS, INC.**  
**GAS TARIFF**  
**INCLUDING THE GAS SERVICE TARIFF**  
**AND**  
**THE CHOICE SUPPLIER TARIFF**

Rates and Rules  
Governing the  
Furnishing of  
Gas Service and Choice Aggregation Service  
in the  
Territory Described Herein

**RECEIVED**

**MAR 10 2015**

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Issued: March 10, 2015

Effective for service rendered on  
and after March 20, 2015, in  
accordance with the Commission's  
State Tax Adjustment Procedure  
Order dated March 10, 1970.

Issued By:

Paul J. Szykman  
Vice President - Rates and Government Relations  
2525 N. 12<sup>th</sup> Street, Suite 360  
Post Office Box 12677  
Reading, PA 19612-2677

<http://www.ugi.com/png>

**NOTICE**

This tariff makes decreases to existing rates. (See Page 2.)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

(Page Numbers Refer to Official Tariff)

Rider A, State Tax Adjustment Surcharge, Page 28

- The STAS rate has been decreased.

RULES AND REGULATIONS

10. RIDER A - Continued

STATE TAX ADJUSTMENT SURCHARGE

Rider A - State Tax Adjustment Surcharge		
Retail Volumes - Rate Schedules R, N, CIAC, and GL	-0.29%	(D)
Transportation Volumes - Rate		
Schedules DS, LFD, IS, NT, RT, and XD	-0.29%	(D)

11. RIDER B

SECTION 1307(F) PURCHASED GAS COSTS

Provisions for Recovery of Purchased Gas Costs

Rates for each MCF (1,000 cubic feet) of gas supplied under Rate Schedules R, N, CIAC, IS, and GL of this Tariff shall include purchased gas costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. Such rates for gas service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the PUC's regulations, to reflect changes in the level of recovery of purchased gas costs.

Computation of Purchased Gas Costs per MCF

Purchased gas costs shall be computed to the nearest one-hundredth cent (0.01¢) per MCF in accordance with the formula set forth below:

$$PGC = \frac{(C-E)}{(S)} \quad \frac{1}{(1-T)}$$

Projected purchased gas costs, so computed, shall be included in rates charged to Customers for gas service pursuant to the rate schedules identified above for an initial period beginning September 1, 1985, and for consecutive twelve month periods thereafter as determined by the PUC, by order, in the first 1307(f) proceedings. The amount of purchased gas costs per CCF will vary, if appropriate, based upon annual filings pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the PUC's Regulations adopted pursuant thereto.

Computation and Application of the Gas Cost Adjustment Charge

The Gas Cost Adjustment charge (GCAC) shall be computed to the nearest one-hundredth cent (0.01¢) per MCF in accordance with the formula set forth below:

$$GCAC = (-E/S)$$

Each Gas Cost adjustment so computed shall be applied to customer's bill for a one (1) year period during the Computation Year.

(D) Indicates Decrease

UGI PENN NATURAL GAS, INC.

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RATES AND RULES GOVERNING THE FURNISHING  
OF NATURAL GAS SERVICE  
IN  
THE TERRITORY DESCRIBED HEREIN

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Issued: March 10, 2015

Effective: March 20, 2015

Effective for service rendered on and  
after March 20, 2015, in accordance with  
the Commission's State Tax Adjustment  
Procedure Order dated March 10, 1970.

ISSUED BY:

Paul J. Szykman  
Vice President - Rates and Government Relations  
2525 N. 12<sup>th</sup> Street, Suite 360  
P.O. Box 12677  
Reading, PA 19612-2677

<http://WWW.UGI.COM/PNG>

## NOTICE

THIS TARIFF MAKES DECREASES AND CHANGES IN EXISTING RATES. (See Page 2.)

UGI PENN NATURAL GAS, INC.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Natural Gas Sales Contract - Page 21

- The STAS rate has been decreased.

RIDER D

STATE TAX ADJUSTMENT SURCHARGE

1. Pursuant to the provisions of the State Tax Adjustment Procedure Order of the Pennsylvania Public Utility Commission dated March 10, 1970, and as amended, a surcharge of -0.29% will be charged for services rendered under Rate Schedule TS on and after March 20, 2015 in addition to the rates provided for in this tariff. For non-transportation service, a surcharge of -0.29% will be charged for services rendered on and after March 20, 2015.  
(D)  
(C)  
(D)  
(C)
2. The above surcharges will be recomputed, according to the instructions set forth in the Commission's Order. Whenever any of the tax rates used in calculations of the surcharge change, the recomputation shall take into account such changed tax rate.
3. Each surcharge recomputation shall be submitted by the Company to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation; and if the recomputed surcharge is less than the one then in effect, the Company will; and if the recomputed surcharges is more than the one then in effect, the Company may, submit with such recomputation, a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be ten (10) days after filing.

