

UGI UTILITIES, INC. – GAS DIVISION

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Information Submitted Pursuant to

Section 53.51 et seq of the Commission’s Regulations

UGI GAS EXHIBIT A – FULLY PROJECTED

UGI GAS EXHIBIT A - FUTURE

UGI GAS EXHIBIT A – HISTORIC

UGI GAS EXHIBIT B – RATE OF RETURN

UGI GAS EXHIBIT E – PROOF OF REVENUE

ORIGINAL TARIFF

UGI UTILITIES, INC. – GAS DIVISION – PA P.U.C. NO. 6

DOCKET NO. R-2015-2518438

Issued: January 19, 2016

Effective: March 19, 2016

UGI GAS EXHIBIT A – FULLY PROJECTED

Future Period - 12 Months Ended September 30, 2017
 (\$ in Thousands)
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Schedule A-1
Witness: A. P. Kelly
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Summary of Measure of Value and Revenue Increase

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Section	Schedule	Present Rates	Increase	Proposed Rates
<u>RATE BASE</u>							
1	Utility Plant		C-2		\$ 1,649,567		\$ 1,649,567
2	Accumulated Depreciation		C-3		(448,737)		(448,737)
3	Net Plant in service	L 1 + L 2			1,200,830	-	1,200,830
4	Working Capital		C-4		18,648		18,648
5	Gas Inventory		C-5		21,730		21,730
6	Accumulated Deferred Income Taxes		C-6		(307,196)		(307,196)
7	Customer Deposits		C-7		(14,517)		(14,517)
8	Materials & Supplies		C-8		4,212		4,212
9	TOTAL RATE BASE	Sum L 3 to L 8			\$ 923,707	\$ -	\$ 923,707
<u>OPERATING REVENUES AND EXPENSES</u>							
<u>Operating Revenues</u>							
10	Base Customer Charges		D-5		\$ 216,065	\$ 58,564	\$ 274,629
11	Gas Cost Revenue		D-5		114,125		114,125
12	Other Operating Revenues		D-5		4,480		4,480
13	Total Revenues	Sum L 10 to L 12			334,670	58,564	393,234
14	Operating Expenses		D		(278,933)	(977)	(279,910)
15	OIBIT	L 13 + L 14			55,737	57,587	113,324
16	Pro Forma Income Tax at Present Rates		D-33		(13,962)		
17	Pro Forma Income Tax on Revenue Increase		D-33			(23,895)	(37,857)
18	NET OPERATING INCOME	Sum L 15 to L 17			\$ 41,775	\$ 33,692	\$ 75,467
19	RATE OF RETURN	L 18 / L 9			4.5226%		8.170%
<u>REVENUE INCREASE REQUIRED</u>							
20	Rate of Return at Present Rates	L 19, Col 4			4.5226%		
21	Rate of Return Required		B-7		8.1700%		
22	Change in ROR	L 21 - L 20			3.64743%		
23	Change in Operating Income	L 22 * L 9			\$ 33,692		
24	Gross Revenue Conversion Factor		D-35		1.738224		
25	Change in Revenues	L 23 * L 24			\$ 58,564		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4				27.10%	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4				17.50%	

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(\$ in Thousands)

Schedule B-1
Witness: A. P. Kelly
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Balance Sheet

[1]

Line No	Description/(Account No)	Budget TYE 9-30-17
	UTILITY PLANT (101 - 106, 108)	
1	Gas Utility Plant	\$ 1,770,328
2	Other Utility Plant	-
3	Total Plant In Service	<u>1,770,328</u>
4	Construction Work In Progress (107)	20,945
5	Total Utility Plant	<u>1,791,273</u>
6	Accumulated Provision for Depreciation - Gas (108)	(503,111)
7	Utility Acquisition Adjustment (114)	-
8	Accumulated Provision for Depreciation - Other (119)	-
9	Net Utility Plant	<u>1,288,162</u>
	OTHER PROPERTY INVESTMENTS	
10	Non-utility Property (121)	-
11	Accumulated Depreciation on NUP (122)	-
12	Investment in Associated & Subsidiary Companies (123.1)	-
13	Other Investments (124)	-
14	Total Other Property and Investments	<u>-</u>
	CURRENT AND ACCRUED ASSETS	
15	Cash & Other Temporary Investments(131-136)	2,843
16	Unbilled Revenues	-
17	Customer Accounts Receivable (142)	27,873
18	Other Accounts Receivable (143)	901
19	Accum Provision for Uncollectible (144)	(3,297)
20	Receivables from Associated Companies (145)	-
21	Accounts Receivable Assoc. Comp. (146)	(46)
22	Plant Materials & Operating Supplies (154)	2,674
23	Stores Expense - Undistributed (163)	(380)
24	Gas Stored - Current (164.1)	27,868
25	Liquefied Natural Gas stored (164.2)	-
26	Prepayments (165)	3,997
27	Accrued Utility Revenues (173)	6,639
28	Miscellaneous Current & Accrued Assets (174)	232
29	Derivative Instrument Assets (175)	436
30	Total Current and Accrued Assets	<u>69,740</u>
	DEFERRED DEBITS	
31	Unamortized Debt Expense (181)	1,045
32	Other Regulatory Assets (182.3)	246,665
33	Other Preliminary Survey & Investigation Charges (183.2)	915
34	Clearing Accounts (184)	(380)
35	Miscellaneous Deferred Debits (186)	3,443
36	Unamortized Loss on Reacquired Debt (189)	1,034
37	Accumulated Deferred Income Taxes (190)	23,660
38	O/U Collected Gas (191.4, 191.41)	-
39	Total Deferred Debits	<u>276,382</u>
40	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 1,634,285</u>

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Schedule B-1
Witness: A. P. Kelly
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Balance Sheet

[1]

Line No	Description/(Account No)	Budget TYE 9-30-17
PROPRIETARY CAPITAL		
41	Common Stock Issued (201)	\$ 51,878
42	Preferred Stock Issued (204)	-
43	Miscellaneous Paid-in-Capital (211)	406,270
44	Capital Stock Expense (214)	-
45	Retained Earnings (215, 215.2, 216)	266,273
46	Accum Other Comprehensive Income (219)	<u>(12,499)</u>
47	Total Proprietary Capital	711,922
LONG TERM DEBT		
48	Bonds (221)	-
49	Advances from Associated Companies (223)	-
50	Other Long-Term Debt (224)	364,363
51	Unamortized Premium on LTD (225)	-
52	Unamortized Discount on LTD (226)	-
53	Total Long-term Debt	<u>364,363</u>
OTHER NON-CURRENT LIABILITIES		
54	Obligations under Capital Leases (227)	-
55	Advances from Associated Companies (223)	527
56	Other Long-Term Debt (224)	71,239
57	Unamortized Premium on LTD (225)	3,333
58	Unamortized Discount on LTD (226)	62
59	Total Non-Current Liabilities	<u>75,161</u>
CURRENT & ACCRUED LIABILITIES		
60	Notes Payable (231)	59,531
61	Accounts Payable (232)	38,447
62	Notes Payable to Assoc. Companies (233)	-
63	Accounts Payable to Assoc. Cos (234)	9,245
64	Customer Deposits (235)	12,956
65	Taxes Accrued (236)	(3,737)
66	Interest Accrued (237)	5,631
67	Tax Collections Payable (241)	129
68	Accrued Interest on Other Liabilities (237)	25,716
69	Tax Collections Payable (241)	1,652
70	Misc Current & Accrued Liabilities (242)	5,146
71	Total Current & Accrued Liabilities	<u>154,716</u>
OTHER DEFERRED CREDITS		
72	Customer Advances for Construction (252)	-
73	Other Deferred Credits (253)	15,682
74	Other Regulatory Liabilities (254)	20,786
75	Deferred ITC (255)	3,201
76	Accumulated Deferred Income Taxes (282)	293,289
77	Accumulated Deferred Income Taxes (283)	(4,835)
78	Total Other Deferred Credits	<u>328,123</u>
79	TOTAL LIABILITIES & OTHER CREDITS	<u><u>\$ 1,634,285</u></u>

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Schedule B-2
Witness: A. P. Kelly
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Statement of Net Utility Operating Income

Line No	Description	[1] Budget TYE 9-30-17	[2] Reference
Total Operating Revenues			
1	Total Sales Revenues	\$ 398,720	B-3
2	Other Operating Revenues	7,737	B-3
3	Total Revenues	406,457	
Total Operating Expenses			
4	Operation & Maintenance Expenses	253,175	B-4
5	Depreciation Expense	41,516	
6	Taxes Other Than Income Taxes	5,886	B-5
7	Total Operating Expenses	300,577	
8	Operating Income Before Income Taxes (OIBIT)	105,880	
Income Taxes:			
9	State	3,226	B-5
10	Federal	29,464	B-5
11	Total Income Taxes	32,690	
12	Net Utility Operating Income	\$ 73,190	

UGI Utilities, Inc. - Gas Division
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Schedule **B-3**
Witness: **A. P. Kelly**
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Statement of Operating Revenues

[1]

Line No	Description	Budget TYE 9-30-17
Gas Operating Revenues		
1	Residential (R/RT) (480)	\$ 214,366
2	Comm & Ind (N/NT) (481)	112,023
3	Comm & Ind (DS) (489)	20,273
4	Lg Transport/Other (489)	30,787
5	Interruptible (489)	<u>21,271</u>
6	Sub-Total Gas Operating Revenues	398,720
Other Operating Revenues		
7	Forfeited Discounts (487)	3,112
8	Miscellaneous Service Revenues (488)	3,823
9	Off System Revenue (495.9)	-
10	Rent from Gas Properties (493)	-
11	Other Revenues (495)	<u>802</u>
12	Sub-Total Other Operating Revenues	<u>7,737</u>
13	Total Operating Revenues	<u><u>\$ 406,457</u></u>