**UGI Penn Natural Gas, Inc.**  
**Computation of State Tax Adjustment Surcharge**  
**Based Upon 12 Months Ended September 30, 2014**

	<u>Amount</u>	<u>Reference</u>
1 Capital Stock Tax Liability	\$195,333	Exhibit 1, Line 2
1a. Base Level	<u>\$785,000</u>	Docket No.R-2008-2079660
1b. Net Capital Stock Tax Liability	(\$589,667)	(1) - (1a)
2. PURTA Tax Liability	\$121,655	See Attached Document
2a. Base Level	<u>\$160,000</u>	Docket No.R-2008-2079660
2b. Net PURTA Tax Liability	(\$38,345)	(2) - (2a)
3. Total Change in Revenue Required	(\$628,012)	(1b)+(2b)
4. Gross Operating Revenue	<u>\$217,947,535</u>	Exhibit 2, Line 3
5. STAS Rate	<u>-0.29%</u>	(3)/(4)



**Exhibit 1**

**UGI Penn Natural Gas, Inc.  
Capital Stock Tax  
12 Months Ended September 30, 2014**

PA Capital Stock Tax	Total	Reference
1. Capital Stock Tax Valuation Tax Year 9-30-13	\$ 291,542,307	See Attached Document
2. Tax at 0.67 Mills	\$ 195,333	(1) x 0.00067

**UGI Penn Natural Gas, Inc.  
Development of Gross Operating Revenue  
to Which State Tax Adjustment Surcharge is Applied  
Based Upon 12 Months Ended September 30, 2014**

	<u>Amount</u>	<u>Reference</u>
1. Billed Base Revenue	\$215,853,029	Company Records, adjusted for current rates.
2. ADD: Late Payment Charges	<u>\$2,094,506</u>	Company Records
3. STAS Revenue Base	<u><u>\$217,947,535</u></u>	(1) + (2)

August 11, 2014

UGI PENN NATURAL GAS INC  
PO BOX 12677

READING, PA 19612

**Re: 2013 Pennsylvania Public Utility Realty Tax**  
**\*\* Correction to LINE 5, Liability Amount (August 1, 2014 Notice)**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, the Department of Revenue on August 1, 2014 provided notice of the state taxable values of PURTA realty and the millage rate for tax year 2013. Please be advised that the amount of 2013 PURTA tax printed on the original letter and referenced as LINE 5 was incorrect. The corrected calculation is herein provided and the net difference indicated.

Payment of any additional tax if needed is required within 45 days of the mailing date of this notice. Previous payments or use of credits should be taken into consideration. Payments and correspondence relevant to the PURTA program or this notice should be mailed directly to the above address.

The Bureau of Corporation Taxes regrets any inconvenience or confusion this may have caused.

Thank you for your attention to this matter.

Sincerely,

Department of Revenue  
Bureau of Corporation Taxes

	Tax Year	<u>2013</u>
1)	Total Realty Tax Equivalent (RTE):	\$ 31,406,409
2)	Total State Taxable Value (STV) for all utilities:	\$ 1,265,107,644
3)	PURTA Millage Rate, including 7.6 mills for PTA:	32.4251 mills
4)	Utility STV:	\$3,728,430
** 5)	Corrected Liability (Line 3 x Line 4)	\$120,895
5)	Original Liability: (August 1, 2014)	\$119,102
	Net Difference:	\$1,793

PLEASE SEE PAGE 2  
FOR YEARS 1998 - 2012

Account ID: 3513835

Name: UGI PENN NATURAL GAS INC

Account Id: 3513835

Details

Tax Year	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
	<u>Adjusted Totals</u>							
1) Total RTE:	\$ 30,946,258	\$ 30,823,937	\$ 30,270,661	\$ 31,154,376	\$ 30,493,816	\$ 28,793,682	\$ 30,442,389	\$ 30,613,460
2) Total STV for all utilities:	\$ 1,271,184,339	\$ 1,347,309,334	\$ 1,411,886,533	\$ 1,531,546,363	\$ 1,619,303,674	\$ 1,644,357,282	\$ 1,614,956,036	\$ 1,519,158,751
3) PURTA Millage Rate:	31.9444 mills	30.4781 mills	29.0399 mills	27.9418 mills	26.4314 mills	25.1106 mills	26.4503 mills	27.7516 mills
	<u>Utility Adjustment</u>							
4) Utility STV:	\$3,766,906	\$3,926,500	\$3,865,019	\$4,034,131	\$4,095,441	\$3,991,256	\$3,565,819	\$0
5) Liability (Line 3 x Line 4):	\$120,332	\$119,672	\$112,240	\$112,721	\$108,248	\$100,223	\$94,317	\$0
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	\$620	\$187	(\$6)	(\$7)	(\$11)	(\$3)	(\$20)	\$0
8) Transition Credit Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Tax Year	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
	<u>Adjusted Totals</u>						
1) Total RTE:	\$ 29,300,123	\$ 29,251,288	\$ 28,946,294	\$ 29,025,841	\$ 27,999,290	\$ 38,518,354	\$ 40,731,432
2) Total STV for all utilities:	\$ 1,420,868,953	\$ 1,355,781,478	\$ 1,350,081,303	\$ 1,323,534,184	\$ 1,346,187,727	\$ 2,033,977,067	\$ 2,071,000,651
3) PURTA Millage Rate:	28.2213 mills	29.1752 mills	29.0404 mills	29.5306 mills	28.3989 mills	26.5375 mills	71.9167 mills
	<u>Utility Adjustment</u>						
4) Utility STV:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5) Liability (Line 3 x Line 4):	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6) Utility Transition Credit:	N/A	N/A	N/A	\$0	\$0	\$0	\$0
7) Utility Liability Adjustment:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8) Transition Credit Adjustment:	N/A	N/A	N/A	\$0	\$0	\$0	\$0