UGI Utilities, Inc. - Gas Division
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Schedule B-4
Witness: A. P. Kelly
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Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Budget TYE 9-30-17
Gas Raw Materials			
1	Liquefied Petroleum Gas Expenses	717	\$ 1
2	Miscellaneous Production Expenses	735	67
3	Total Gas Raw Materials Expenses		<u>68</u>
Production and Gathering - Operations			
4	Operating Supervision and Engineering	750	-
5	Production Maps and Records	751	-
6	Gas Wells Expenses	752	-
7	Field Lines Expenses	753	-
8	Gas Well Royalties	758	-
9	Other Expenses	759	-
10	Total Production & Gathering Operation Expenses		<u>-</u>
Production and Gathering - Maintenance			
11	Maintenance of Producing Gas Wells	763	-
12	Maintenance of Field Lines	764	-
13	Maintenance of Field Measuring and Reg. Station Equip.	766	-
14	Gas Supply Operation Expenses		<u>-</u>
Other Gas Supply Expense - Operations			
15	Natural Gas City Gate Purchases	804.0	199,378
16	Other Gas Purchases	805.0	798
17	Purchases Gas Cost Adjustments	805.1	(49,623)
18	Gas Withdrawn from Storage-Debit	808.1	27,069
19	Purchased Gas Expenses	807.0	-
20	Gas Used for Other Utility Operations-Credit	812.0	(689)
21	Gas Delivered to Storage-Credit	808.2	(31,021)
22	Other Gas Supply Expenses	813.0	1,855
23	Gas Supply Operation Expenses		<u>147,767</u>
Underground Storage Expense - Operation			
24	Operation Supervision and Engineering	814	-
25	Maps and Records	815	-
26	Wells Expenses	816	-
27	Lines Expenses	817	-
28	Measuring and Regulating Station Expenses	820	-
29	Purification Expenses	821	-
30	Gas Losses	823	-
31	Other Expenses	824	-
32	Total Underground Storage Expenses		<u>-</u>
Underground Storage Expense - Maintenance			
33	Maintenance Supervision and Engineering	830	-
34	Maintenance of Structures and Improvements	831	-
35	Maintenance of Reservoirs and Wells	832	-
36	Maintenance of Lines	833	-
37	Maintenance of Measuring & Regulating Station Equip.	835	-
38	Total Underground Maintenance Expenses		<u>-</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule B-4
Witness: A. P. Kelly
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Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Budget TYE 9-30-17
Transmission Expense - Operations			
39	Operating Supervision and Engineering	850	-
40	System Control and Load Dispatching	851	-
41	Communication System Expenses	852	-
42	Mains Expenses	856	-
43	Measuring and Regulating Station Expenses	857	-
44	Other Expenses	859	-
45	Total Transmission Operation Expenses		-
Transmission Expense - Maintenance			
46	Maintenance Supervision and Engineering	861	-
47	Maintenance of Structures and Improvements	862	-
48	Maintenance of Mains	863	-
49	Maintenance of Measuring and Regulating Station Equip.	865	-
50	Maintenance of Communication Equipment	866	-
51	Total Transmission Maintenance Expenses		-
Distribution Expense - Operations			
52	Operation Supervision and Engineering	870	2,380
53	Distribution Load Dispatching	871	549
54	Compressor Station Fuel and Power (Major Only)	873	1
55	Mains and Services Expenses	874	10,453
56	Measuring and Regulating Station Expenses-General	875	423
57	Measuring and Regulating Station Expenses-Industrial	876	415
58	Measuring and Regulating Station Expenses-City Gate	877	346
59	Meter and House Regulator Expenses	878	1,944
60	Customer Installations Expenses	879	1,271
61	Other Expenses	880	3,033
62	Rents	881	69
63	Total Distribution Operation Expenses		20,884
Distribution Expense - Maintenance			
64	Maintenance Supervision and Engineering	885	779
65	Maintenance of Structures and Improvements	886	3
66	Maintenance of Mains	887	11,797
67	Maintenance of Measuring & Reg. Station Equip.-Genl.	889	167
68	Maintenance of Measuring & Reg. Station Equip.-Indtrl.	890	241
69	Maintenance of Measuring & Reg. Station Equip.-City G	891	434
70	Maintenance of Services	892	1,631
71	Maintenance of Meters & House Regulators	893	613
72	Maintenance of Other Equipment	894	102
73	Construction & Maintenance	895	(176)
74	Total Distribution Maintenance Expenses		15,591
Customer Accounts Expense - Operations			
75	Supervision	901	421
76	Meter Reading Expenses	902	994
77	Customer Records & Collection Expenses	903	8,300
78	Uncollectable Accounts	904	4,706
79	Miscellaneous Customer Accounts Expenses	905	358
80	Total Administrative & General		14,779

UGI Utilities, Inc. - Gas Division
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Schedule B-4
Witness: A. P. Kelly
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Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Budget TYE 9-30-17
Customer Service & Information Expense			
82	Supervision	907	163
83	Customer Assistance Expenses	908	954
84	Informational & Instructional Advertising Expenses	909	721
85	Miscellaneous Customer Service & Informational Exp.	910	116
86	Total Cust. Service & Inform. Operations Exp		1,954
87	Description		
Sales Expense			
88	Supervision	911	-
89	Demonstrating and Selling Expenses	912	708
90	Advertising Expenses	913	111
91	Miscellaneous Sales Expenses	916	104
92	Total Operation Sales Expenses		923
Administrative & General - Operations			
93	Administrative and General Salaries	920.0	9,163
94	Office Supplies and Expenses	921.0	9,636
95	Outside Service Employed	923.0	9,709
96	Property Insurance	924.0	112
97	Injuries and Damages	925.0	4,128
98	Employee Pensions and Benefits	926.0	14,250
99	Regulatory Commission Expenses	928.0	-
100	General Advertising Expenses	929.0	678
101	Miscellaneous General Expenses	930.1	1,811
102	Rents	930.2	277
103	Total A & G Operation Expenses		49,764
Administrative & General - Maintenance			
104	Maintenance of General Plant	932	1,433
105	Maintenance of General Plant	935	12
106	Total A & G Maintenance Expenses		1,445
107	TOTAL OPERATION & MAINTENANCE EXPENSE		\$ 253,175
108	Total Gas Operation Expenses		236,139
109	Total Gas Maintenance Expense		17,036
110	TOTAL OPERATION & MAINTENANCE EXPENSE		\$ 253,175

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(\$ in Thousands)

Schedule B-5
Witness: A. P. Kelly
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Detail of Taxes

[1]

Line No	Description	Reference	Budget TYE 9-30-17
Taxes Other Than Income Taxes			
Non-revenue related:			
1	Pennsylvania - PURTA		\$ 513
2	Capital Stock		316
3	PA and Local Use taxes		177
4	Miscellaneous Taxes		1,661
5	Subtotal	Sum L 1 to L 4	<u>2,667</u>
Payroll Taxes			
6	FICA		2,679
7	SUTA		485
8	FUTA		55
9	Other		-
10	Subtotal	Sum L 6 to L 9	<u>3,219</u>
11	Total Taxes Other Than Income Taxes	L 5 + L 10	<u>\$ 5,886</u>
Income Taxes			
12	State		\$ 3,226
13	Federal		29,464
14	Total Income Taxes	L 12 + L 13	<u>\$ 32,690</u>

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Schedule B-6
 Witness: P. R. Moul
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Composite Cost of Debt

Line No	Description	[1]	[2]	[3]	[4]
		Amount Outstanding	Percent to Total	Effective Interest Rate	Average Weighted Cost Rate [2] * [3]
Medium Term Notes					
1	7.250% Due 2017	\$ 20,000	2.65%	7.32%	0.19%
2	5.670% Due 2018	20,000	2.65%	5.75%	0.15%
3	6.500% Due 2033	20,000	2.65%	6.56%	0.17%
4	6.133% Due 2034	20,000	2.65%	6.19%	0.16%
Senior Unsecured Notes					
5	6.206% Due 2036	100,000	23.18%	6.32%	1.46%
6	4.980% Due 2044	175,000	13.25%	5.00%	0.66%
7	3.781% Due 2026	100,000	26.49%	3.85%	1.02%
8	4.705% Due 2046	200,000	13.25%	4.74%	0.63%
9	4.705% Due 2046	100,000	13.25%	4.74%	0.63%
10	Total Long-Term Debt	755,000	100.00%		5.07%
11	Total Long-Term Debt	\$ 755,000	88.67%	5.07%	4.50%
12	Total Short-Term Debt	96,475	11.33%	2.58%	0.29%
13	TOTAL	\$ 851,475	100.00%		
14	Weighted Cost of Debt				4.79%

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule B-7
Witness: P. R. Moul
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Rate of Return

[1] [2] [3] [4]

Line No	Description	Capitalization Ratio	Embedded Cost	Statement Reference	Return-%
1	Long-Term Debt	40.30%	5.07%	B-6	2.04%
2	Short-Term Debt	5.15%	2.58%	B-6	0.13%
3	Common Equity	<u>54.55%</u>	11.00%		<u>6.00%</u>
4	Total	<u><u>100.00%</u></u>			<u><u>8.17%</u></u>

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Measure of Value

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Schedule	# of Pages	Present Rates	Adjustments	Proposed Rates
MEASURE OF VALUE							
1	Utility Plant		C-2	9	\$ 1,649,567		\$ 1,649,567
2	Accumulated Depreciation		C-3	11	(448,737)		(448,737)
3	Net Plant in service				1,200,830	-	1,200,830
4	Working Capital		C-4	9	18,648		18,648
5	Gas Inventory		C-5	1	21,730		21,730
6	Accumulated Deferred Income Taxes		C-6	1	(307,196)		(307,196)
7	Customer Deposits		C-7	1	(14,517)		(14,517)
8	Materials & Supplies		C-8	1	4,212		4,212
9	TOTAL MEASURE OF VALUE				<u>\$ 923,707</u>	<u>\$ -</u>	<u>\$ 923,707</u>

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Pro Forma Gas Plant in Service

[1]

[2]

Line No	Description	Account No	Pro Forma FTY 9-30-17
INTANGIBLE PLANT			
1	Organization	301	\$ 21
2	Franchise & Consent	302	28
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		49
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
NATURAL GAS STORAGE & PROCESSING PLANT			
18	Land & Land Rights	304	382
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350	-
21	Rights of Way	350	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL STORAGE & PROCESSING		382

Pro Forma Gas Plant in Service

[1]

[2]

Line No	Description	Account No	Pro Forma FTY 9-30-17
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	\$ -
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
DISTRIBUTION PLANT			
38	Land & Land Rights	374	2,273
39	Structures & Improvements	375	2,186
40	Mains	376	749,746
41	Measuring & Regulating Station Equipment	378	35,441
42	Measuring & Regulating Station Equipment	379	4,794
43	Services	380	592,758
44	Meters	381	59,545
45	Meter Installations	382	65,196
46	House Regulators	383	7,404
47	House Regulatory Installations	384	11,149
48	Industrial Measuring & Regulating Station Equipmer	385	6,163
49	Other Property	386	1,310
50	Other Equipment	387	3,669
51	TOTAL DISTRIBUTION		1,541,634
GENERAL PLANT			
52	Land & Land Rights	389	1,493
53	Structures & Improvements	390	30,998
54	Office Furniture & Equipment	391	61,445
55	Transportation Equipment	392	874
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	9,959
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,371
60	Communication Equipment	397	507
61	Miscellaneous Equipment	398	855
62	Other Tangible Property	399	-
63	TOTAL GENERAL		107,502
64	Total Plant		\$ 1,649,567