If you do not agree with this Notice of Determination for 2013 PURTA, you may file a Petition for Recalculation with the Board of Finance and Revenue pursuant to Section 1109-A of the Tax Reform Code of 1971. The petition must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within 30 days of the mailing date of this notice. Under separate cover you will receive a Statement of Account. Please review it to confirm the status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, and any net credit balance for the account is available for refund/assignment.

REVENUE ID 8584922  
TAX YEAR END 09302013  
RCT-101 PAGE 2 OF 6

NAME UGI PENN NATURAL GAS, INC  
PA CORPORATE TAX REPORT 2012

SECTION A: CS/FF

OLDEST PERIOD FIRST	TAX PERIOD BEGINNING	TAX PERIOD ENDING	BOOK INCOME			
YEAR 1	10012008	09302009	20874124	Investment in LLC	XX	N
YEAR 2	10012009	09302010	29473253	Holding Company	XX	N
YEAR 3	10012010	09302011	27721010	Family Farm	XX	N
YEAR 4	10012011	09302012	14726170			
YEAR 5						
YEAR 6						
YEAR 7						
CUR YR	10012012	09302013	16023071			



USE WHOLE DOLLARS ONLY

2. TOTAL BOOK INCOME (sum of income for all tax periods up to, but not over 5 years total)	2	108817628
3. DIVISOR (In years and in part years rounded to three decimal places) See instructions.	3	5.000
4. Divide Line 2 by Line 3.	4	21763526
5. AVERAGE BOOK INCOME - Enter Line 4, or if Line 4 is less than zero enter "0".	5	21763526
6. Divide Line 5 by 0.095.	6	229089747
7. Shareholders' equity at the END of the current period	7	488883934
8. Shareholders' equity at the BEGINNING of the current period	8	474384784
9. If Line 7 is more than twice as great or less than half as much as Line 8, add Lines 7 and 8 and divide by 2. Otherwise enter Line 7.	9	488883934
10. NET WORTH - Enter Line 9, or if Line 9 is less than zero enter "0".	10	488883934
11. Multiply Line 10 by 0.75.	11	366662951
12. Add Lines 6 and 11.	12	595752698
13. Divide Line 12 by 2.	13	297876349
14. Valuation deduction	14	-160000
15. CAPITAL STOCK VALUE - Line 13 less Line 14, but not less than "0". If 100% taxable, enter Line 15 on Line 17.	15	297716349
16. Proportion of taxable assets or apportionment proportion (from Schedule A-1, Line 5)	16	0.979262
17. TAXABLE VALUE - Multiply Line 15 by Line 16. If less than zero, enter "0".	17	291542307
18. CAPITAL STOCK/FOREIGN FRANCHISE TAX - Multiply Line 17 by 0.00189.	18	551015

Total Beginning of  
Taxable Year Assets 674428712

Total End of Taxable  
Year Assets 690527251



From: (610) 798-3401  
Ronda Sekala  
UGI Utilities, Inc.  
2525 N. 12th Street  
Suite 300  
Reading, PA 19605

Origin ID: RDGA



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## MAR 10 2015

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**Ms. Rosemary Chiavetta, Secretary**  
**PA Public Utility Commission**  
**400 NORTH ST**  
**COMMONWEALTH KEYSTONE BUILDING**  
**HARRISBURG, PA 17120**

Ref # PNG - STAS  
Invoice #  
PO #  
Dept #

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

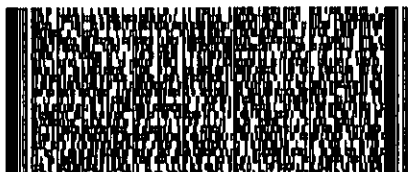
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