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Pro Forma Plant Adjustment Summary

Line #	Description	[1] Factor Or Reference	[2] Test Year 9/30/17 Budget	[3] Adjustments	[4] Pro Forma Test Year [2] + [3]
1	INTANGIBLE PLANT	Sch C-2, Pg 4	\$ 167	\$ (118)	\$ 49
2	NATURAL GAS PRODUCTION & GATHERING	Sch C-2, Pg 4	-	-	-
3	NATURAL GAS STORAGE & PROCESSING PLANT	Sch C-2, Pg 4	471	(89)	382
4	TRANSMISSION PLANT	Sch C-2, Page 5	-	-	-
5	DISTRIBUTION PLANT	Sch C-2, Page 5	1,568,997	(27,363)	1,541,634
6	GENERAL PLANT	Sch C-2, Page 5	200,693	(93,191)	107,502
7	OTHER PLANT		-	-	-
8	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 7)	<u>1,770,328</u>	<u>(120,761)</u>	<u>1,649,567</u>
9	COMPLETED CONSTRUCTION NOT CLASSIFIED	G/L a/c # 106	-	-	-
10	PLANT-IN-SERVICE	L 8 + L 9	<u>1,770,328</u>	<u>(120,761)</u>	<u>1,649,567</u>
11	CONSTRUCTION WORK-IN-PROGRESS	G/L a/c # 107	-	-	-
12	GAS STORED - NON CURRENT	a/c 117.2	-	-	-
13	TOTAL UTILITY PLANT	Sum (L 10 to L 12)	<u><u>\$ 1,770,328</u></u>	<u><u>\$ (120,761)</u></u>	<u><u>\$ 1,649,567</u></u>

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Pro Forma Year End Plant Balances

Line #	Description	[1] Account Number	[2] [3] Year Ended September 30,		[4] Pro Forma Adjustment	[5] Balance [4] + [5]
			2016	2017		
INTANGIBLE PLANT						
1	Organization	301	\$ 21	\$ 139	\$ (118)	\$ 21
2	Franchise & Consent	302	28	28	-	28
3	Miscellaneous Intangible Plant	303	-	-	-	-
4	TOTAL INTANGIBLE		<u>49</u>	<u>167</u>	<u>(118)</u>	<u>49</u>
NATURAL GAS PRODUCTION & GATHERING						
5	Producing Lands	325.1	-	-	-	-
6	Producing Leaseholds	325.2	-	-	-	-
7	Rights of Way	325.4	-	-	-	-
8	Other Land Rights	325.5	-	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-	-
10	Other Structures	329	-	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-	-
13	Field Lines	332	-	-	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-	-
16	Other Equipment	337	-	-	-	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NATURAL GAS STORAGE & PROCESSING PLANT						
18	Land & Land Rights	304	382	382	-	382
19	Production Plant-Manufactured Gas Plants	305	-	89	(89)	-
20	Land	350.1	-	-	-	-
21	Rights of Way	350.2	-	-	-	-
22	Structures & Improvements	351	-	-	-	-
23	Wells	352	-	-	-	-
24	Lines	353	-	-	-	-
25	Compressor Station Equipment	354	-	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-	-
27	Purification Equipment	356	-	-	-	-
28	Other Equipment	357	-	-	-	-
29	TOTAL STORAGE & PROCESSING		<u>382</u>	<u>471</u>	<u>(89)</u>	<u>382</u>

UGI Exhibit A (Fully Projected Future)

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Pro Forma Year End Plant Balances

Line #	Description	Account Number	Year Ended September 30,		Pro Forma Adjustment	Balance
			[1] 2016	[2] 2017		
TRANSMISSION PLANT						
30	Land & Land Rights	365.1	-	-	-	-
31	Rights of Way	365.2	-	-	-	-
32	Structures & Improvements	366	-	-	-	-
33	Mains	367	-	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-	-
35	Communication Equipment	370	-	-	-	-
36	Other Equipment	371	-	-	-	-
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISTRIBUTION PLANT						
38	Land & Land Rights	374	2,273	2,272	1	2,273
39	Structures & Improvements	375	2,186	2,082	104	2,186
40	Mains	376	691,327	767,263	(17,517)	749,746
41	Measuring & Regulating Station Equipment	378	31,327	37,074	(1,633)	35,441
42	Measuring & Regulating Station Equipment	379	4,497	4,934	(140)	4,794
43	Services	380	551,462	597,530	(4,772)	592,758
44	Meters	381	56,953	61,403	(1,858)	59,545
45	Meter Installations	382	62,553	66,626	(1,430)	65,196
46	House Regulators	383	6,544	5,548	1,856	7,404
47	House Regulatory Installations	384	10,496	11,355	(206)	11,149
48	Industrial Measuring & Regulating Station Equipment	385	5,719	7,769	(1,606)	6,163
49	Other Property	386	1,310	1,309	1	1,310
50	Other Equipment	387	3,535	3,832	(163)	3,669
51	TOTAL DISTRIBUTION		<u>1,430,182</u>	<u>1,568,997</u>	<u>(27,363)</u>	<u>1,541,634</u>
GENERAL PLANT						
52	Land & Land Rights	389	1,493	1,431	62	1,493
53	Structures & Improvements	390	29,188	44,550	(13,552)	30,998
54	Office Furniture & Equipment	391	18,743	143,033	(81,588)	61,445
55	Transportation Equipment	392	495	949	(75)	874
56	Stores Equipment	393	-	(981)	981	-
57	Tools & Garage Equipment	394	9,037	8,971	988	9,959
58	Laboratory Equipment	395	-	-	-	-
59	Power Operated Equipment	396	1,371	1,385	(14)	1,371
60	Communication Equipment	397	563	507	-	507
61	Miscellaneous Equipment	398	724	822	33	855
62	Other Tangible Property	399	-	26	(26)	-
63	TOTAL GENERAL		<u>61,614</u>	<u>200,693</u>	<u>(93,191)</u>	<u>107,502</u>
64	Total Plant		<u>\$ 1,492,227</u>	<u>\$ 1,770,328</u>	<u>\$ (120,761)</u>	<u>\$ 1,649,567</u>

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Additions to Plant

Line #	Description	Account Number	[1]	[2]	[3]
			Year ended September 30,		
			2016	2017	
Plant Additions					
INTANGIBLE PLANT					
1	Organization	301	\$ -	\$ -	
2	Franchise & Consent	302	-	-	
3	Miscellaneous Intangible Plant	303	-	-	
4	TOTAL INTANGIBLE		-	-	
NATURAL GAS PRODUCTION & GATHERING					
5	Producing Lands	325.1	-	-	
6	Producing Leaseholds	325.2	-	-	
7	Rights of Way	325.4	-	-	
8	Other Land Rights	325.5	-	-	
9	Field Measuring & Regulating Station Structures	328	-	-	
10	Other Structures	329	-	-	
11	Producing Gas Wells-Well Construction	330	-	-	
12	Producing Gas Wells-Well Equipment	331	-	-	
13	Field Lines	332	-	-	
14	Field Measuring & Regulating Station Equipmen	334	-	-	
15	Drilling & Cleaning Equipment	335	-	-	
16	Other Equipment	337	-	-	
17	TOTAL PRODUCTION & GATHERING		-	-	
NATURAL GAS STORAGE & PROCESSING PLANT					
18	Land & Land Rights	304	-	-	
19	Production Plant-Manufactured Gas Plants	305	-	-	
18	Land	350.1	-	-	
19	Rights of Way	350.2	-	-	
20	Structures & Improvements	351	-	-	
21	Wells	352	-	-	
22	Lines	353	-	-	
23	Compressor Station Equipment	354	-	-	
24	Measuring & Regulating Equipment	355	-	-	
25	Purification Equipment	356	-	-	
26	Other Equipment	357	-	-	
27	TOTAL STORAGE & PROCESSING		-	-	

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Additions to Plant

Line #	Description	Account Number	[1]	[2]	[3]
			Year ended September 30,		
			2016	2017	
TRANSMISSION PLANT					
28	Land & Land Rights	365.1	-	-	
29	Rights of Way	365.2	-	-	
30	Structures & Improvements	366	-	-	
31	Mains	367	-	-	
32	Measuring & Regulating Station Equipment	369	-	-	
33	Communication Equipment	370	-	-	
34	Other Equipment	371	-	-	
35	TOTAL TRANSMISSION		-	-	
DISTRIBUTION PLANT					
36	Land & Land Rights	374	-	-	
37	Structures & Improvements	375	-	-	
38	Mains	376	65,662	64,728	
39	Measuring & Regulating Station Equipment	378	5,336	5,057	
40	Measuring & Regulating Station Equipment	379	385	365	
41	Services	380	50,156	47,532	
42	Meters	381	3,500	3,317	
43	Meter Installations	382	3,210	3,042	
44	House Regulators	383	1,045	991	
45	House Regulatory Installations	384	793	752	
46	Industrial Measuring & Regulating Station Equip	385	576	546	
47	Other Property	386	-	-	
48	Other Equipment	387	296	281	
49	TOTAL DISTRIBUTION		130,959	126,611	
GENERAL PLANT					
50	Land & Land Rights	389	-	-	
51	Structures & Improvements	390	2,126	2,011	
52	Office Furniture & Equipment	391	3,409	46,237	
53	Transportation Equipment	392	400	379	
54	Stores Equipment	393	-	-	
55	Tools & Garage Equipment	394	1,104	1,046	
56	Laboratory Equipment	395	-	-	
57	Power Operated Equipment	396	-	-	
58	Communication Equipment	397	-	-	
59	Miscellaneous Equipment	398	138	130	
60	Other Tangible Property	399	-	-	
61	TOTAL GENERAL		7,177	49,803	
62	Total Plant		\$ 138,136	\$ 176,414	

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Retirements

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2016	2017	
INTANGIBLE PLANT					
1	Organization	301	\$ -	\$ -	
2	Franchise & Consent	302	-	-	
3	Miscellaneous Intangible Plant	303	-	-	
4	TOTAL INTANGIBLE		-	-	
NATURAL GAS PRODUCTION & GATHERING					
5	Producing Lands	325.1	-	-	
6	Producing Leaseholds	325.2	-	-	
7	Rights of Way	325.4	-	-	
8	Other Land Rights	325.5	-	-	
9	Field Measuring & Regulating Station Structures	328	-	-	
10	Other Structures	329	-	-	
11	Producing Gas Wells-Well Construction	330	-	-	
12	Producing Gas Wells-Well Equipment	331	-	-	
13	Field Lines	332	-	-	
14	Field Measuring & Regulating Station Equipment	334	-	-	
15	Drilling & Cleaning Equipment	335	-	-	
16	Other Equipment	337	-	-	
17	TOTAL PRODUCTION & GATHERING		-	-	
NATURAL GAS STORAGE & PROCESSING PLANT					
18	Land & Land Rights	304	-	-	
19	Production Plant-Manufactured Gas Plants	305	-	-	
20	Land	350.1	-	-	
21	Rights of Way	350.2	-	-	
22	Structures & Improvements	351	-	-	
23	Wells	352	-	-	
24	Lines	353	-	-	
25	Compressor Station Equipment	354	-	-	
26	Measuring & Regulating Equipment	355	-	-	
27	Purification Equipment	356	-	-	
28	Other Equipment	357	-	-	
29	TOTAL STORAGE & PROCESSING		-	-	

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Retirements

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2016	2017	
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	
31	Rights of Way	365.2	-	-	
32	Structures & Improvements	366	-	-	
33	Mains	367	-	-	
34	Measuring & Regulating Station Equipment	369	-	-	
35	Communication Equipment	370	-	-	
36	Other Equipment	371	-	-	
37	TOTAL TRANSMISSION		-	-	
DISTRIBUTION PLANT					
38	Land & Land Rights	374	-	-	
39	Structures & Improvements	375	-	-	
40	Mains	376	6,042	6,310	
41	Measuring & Regulating Station Equipment	378	994	942	
42	Measuring & Regulating Station Equipment	379	72	68	
43	Services	380	6,580	6,236	
44	Meters	381	765	725	
45	Meter Installations	382	421	399	
46	House Regulators	383	137	130	
47	House Regulatory Installations	384	104	99	
48	Industrial Measuring & Regulating Station Equipment	385	107	102	
49	Other Property	386	-	-	
50	Other Equipment	387	154	146	
51	TOTAL DISTRIBUTION		15,376	15,157	
GENERAL PLANT					
52	Land & Land Rights	389	-	-	
53	Structures & Improvements	390	213	201	
54	Office Furniture & Equipment	391	5,856	3,535	
55	Transportation Equipment	392	-	-	
56	Stores Equipment	393	-	-	
57	Tools & Garage Equipment	394	112	124	
58	Laboratory Equipment	395	-	-	
59	Power Operated Equipment	396	-	-	
60	Communication Equipment	397	-	-	
61	Miscellaneous Equipment	398	53	56	
62	Other Tangible Property	399	-	-	
63	TOTAL GENERAL		6,234	3,916	
64	Total Plant		\$ 21,610	\$ 19,073	

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Accumulated Provision for Depreciation

<u>Line No</u>	<u>Description</u>	<u>[1]</u> <u>Account No</u>	<u>[2]</u> <u>Pro Forma</u> <u>FTY 9-30-17</u>
INTANGIBLE PLANT			
1	Organization	301	\$ -
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>-</u>
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
NATURAL GAS STORAGE & PROCESSING PLANT			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	(317)
20	Land	350	-
21	Rights of Way	350	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL STORAGE & PROCESSING		<u>(317)</u>

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Accumulated Provision for Depreciation

Line No	Description	[1] Account No	[2] Pro Forma FTY 9-30-17
TRANSMISSION PLANT			
30	Land & Land Rights	365	-
31	Rights of Way	365	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	1,447
40	Mains	376	191,671
41	Measuring & Regulating Station Equipment	378	5,810
42	Measuring & Regulating Station Equipment	379	3,094
43	Services	380	159,614
44	Meters	381	23,423
45	Meter Installations	382	23,155
46	House Regulators	383	1,667
47	House Regulatory Installations	384	4,221
48	Industrial Measuring & Regulating Station Equipment	385	3,586
49	Other Property	386	740
50	Other Equipment	387	2,295
51	TOTAL DISTRIBUTION		420,723
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	15,101
54	Office Furniture & Equipment	391	7,676
55	Transportation Equipment	392	152
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	3,331
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,315
60	Communication Equipment	397	416
61	Miscellaneous Equipment	398	340
62	Other Tangible Property	399	-
63	TOTAL GENERAL		28,331
64	Total Plant		\$ 448,737

UGI Utilities, Inc. - Gas Division
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Accumulated Depreciation by FERC Account

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]
			Year Ended September 30,				Pro Forma Adjustment
			2016	2017			
<u>INTANGIBLE PLANT</u>							
1	Organization	301	\$ -	\$ -	\$ -	\$ -	\$ -
2	Franchise & Consent	302	-	-	-	-	-
3	Miscellaneous Intangible Plant	303	-	-	-	-	-
4	TOTAL INTANGIBLE		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NATURAL GAS PRODUCTION & GATHERING</u>							
5	Producing Lands	325.1	-	-	-	-	-
6	Producing Leaseholds	325.2	-	-	-	-	-
7	Rights of Way	325.4	-	-	-	-	-
8	Other Land Rights	325.5	-	-	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-	-	-
10	Other Structures	329	-	-	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-	-	-
13	Field Lines	332	-	-	-	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-	-	-
16	Other Equipment	337	-	-	-	-	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NATURAL GAS STORAGE & PROCESSING PLANT</u>							
18	Land & Land Rights	304	-	-	-	-	-
19	Production Plant-Manufactured Gas Plants	305	(613)	(1,137)	820	(317)	
20	Land	350.1	-	-	-	-	-
21	Rights of Way	350.2	-	-	-	-	-
22	Structures & Improvements	351	-	-	-	-	-
23	Wells	352	-	-	-	-	-
24	Lines	353	-	-	-	-	-
25	Compressor Station Equipment	354	-	-	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-	-	-
27	Purification Equipment	356	-	-	-	-	-
28	Other Equipment	357	-	-	-	-	-
29	TOTAL STORAGE & PROCESSING		<u>(613)</u>	<u>(1,137)</u>	<u>820</u>	<u>(317)</u>	

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Accumulated Depreciation by FERC Account

		0	[1]	[2]	[3]	[4]	[5]	
		Year Ended September 30,						
Line #	Description	Account Number	2016	2017	Pro Forma Adjustment	Balance		
TRANSMISSION PLANT								
30	Land & Land Rights	365.1	-	-	-	-	-	
31	Rights of Way	365.2	-	-	-	-	-	
32	Structures & Improvements	366	-	-	-	-	-	
33	Mains	367	-	-	-	-	-	
34	Measuring & Regulating Station Equipment	369	-	-	-	-	-	
35	Communication Equipment	370	-	-	-	-	-	
36	Other Equipment	371	-	-	-	-	-	
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
DISTRIBUTION PLANT								
38	Land & Land Rights	374	-	-	-	-	-	
39	Structures & Improvements	375	1,418	1,446	1	1,447		
40	Mains	376	186,958	225,383	(33,712)	191,671		
41	Measuring & Regulating Station Equipment	378	6,056	6,995	(1,185)	5,810		
42	Measuring & Regulating Station Equipment	379	3,117	3,177	(83)	3,094		
43	Services	380	151,746	166,791	(7,177)	159,614		
44	Meters	381	22,196	24,253	(830)	23,423		
45	Meter Installations	382	22,270	23,719	(564)	23,155		
46	House Regulators	383	1,471	1,585	82	1,667		
47	House Regulatory Installations	384	4,125	4,343	(122)	4,221		
48	Industrial Measuring & Regulating Station Equipment	385	3,626	3,587	(1)	3,586		
49	Other Property	386	716	741	(1)	740		
50	Other Equipment	387	2,422	2,459	(164)	2,295		
51	TOTAL DISTRIBUTION		<u>406,121</u>	<u>464,479</u>	<u>(43,756)</u>	<u>420,723</u>		
GENERAL PLANT								
52	Land & Land Rights	389	-	-	-	-	-	
53	Structures & Improvements	390	14,356	15,065	36	15,101		
54	Office Furniture & Equipment	391	9,605	15,736	(8,060)	7,676		
55	Transportation Equipment	392	90	(405)	557	152		
56	Stores Equipment	393	-	-	-	-		
57	Tools & Garage Equipment	394	2,999	3,429	(98)	3,331		
58	Laboratory Equipment	395	-	-	-	-		
59	Power Operated Equipment	396	1,302	1,320	(5)	1,315		
60	Communication Equipment	397	420	476	(60)	416		
61	Miscellaneous Equipment	398	261	335	5	340		
62	Other Tangible Property	399	-	-	-	-		
63	TOTAL GENERAL		<u>29,033</u>	<u>35,956</u>	<u>(7,625)</u>	<u>28,331</u>		
64	Total Plant		<u>\$ 434,541</u>	<u>\$ 499,298</u>	<u>\$ (50,561)</u>	<u>\$ 448,737</u>		

UGI Exhibit A (Fully Projected Future)

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Cost of Removal

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2016	2017	
<u>INTANGIBLE PLANT</u>					
1	Organization	301	\$ -		\$ -
2	Franchise & Consent	302	-		-
3	Miscellaneous Intangible Plant	303	-		-
4	TOTAL INTANGIBLE		-		-
<u>NATURAL GAS PRODUCTION & GATHERING</u>					
5	Producing Lands	325.1	-		-
6	Producing Leaseholds	325.2	-		-
7	Rights of Way	325.4	-		-
8	Other Land Rights	325.5	-		-
9	Field Measuring & Regulating Station Structures	328	-		-
10	Other Structures	329	-		-
11	Producing Gas Wells-Well Construction	330	-		-
12	Producing Gas Wells-Well Equipment	331	-		-
13	Field Lines	332	-		-
14	Field Measuring & Regulating Station Equipment	334	-		-
15	Drilling & Cleaning Equipment	335	-		-
16	Other Equipment	337	-		-
17	TOTAL PRODUCTION & GATHERING		-		-
<u>NATURAL GAS STORAGE & PROCESSING PLANT</u>					
18	Land & Land Rights	304	-		-
19	Production Plant-Manufactured Gas Plants	305	553		-
18	Land	350.1	-		-
19	Rights of Way	350.2	-		-
20	Structures & Improvements	351	-		-
21	Wells	352	-		-
22	Lines	353	-		-
23	Compressor Station Equipment	354	-		-
24	Measuring & Regulating Equipment	355	-		-
25	Purification Equipment	356	-		-
26	Other Equipment	357	-		-
27	TOTAL STORAGE & PROCESSING		553		-

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Cost of Removal

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2016	2017	
TRANSMISSION PLANT					
28	Land & Land Rights	365.1	-	-	
29	Rights of Way	365.2	-	-	
30	Structures & Improvements	366	-	-	
31	Mains	367	-	-	
32	Measuring & Regulating Station Equipment	369	-	-	
33	Communication Equipment	370	-	-	
34	Other Equipment	371	-	-	
35	TOTAL TRANSMISSION		-	-	
DISTRIBUTION PLANT					
36	Land & Land Rights	374	-	-	
37	Structures & Improvements	375	-	-	
38	Mains	376	1,067	1,119	
39	Measuring & Regulating Station Equipment	378	548	519	
40	Measuring & Regulating Station Equipment	379	40	38	
41	Services	380	3,549	3,363	
42	Meters	381	4	3	
43	Meter Installations	382	227	215	
44	House Regulators	383	74	70	
45	House Regulatory Installations	384	56	53	
46	Industrial Measuring & Regulating Station Equipment	385	59	56	
47	Other Property	386	-	-	
48	Other Equipment	387	72	68	
49	TOTAL DISTRIBUTION		5,696	5,504	
GENERAL PLANT					
50	Land & Land Rights	389	-	-	
51	Structures & Improvements	390	22	21	
52	Office Furniture & Equipment	391	-	-	
53	Transportation Equipment	392	-	-	
54	Stores Equipment	393	-	-	
55	Tools & Garage Equipment	394	-	-	
56	Laboratory Equipment	395	-	-	
57	Power Operated Equipment	396	-	-	
58	Communication Equipment	397	-	-	
59	Miscellaneous Equipment	398	-	-	
60	Other Tangible Property	399	-	-	
61	TOTAL GENERAL		22	21	
62	Total Plant		\$ 6,271	\$ 5,525	

UGI Exhibit A (Fully Projected Future)

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Negative Net Salvage Amortization

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2016	2017	
INTANGIBLE PLANT					
1	Organization	301	\$ -	\$ -	
2	Franchise & Consent	302	-	-	
3	Miscellaneous Intangible Plant	303	-	-	
4	TOTAL INTANGIBLE		-	-	
NATURAL GAS PRODUCTION & GATHERING					
5	Producing Lands	325.1	-	-	
6	Producing Leaseholds	325.2	-	-	
7	Rights of Way	325.4	-	-	
8	Other Land Rights	325.5	-	-	
9	Field Measuring & Regulating Station Structures	328	-	-	
10	Other Structures	329	-	-	
11	Producing Gas Wells-Well Construction	330	-	-	
12	Producing Gas Wells-Well Equipment	331	-	-	
13	Field Lines	332	-	-	
14	Field Measuring & Regulating Station Equipment	334	-	-	
15	Drilling & Cleaning Equipment	335	-	-	
16	Other Equipment	337	-	-	
17	TOTAL PRODUCTION & GATHERING		-	-	
NATURAL GAS STORAGE & PROCESSING PLANT					
18	Land & Land Rights	304	-	-	
19	Production Plant-Manufactured Gas Plants	305	296	208	
20	Land	350.1	-	-	
21	Rights of Way	350.2	-	-	
22	Structures & Improvements	351	-	-	
23	Wells	352	-	-	
24	Lines	353	-	-	
25	Compressor Station Equipment	354	-	-	
26	Measuring & Regulating Equipment	355	-	-	
27	Purification Equipment	356	-	-	
28	Other Equipment	357	-	-	
29	TOTAL STORAGE & PROCESSING		296	208	

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Negative Net Salvage Amortization

Line #	Description	Account Number	[1]	[3]	[4]
			Year Ended September 30,		
			2016	2017	
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	
31	Rights of Way	365.2	-	-	
32	Structures & Improvements	366	-	-	
33	Mains	367	-	-	
34	Measuring & Regulating Station Equipment	369	-	-	
35	Communication Equipment	370	-	-	
36	Other Equipment	371	-	-	
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	
DISTRIBUTION PLANT					
38	Land & Land Rights	374	-	-	
39	Structures & Improvements	375	-	-	
40	Mains	376	517	670	
41	Measuring & Regulating Station Equipment	378	140	204	
42	Measuring & Regulating Station Equipment	379	6	12	
43	Services	380	3,005	3,464	
44	Meters	381	1	1	
45	Meter Installations	382	54	97	
46	House Regulators	383	186	192	
47	House Regulatory Installations	384	17	27	
48	Industrial Measuring & Regulating Station Equipment	385	9	18	
49	Other Property	386	1	1	
50	Other Equipment	387	14	28	
51	TOTAL DISTRIBUTION		<u>3,950</u>	<u>4,714</u>	
GENERAL PLANT					
52	Land & Land Rights	389	-	-	
53	Structures & Improvements	390	84	79	
54	Office Furniture & Equipment	391	-	-	
55	Transportation Equipment	392	(3)	(3)	
56	Stores Equipment	393	-	-	
57	Tools & Garage Equipment	394	(3)	(3)	
58	Laboratory Equipment	395	-	-	
59	Power Operated Equipment	396	-	-	
60	Communication Equipment	397	-	-	
61	Miscellaneous Equipment	398	-	-	
62	Other Tangible Property	399	-	-	
63	TOTAL GENERAL		<u>78</u>	<u>73</u>	
64	Total Plant		<u>\$ 4,324</u>	<u>\$ 4,995</u>	

UGI Exhibit A (Fully Projected Future)

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Salvage

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2016	2017	
INTANGIBLE PLANT					
1	Organization	301	\$ -	\$ -	
2	Franchise & Consent	302	-	-	
3	Miscellaneous Intangible Plant	303	-	-	
4	TOTAL INTANGIBLE		-	-	
NATURAL GAS PRODUCTION & GATHERING					
5	Producing Lands	325.1	-	-	
6	Producing Leaseholds	325.2	-	-	
7	Rights of Way	325.4	-	-	
8	Other Land Rights	325.5	-	-	
9	Field Measuring & Regulating Station Structures	328	-	-	
10	Other Structures	329	-	-	
11	Producing Gas Wells-Well Construction	330	-	-	
12	Producing Gas Wells-Well Equipment	331	-	-	
13	Field Lines	332	-	-	
14	Field Measuring & Regulating Station Equipment	334	-	-	
15	Drilling & Cleaning Equipment	335	-	-	
16	Other Equipment	337	-	-	
17	TOTAL PRODUCTION & GATHERING		-	-	
NATURAL GAS STORAGE & PROCESSING PLANT					
18	Land & Land Rights	304	-	-	
19	Production Plant-Manufactured Gas Plants	305	-	-	
20	Land	350.1	-	-	
21	Rights of Way	350.2	-	-	
22	Structures & Improvements	351	-	-	
23	Wells	352	-	-	
24	Lines	353	-	-	
25	Compressor Station Equipment	354	-	-	
26	Measuring & Regulating Equipment	355	-	-	
27	Purification Equipment	356	-	-	
28	Other Equipment	357	-	-	
29	TOTAL STORAGE & PROCESSING		-	-	

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Salvage

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2016	2017	
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	
31	Rights of Way	365.2	-	-	
32	Structures & Improvements	366	-	-	
33	Mains	367	-	-	
34	Measuring & Regulating Station Equipment	369	-	-	
35	Communication Equipment	370	-	-	
36	Other Equipment	371	-	-	
37	TOTAL TRANSMISSION		-	-	
DISTRIBUTION PLANT					
38	Land & Land Rights	374	-	-	
39	Structures & Improvements	375	-	-	
40	Mains	376	-	-	
41	Measuring & Regulating Station Equipment	378	(127)	(120)	
42	Measuring & Regulating Station Equipment	379	(9)	(9)	
43	Services	380	(4)	(4)	
44	Meters	381	(2)	(2)	
45	Meter Installations	382	-	-	
46	House Regulators	383	-	-	
47	House Regulatory Installations	384	-	-	
48	Industrial Measuring & Regulating Station Equipment	385	(14)	(13)	
49	Other Property	386	-	-	
50	Other Equipment	387	-	-	
51	TOTAL DISTRIBUTION		(156)	(148)	
GENERAL PLANT					
52	Land & Land Rights	389	-	-	
53	Structures & Improvements	390	-	-	
54	Office Furniture & Equipment	391	-	-	
55	Transportation Equipment	392	-	-	
56	Stores Equipment	393	-	-	
57	Tools & Garage Equipment	394	-	-	
58	Laboratory Equipment	395	-	-	
59	Power Operated Equipment	396	-	-	
60	Communication Equipment	397	-	-	
61	Miscellaneous Equipment	398	-	-	
62	Other Tangible Property	399	-	-	
63	TOTAL GENERAL		-	-	
64	Total Plant		\$ (156)	\$ (148)	

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Working Capital

Line No	Description	[1] Future FTY 9-30-17	[2] Reference
1	Working Capital for O & M Expense	\$ 15,723	C-4, Page 2
2	Interest Payments	(1,871)	C-4, Page 7
3	Tax Payment Lag Calculations	2,233	C-4, Page 8
4	Prepaid Expenses	2,562	C-4, Page 9
5	Total Cash Working Capital Requirements	\$ 18,648	

UGI Exhibit A (Fully Projected Future)

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Summary of Working Capital

Line #	Description	[1] Reference	[2] Test Year Expenses	[3] Factor	[4] Number of (Lead) / Lag Days [2] * [3]	[5] Totals
WORKING CAPITAL REQUIREMENT						
1	REVENUE LAG DAYS	Page 3				55.07
2	EXPENSE LAG DAYS	Page 4				
3	Payroll	Sch D-7	\$ 37,189	12.00	\$ 446,273	
4	Purchased Gas Costs	Sch D-6	114,125	36.71	4,189,711	
5	Other Expenses	L 19 - L 2 to L 4	74,047	27.44	2,031,841	
6	Total	Sum (L 3 to L 5)	<u>\$ 225,361</u>		<u>\$ 6,667,825</u>	
7	O & M Expense Lag Days	L 6, C 4 / C 2				29.59
8	Net (Lead) Lag Days	L 1 - L 7				25.48
9	Operating Expenses Per Day	L 6, C 2 / 365				<u>\$ 617</u>
10	Working Capital for O & M Expense	L 8 * L 9				\$ 15,723
11	Interest Payments	Page 7				(1,871)
12	Tax Payment Lag Calculations	Page 8				2,233
13	Prepaid Expenses	Page 9				2,562
14	Total Working Capital Requirement	Sum (L 10 to L 13)				<u>\$ 18,648</u>
15	Pro Forma O & M Expense		\$ 229,995			
	Less:					
16	Uncollectible Expense		4,634			
17	Other					
18	Sub-Total	L 16 + L 17	<u>4,634</u>			
19	Pro Forma Cash O&M Expense		<u>\$ 225,361</u>			

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Revenue Lag

Line No.	Description	[1] Reference Or Factor	[2] Accounts Receivable Balance End of Month	[3] Total Monthly Sales Page 2	[4] A/R Turnover [3] / [2]	[5] Days Lag 365 / [4]
1	Annual Number of Days					<u>365</u>
2	September, 2014		\$ 22,117			
3	October		17,354	17,346		
4	November		28,542	32,455		
5	December, 2014		49,287	59,627		
6	January, 2015		68,226	70,976		
7	February		85,929	78,256		
8	March		88,021	75,588		
9	April		68,453	40,619		
10	May		50,741	19,096		
11	June		40,641	15,208		
12	July		33,163	14,587		
13	August		24,462	12,816		
14	September, 2015		19,021	13,473		
15	Total	Sum L 2 to L 14	<u>\$595,957</u>			
16	Number of Months	<u>13</u>				
17	Average Acct Rec Balance	L 15 / L 16	<u>\$45,843</u>			
18	Total Sales for Year	Sum L 2 to L 14		<u>\$ 450,047</u>		
19	Acct Rec Turnover Ratio	L 18 / L 17			<u>9.82</u>	
20	Collection Lag Day Factor	L 1 / L 19				37.17
21	Meter Read Lag Factor					2.69
22	Midpoint Lag Factor		365 /	12 /	2 =	<u>15.21</u>
23	Total Revenue Lag Days	Sum L 20 to L 22				<u>55.07</u>

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Summary of Expense Lag Calculations

Line No.	Description	[1] Reference Or Factor	[2] Amount	[3] (Lead) / Lag Days	[4] Weighted Dollar Value [2] * [3]	[5] (Lead) / Lag Days [4] / [2]
<u>PAYROLL</u>						
1	Union Payrolls	Bi-Weekly	\$ 13,523	12.00		
2	Exempt & Non-Exempt	Bi-Weekly	23,665	12.00		
3	Weighted for Union	L1, C2 * C3			\$ 162,273	
4	Weighted for Other	L2, C2 * C3			<u>283,980</u>	
5	Payroll Lag	L 3 + L 4	<u>\$ 37,188</u>		<u>\$ 446,254</u>	
6	Payroll Lag Days	C 4 / C 2				<u>12.00</u>
<u>PURCHASE GAS COSTS</u>						
7	Payment Lag	Page 6	<u>\$ 190,060</u>		<u>\$ 6,977,416</u>	
8	Gas Cost Lag Days	C 4 / C 2				<u>36.71</u>
<u>OTHER O & M EXPENSES</u>						
9	JANUARY 2015	Page 5	6,906		210,713	
10	MARCH 2015	Page 5	6,408		169,762	
11	JUNE 2015	Page 5	6,388		157,958	
12	SEPTEMBER 2015	Page 5	7,281		201,991	
13	TOTAL		<u>26,983</u>		<u>740,424</u>	
14	Other O&M Expense Lag Days	C 4 / C 2				<u>27.44</u>

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Summary of O&M Expense Lag Calculations

Line #	Description	[1] Number of CDs	[2] Cash Disbursements	[3] Dollar-Days	[4] Expense Lag-Days [3] / [2]
<u>JANUARY 2015</u>					
1	Total Disbursements for Month	<u>4,387</u>	<u>\$ 33,924</u>		
2	Total Disbursements for Expenses	<u>2,109</u>	<u>\$ 6,906</u>	<u>\$ 210,713</u>	<u>30.51</u>
<u>MARCH 2015</u>					
3	Total Disbursements for Month	<u>4,034</u>	<u>\$ 34,788</u>		
4	Total Disbursements for Expenses	<u>2,217</u>	<u>\$ 6,408</u>	<u>\$ 169,762</u>	<u>26.49</u>
<u>JUNE 2015</u>					
5	Total Disbursements for Month	<u>4,819</u>	<u>\$ 23,077</u>		
6	Total Disbursements for Expenses	<u>2,427</u>	<u>\$ 6,388</u>	<u>\$ 157,958</u>	<u>24.73</u>
<u>SEPTEMBER 2015</u>					
7	Total Disbursements for Month	<u>5,081</u>	<u>\$ 27,877</u>		
8	Total Disbursements for Expenses	<u>2,335</u>	<u>\$ 7,281</u>	<u>\$ 201,991</u>	<u>27.74</u>
<u>TOTAL FOUR TEST MONTHS</u>					
9	Total Test Month Expense Disbursement (L 2 + L 4 + L 6 + L 8)	<u>9088</u>	<u>\$ 26,983</u>	<u>\$ 740,424</u>	<u>27.44</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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Schedule C-4
 Witness: A. P. Kelly
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Purchase Gas Cost Payment Lag Summary

Line #	Description	[1] Number of Invoices	[2] Amount of Invoice	[3] Dollar Days	[4] Total Payment Lag-Days
1	October 2014	23	\$ 11,771	\$ 449,126	38.16
2	November	19	8,977	353,889	39.42
3	December	31	23,296	766,156	32.89
4	January 2015	26	21,084	678,725	32.19
5	February	30	29,534	1,088,896	36.87
6	March	38	34,867	1,311,988	37.63
7	April	28	15,666	640,892	40.91
8	May	29	11,328	434,701	38.37
9	June	19	7,835	279,096	35.62
10	July	20	8,163	306,544	37.55
11	August	22	8,403	315,182	37.51
12	September 2015	20	<u>9,136</u>	<u>352,220</u>	38.55
13	Total	Sum (L 1 to L 11)	<u>\$ 190,060</u>	<u>\$ 6,977,416</u>	
14	Purchase Gas Lag Days	C 3 / C 2			<u>36.71</u>

UGI Utilities, Inc. - Gas Division
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Schedule C-4
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Interest Payments

Line No.	Description	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1	Measure of Value at September 30, 2017	Sch C-1			\$ 923,707
2	Long-term Debt Ratio	Sch B-6			40.30%
3	Embedded Cost of Long-term Debt	Sch B-6			5.07%
4	Pro forma Interest Expense	L 1 * L 2 * L 3			<u>\$ 18,873</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 52
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days	Page 3		55.07	
8	Interest Payment lag days	L 7 - L 6			(36.2)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (1,871)</u>

UGI Utilities, Inc. - Gas Division
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Witness: A. P. Kelly
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Tax Lag Day Calculations

Line #	Description	[1] Payment Dates	[2] Mid-Point of Service Period	[3] Lead (Lag) Payment Days [1] - [2]	[4] Payment Amount	[5] Weighted Lead (Lag) Dollars [3] * [4]	[6] Payment Lead (Lag) Days [5] / [4]	[7] Revenue (Lag) Days	[8] Net Payment Lead (Lag) Days [6] - [7]	[9] Total Dollar Days	[10] Working Capital Amount
											365
1	<u>FEDERAL INCOME TAX</u>				<u>\$ 30,363</u>						
2	First Payment	01/05/17	04/01/17	86.00	\$ 7,591	652,809					
3	Second Payment	03/15/17	04/01/17	17.00	7,591	129,044					
4	Third Payment	06/15/17	04/01/17	(75.00)	7,591	(569,310)					
5	Fourth Payment	09/15/17	04/01/17	(167.00)	7,591	(1,267,664)					
6	Total				<u>\$ 30,363</u>	<u>\$ (1,055,122)</u>	<u>(34.75)</u>	<u>(55.07)</u>	<u>20.32</u>	<u>\$ 616,980</u>	\$ 1,690
7	<u>STATE INCOME TAX</u>				<u>\$ 7,492</u>						
8	First Payment	12/15/16	04/01/17	107.00	\$ 1,873	200,420					
9	Second Payment	03/15/17	04/01/17	17.00	1,873	31,842					
10	Third Payment	06/15/17	04/01/17	(75.00)	1,873	(140,481)					
11	Fourth Payment	09/15/17	04/01/17	(167.00)	1,873	(312,805)					
12	Total				<u>\$ 7,492</u>	<u>(221,024)</u>	<u>(29.50)</u>	<u>(55.07)</u>	<u>25.57</u>	<u>\$ 191,579</u>	\$ 525
13	<u>PA PROPERTY TAX</u>				<u>\$ 177</u>						
14	First Payment	03/31/17	04/01/17	1.00	\$ 89	89					
15	Second Payment	09/30/17	04/01/17	(182.00)	89	(16,107)					
16	Total				<u>\$ 177</u>	<u>(16,019)</u>	<u>(90.50)</u>	<u>(55.07)</u>	<u>(35.43)</u>	<u>\$ (6,271)</u>	\$ (17)
17	<u>PURTA</u>				<u>\$ 513</u>						
18	Payment	05/01/11	04/01/11	(30.00)	\$ 513	(15,388)	(30.00)	(55.07)	25.07	<u>\$ 12,859</u>	\$ 35
19	Total Working Capital For Other Taxes										<u>\$ 2,233</u>

UGI Utilities, Inc. - Gas Division
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Schedule C-4
 Witness: A. P. Kelly
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Prepaid Expenses

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Line #	Description	TOTAL	Insurance	PUC Assessment	Property Taxes	Subscriptions	Postage	Rent	Maintenance & Services
1	September, 2014	3,964	\$ 1,188	\$ 1,398	\$ 118	\$ 18	\$ 2	\$ -	\$ 1,240
2	October	3,674	1,050	1,242	104	52	12	-	1,214
3	November	3,283	912	1,087	90	26	15	-	1,153
4	December, 2014	2,927	796	932	77	-	13	-	1,109
5	January, 2015	2,701	654	776	80	98	12	-	1,081
6	February	2,323	512	621	88	72	14	15	1,001
7	March	1,898	370	466	78	46	13	15	910
8	April	1,838	229	311	76	82	38	15	1,087
9	May	1,591	347	155	62	56	10	15	946
10	June	1,635	233	-	48	30	15	15	1,294
11	July	1,801	391	(155)	158	67	7	15	1,318
12	August	1,475	243	(311)	147	41	12	15	1,328
13	September, 2015	4,199	1,340	1,365	132	15	6	15	1,326
14	TOTAL	\$ 33,309	\$ 8,265	\$ 7,887	\$ 1,258	\$ 603	\$ 169	\$ 120	\$ 15,007
15	Percent to Gas		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
16	Amount to Gas		\$ 8,265	\$ 7,887	\$ 1,258	\$ 603	\$ 169	\$ 120	\$ 15,007
17	Monthly Average	13	\$ 636	\$ 607	\$ 97	\$ 46	\$ 13	\$ 9	\$ 1,154
18	Rate Case Amount	\$ 2,562							

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule C-5
Witness: A. P. Kelly
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Gas Inventory					
Line #	Description	[1] Factor Or Reference	[2] Stored Underground	[3] Other	[4] Total [2] + [3]
1	September, 2014		\$ 40,011		\$ 40,011
2	October		46,144		46,144
3	November		43,472		43,472
4	December, 2014		34,589		34,589
5	January, 2015		21,572		21,572
6	February		8,661		8,661
7	March		3,147		3,147
8	April		6,238		6,238
9	May		8,778		8,778
10	June		11,650		11,650
11	July		15,314		15,314
12	August		19,540		19,540
13	September, 2015		23,368		23,368
14	Total	Sum (L 1 to L 13)	<u>\$ 282,484</u>	<u>\$ -</u>	<u>\$ 282,484</u>
15	Number of Months		<u>13</u>	<u>13</u>	<u>13</u>
16	Average Monthly Balance	L 14 / L 15	<u>\$ 21,730</u>	<u>\$ -</u>	<u>\$ 21,730</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

Schedule C-6
Witness: N. M. McKinney
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Accumulated Deferred Income Taxes

Line #	Description	Factor Or Reference	[1] Percent	[2] Amount	[3] Total
1	<u>Accumulated Deferred Income Tax</u>				
2	Gas Utility Plant - a/c # 282			\$ (265,752)	
3	Sub-total				\$ (265,752)
4	ADIT on CIAC			18,083	
5	ADIT for Repairs Tax Deduction			<u>(50,189)</u>	
6	Sub-total				<u>(32,106)</u>
7	Federal ADIT				(297,858)
8	State ADIT for Repairs Tax Deduction				<u>(9,338)</u>
9	Balance At September 30, 2017				<u><u>\$ (307,196)</u></u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

Schedule C-7
Witness: A. P. Kelly
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Customer Deposits

[1]

<u>Line #</u>	<u>Description</u>	<u>Factor Or Reference</u>	<u>Balance At End Of Month</u>
1	September, 2015		<u>\$ 14,517</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule C-8
Witness: A. P. Kelly
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Materials & Supplies

Line #	Description	Factor Or Reference	[1] Materials & Supplies	[2] Undistributed Stores Expense	[3] Total
1	September, 2015		<u>\$ 4,212</u>	\$ -	<u>\$ 4,212</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Future Period - 12 Months Ended September 30, 2017
(\$ in Thousands)

Schedule D-1
Witness: A. P. Kelly
Page 1 of 1

Summary of Revenue and Expenses
Pro Forma with Proposed Revenue Increase

[1] [2] [3]

Line #	Description	Factor Or Reference	Pro Forma Test Year		
			At Present Rates	Rate Increase	At Proposed Rates
OPERATING REVENUES					
1	Customer & Distribution Revenue		\$ 214,246	\$ -	\$ 214,246
2	Gas Supply & Cost Adjustment Revenue		115,944	-	115,944
3	Other Revenues		4,480	-	4,480
4	Revenue Increase			58,564	58,564
5	Total operating revenues		<u>334,670</u>	<u>58,564</u>	<u>393,234</u>
OPERATING EXPENSES					
6	Manufactured Gas		69	-	69
7	Gas Supply Production		114,125	-	114,125
8	Distribution		37,650	-	37,650
9	Customer Accounts		15,464	-	15,464
10	Uncollectible Expense	1.669%	4,634	977	5,611
11	Customer Information & Services		2,309	-	2,309
12	Sales		3,850	-	3,850
13	Administrative & General		51,895	-	51,895
14	Depreciation & Amortization		43,190	-	43,190
15	Taxes other than income taxes		5,748	-	5,748
16	Total operating expenses		<u>278,933</u>	<u>977</u>	<u>279,910</u>
17	Net operating income Before Income Tax		55,737	57,587	113,324
Income Taxes					
18	Pro Forma Income Tax At Present Rates		13,962		13,962
19	Pro Forma Income Tax on Revenue Increase			23,895	23,895
20	Net Income (loss)		<u>\$ 41,775</u>	<u>\$ 33,692</u>	<u>\$ 75,467</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Future Period - 12 Months Ended September 30, 2017
(\$ in Thousands)

Schedule D-2
Witness: A. P. Kelly
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Summary of Pro Forma Revenue and Expense
Adjustments with Proposed Revenue Increase

Line #	Description	[1] Factor Or Reference	[2] [3] [4] Test Year At Present Rates			[5] Proposed Increase	[6] Pro Forma Test Year With Proposed Increase [4] + [5]
			Budget For Year End 09/30/17	Adjustments Sch D-3 Increase (Decrease)	Pro Forma Adjusted For Test Year 9/30/17		
	<u>OPERATING REVENUES</u>			-	[2] + [3]		
1	Residential (R/RT)	480	\$ 214,366	\$ (24,352)	\$ 190,014	\$ -	\$ 190,014
2	Comm & Ind (N/NT)	481	112,023	(18,794)	93,229		93,229
3	Comm & Ind (DS)	489	20,273	(6,848)	13,425		13,425
4	Lg Transport/Other	489	30,787	(2,165)	28,622		28,622
5	Interruptible	489	21,271	(16,371)	4,900		4,900
6	Forfeited Discounts		3,112	(116)	2,996		2,996
7	Miscellaneous Service Revenues		3,823	(3,306)	517		517
8	Rent from Gas Properties		-	165	165		165
9	Other Revenues		802	-	802		802
10	Rate Increase					58,564	58,564
11	Total operating revenues		<u>406,457</u>	<u>(71,787)</u>	<u>334,670</u>	<u>58,564</u>	<u>393,234</u>
	<u>OPERATING EXPENSES</u>						
12	Gas Production		68	1	69		69
13	Gas Supply Production		147,767	(33,642)	114,125		114,125
14	Distribution		36,475	1,175	37,650		37,650
15	Customer Accounts		10,073	5,391	15,464		15,464
16	Uncollectible Expense	1.669%	4,706	(72)	4,634	977	5,611
17	Customer Information & Services		1,954	355	2,309		2,309
18	Sales		923	2,927	3,850		3,850
19	Administrative & General		51,209	686	51,895		51,895
20	Depreciation & Amortization		41,516	1,674	43,190		43,190
21	Taxes other than income taxes		5,886	(138)	5,748		5,748
22	Total operating expenses		<u>300,577</u>	<u>(21,644)</u>	<u>278,933</u>	<u>977</u>	<u>279,910</u>
23	Net Operating Income - BIT		<u>\$ 105,880</u>	<u>\$ (50,143)</u>	<u>\$ 55,737</u>	<u>\$ 57,587</u>	<u>\$ 113,324</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

Schedule D-3
 Witness: A. P. Kelly
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Summary of Pro Forma Adjustments

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	
		As Budgeted And Allocated	Company Use Gas D-4	Revenues D-5	Gas Costs D-6	Salaries & Wages D-7	Environmental Expense D-8	Headcount Additions D-9	Rate Case D-10	Uncollectibles Expense D-11	D-12	UNITE Project D-13			Sub-Total Adjustments	Total Proforma
OPERATING REVENUES																
Customer & Distribution Revenue																
1	Residential (R/RT)	480	\$ 114,084	\$ (7,238)										\$ (7,238)	\$ 106,846	
2	Comm & Ind (N/NT)	481		(7,519)										(7,519)	60,453	
3	Comm & Ind (DS)	489	16,069	(2,644)										(2,644)	13,425	
4	Lg Transport/Other	489	30,674	(2,052)										(2,052)	28,622	
5	Interruptible	489	19,646	(14,746)										(14,746)	4,900	
Revenue for Cost of Gas																
6	Residential (R/RT)	480	100,282	(17,114)										(17,114)	83,168	
7	Comm & Ind (N/NT)	481	44,051	(11,275)										(11,275)	32,776	
8	Comm & Ind (DS)	489	4,204	(4,204)										(4,204)	-	
9	Lg Transport/Other	489	113	(113)										(113)	-	
10	Interruptible Transport	489	1,625	(1,625)										(1,625)	-	
11	Forfeited Discounts		3,112	(116)										(116)	2,996	
12	Miscellaneous Service Revenues		3,823	(3,306)										(3,306)	517	
13	Rent from Gas Properties		-	165										165	165	
14	Other Revenues		802	-										-	802	
15	Rate Increase		-	-										-	-	
16	Total operating revenues		<u>406,457</u>	<u>(71,787)</u>	-	-	-	-	-	-	-	-	-	<u>(71,787)</u>	<u>334,670</u>	
OPERATING EXPENSES																
17	Gas Production		68			1								1	69	
18	Gas Supply Production		147,767		(34,331)									(33,642)	114,125	
19	Distribution		36,475	(524)		183		866						525	37,000	
20	Customer Accounts		10,073			61								856	10,929	
21	Uncollectible Expense		4,706							(72)				(72)	4,634	
22	Customer Information & Services		1,954			11						345		355	2,309	
23	Sales		923			6								6	929	
24	Administrative & General		51,209	(165)		119	3,000	1,052	628			(1,040)		3,594	54,803	
25	Depreciation & Amortization		41,516											-	41,516	
26	Taxes other than income taxes		5,886											-	5,886	
27	Total operating expenses		<u>\$ 300,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,331)</u>	<u>\$ 379</u>	<u>\$ 3,000</u>	<u>\$ 1,918</u>	<u>\$ 628</u>	<u>\$ (72)</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ (28,378)</u>	<u>\$ 272,199</u>
28	Net operating income Before Income Tax		\$ 105,880	\$ -	\$ (71,787)	\$ 34,331	\$ (379)	\$ (3,000)	\$ (1,918)	\$ (628)	\$ 72	\$ -	\$ (100)	\$ -	\$ (43,409)	\$ 62,471

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

Summary of Pro Forma Adjustments

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		From Page 1 Sub-total			<u>Benefits Adjustments</u>	<u>Other Adjustments</u>	<u>Universal Service</u>	<u>Adjustments</u>		<u>Conservation Program</u>	<u>Adjustments</u>	<u>Depreciation</u>	<u>Taxes Other Than Income</u>	
				D-14	D-15	D-16	D-17	D-18	D-19		D-21	D-31		
OPERATING REVENUES														
29	Customer & Distribution Revenue													
30	Residential (R/RT)	\$ 106,846												\$ 106,846
31	Comm & Ind (N/NT)	60,453												60,453
32	Comm & Ind (DS)	13,425												13,425
33	Lg Transport/Other	28,622												28,622
34	Interruptible	4,900												4,900
Revenue for Cost of Gas														
35	Residential (R/RT)	83,168												83,168
36	Comm & Ind (N/NT)	32,776												32,776
37	Comm & Ind (DS)	-												-
38	Lg Transport/Other	-												-
39	Interruptible Transport	-												-
40	Forfeited Discounts	2,996												2,996
41	Miscellaneous Service Revenues	517												517
42	Rent from Gas Properties	165												165
43	Other Revenues	802												802
44	Rate Increase	-												-
45	Total operating revenues	<u>334,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,670</u>
OPERATING EXPENSES														
46	Gas Production	69												69
47	Gas Supply Production	114,125												114,125
48	Distribution	37,000			650									37,650
49	Customer Accounts	10,929				4,535								15,464
50	Uncollectible Expense	4,634												4,634
51	Customer Information & Services	2,309												2,309
52	Sales	929												3,850
53	Administrative & General	54,803		(2,882)	262	(26)			2,659					51,895
54	Depreciation & Amortization	41,516									1,674			43,190
55	Taxes other than income taxes	5,886										(138)		5,748
56	Total operating expenses	<u>\$ 272,199</u>	<u>\$ -</u>	<u>\$ (2,882)</u>	<u>\$ 886</u>	<u>\$ 4,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,659</u>	<u>\$ -</u>	<u>\$ 1,674</u>	<u>\$ (138)</u>	<u>\$ -</u>	<u>\$ 278,933</u>
57	Net operating income Before Income Tax	\$ 62,471	\$ -	\$ 2,882	\$ (886)	\$ (4,535)	\$ -	\$ -	\$ (2,659)	\$ -	\$ (1,674)	\$ 138	\$ -	\$ 55,737

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-4
Witness: A. P. Kelly
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Company Use of Fuel

Line #	Description	[1] Reference	[2] Amount	[3] Total
1	Remove Company Use of Fuel	a/c 880.001	\$ (416)	
2	Remove Company Use of Fuel	a/c 880.001	(108)	
3	Remove Company Use of Fuel	a/c 930.201	(165)	
4				<u>(689)</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-5
Witness: D. E. Lahoff
Page 1 of 1

Adjustment - Revenue Adjustments

[1]	[2]	[3]	[4]	[5]	[6]		
PRO FORMA ADJUSTMENTS							
Line #	Description	Reference Or Account Number	2017 Budget	Rev Adj Annualization D-5A	Other Adjustments D-5B	Total Proforma Adjustments	Proforma Adjusted At Present Rates
Customer & Distribution Revenue							
1	Residential (R/RT)	480	\$ 114,084	\$ (7,238)		\$ (7,238)	\$ 106,846
2	Comm & Ind (N/NT)	481	67,972	(7,519)		(7,519)	60,453
3	Comm & Ind (DS)	489	16,069	(2,644)		(2,644)	13,425
4	Lg Transport/Other	489	30,674	(2,052)		(2,052)	28,622
5	Interruptible	489	19,646	(14,746)		(14,746)	4,900
6	Cust Chg & Distrib Revenue		248,445	(34,199)	-	(34,199)	214,246
Revenue for Cost of Gas							
7	Residential (R/RT)	480	100,282	(17,114)		(17,114)	83,168
8	Comm & Ind (N/NT)	481	44,051	(11,275)		(11,275)	32,776
9	Comm & Ind (DS)	489	4,204	(4,204)		(4,204)	-
10	Lg Transport/Other	489	113	(113)		(113)	-
11	Interruptible Transport	489	1,625	(1,625)		(1,625)	-
12	Revenue for Cost of Gas		150,275	(34,331)	-	(34,331)	115,944
13	Total Customer Revenue		398,720	(68,530)	-	(68,530)	330,190
14	Forfeited Discounts	487	3,112		(116)	(116)	2,996
15	Miscellaneous Service Revenues	488	3,823		(3,306)	(3,306)	517
16	Rent from Gas Properties	493	-		165	165	165
17	Other Revenues	495	802			-	802
18	TOTAL REVENUES		\$ 406,457	\$ (68,530)	\$ (3,257)	\$ (71,787)	\$ 334,670

UGI Exhibit A (Fully Projected Future)

UGI Utilities, Inc. - Gas Division
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Schedule D-5A
Witness: D. E. Lahoff
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Adjustment - Test Year Revenue Changes

Line #	Description	[1] Factor Or Reference	[2] Budgeted Jurisdictional	[3] Revised Jurisdictional	[4] Adjustment [3] - [2]	[5] Total Adjustment
TOTAL REVENUE						
1	Residential (R/RT)		\$ 214,366	\$ 190,014	\$ (24,352)	
2	Comm & Ind (N/NT)		112,023	93,229	(18,794)	
3	Comm & Ind (DS)		20,273	13,425	(6,848)	
4	Lg Transport/Other		30,787	28,622	(2,165)	
5	Interruptible		21,271	4,900	(16,371)	
6	Total		<u>\$ 398,720</u>	<u>\$ 330,190</u>	<u>\$ (68,530)</u>	<u>\$ (68,530)</u>
COST OF COMMODITY						
7	Residential (R/RT)		\$ 100,282	\$ 83,168	\$ (17,114)	
8	Comm & Ind (N/NT)		44,051	32,776	(11,275)	
9	Comm & Ind (DS)		4,204	-	(4,204)	
10	Lg Transport/Other		113	-	(113)	
11	Interruptible		1,625	-	(1,625)	
12	Total		<u>\$ 150,275</u>	<u>\$ 115,944</u>	<u>\$ (34,331)</u>	<u>\$ (34,331)</u>
NET CUSTOMER & DISTRIBUTION						
13	Residential (R/RT)		\$ 114,084	\$ 106,846	\$ (7,238)	
14	Comm & Ind (N/NT)		67,972	60,453	(7,519)	
15	Comm & Ind (DS)		16,069	13,425	(2,644)	
16	Lg Transport/Other		30,674	28,622	(2,052)	
17	Interruptible		19,646	4,900	(14,746)	
18	Total		<u>\$ 248,445</u>	<u>\$ 214,246</u>	<u>\$ (34,199)</u>	<u>\$ (34,199)</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-5B
 Witness: D. E. Lahoff
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Adjustment - Other Revenue Items

Line #	Description	[1] Factor Or Reference	[2] Budgeted	[3] Adjustment
<u>OTHER REVENUES</u>				
1	Miscellaneous Service Revenues	488	\$ (3,306)	
2	Forefeited Discounts	487	(116)	
3	Rent from Gas Property	493	<u>165</u>	
4	Adjust Other Revenues			<u>\$ (3,257)</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-6
Witness: D. E. Lahoff
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Adjustment - Gas Costs

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Reference Or Account Number	PRO FORMA ADJUSTMENTS				Gas Cost Pro Forma Adjustments
			Budgeted Gas Costs	D-5A Gas Costs	Co Use		
1	Budgeted Gas Costs		\$ 147,767			\$ -	\$ 147,767
						-	-
2	Residential (R/RT)			(17,114)		(17,114)	(17,114)
3	Comm & Ind (N/NT)			(11,275)		(11,275)	(11,275)
4	Comm & Ind (DS)			(4,204)		(4,204)	(4,204)
5	Lg Transport/Other			(113)		(113)	(113)
6	Interruptible			(1,625)		(1,625)	(1,625)
7	Transportation					-	-
8	Company Use of Fuel				689	689	689
					-	-	-
						-	-
						-	-
9	Total Gas Costs		<u>\$ 147,767</u>	<u>\$ (34,331)</u>	<u>\$ 689</u>	<u>\$ (33,642)</u>	<u>\$ 114,125</u>

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Schedule D-7
Witness: A. P. Kelly
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Adjustment - Salaries & Wages

Line #	Description	[1] Account Number	[2] Budgeted Year 09/30/17	[3] Adjustment	[4] Payroll As Distributed	[5] Annualization Adjustment	[6] Total Pro Forma Payroll
<u>OPERATIONS</u>							
1	Total Natural Gas Production Expenses		\$ 67	\$ -	\$ 67	\$ 1	\$ 68
2	Total Underground Storage Expenses		-	-	-	-	-
3	Total Transmission Operation Expenses		-	-	-	-	-
4	Total Distribution Operation Expenses		11,058	-	11,058	117	11,175
5	Customer Account Operations Expenses		5,787	735	6,522	61	6,583
6	Total Cust. Service & Inform. Operations Exp		1,020	-	1,020	11	1,031
7	Total Operation Sales Expenses		540	-	540	6	546
8	Total A & G Operation Expenses		10,368	(39)	10,329	117	10,446
9	Total Operations	Sum L 1 to L 8	<u>28,840</u>	<u>696</u>	<u>29,536</u>	<u>312</u>	<u>29,848</u>
<u>MAINTENANCE</u>							
10	Total Underground Maintenance Expenses		-	-	-	-	-
11	Storage Maintenance Expenses		-	-	-	-	-
12	Total Transmission Maintenance Expenses		-	-	-	-	-
13	Total Distribution Maintenance Expenses		6,218	866	7,084	66	7,150
14	Maintenance of General Plant		190	-	190	2	192
15	Total Maintenance	Sum L 10 to L 14	<u>6,408</u>	<u>866</u>	<u>7,274</u>	<u>68</u>	<u>7,342</u>
16	Total Payroll to Expense	L 9 + L 15	<u>\$ 35,248</u>	<u>\$ 1,562</u>	<u>\$ 36,810</u>	<u>\$ 379</u>	<u>\$ 37,189</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-7
Witness: A. P. Kelly
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Adjustment - Salaries & Wages

Line #	Description	[1] Reference Or Function	[2] Union Increase At 4-1	[3] Union Increase At 6-1	[4] Non- Exempt	[5] Exempt	[6] Pro Forma Total Payroll
1	Budgeted Payroll For TY 9-30-17		\$ 10,390	\$ 2,931	\$ 5,860	\$ 16,577	<u>\$ 35,758</u>
<u>Annualize for Wage Increase to 9-30-17</u>							
2	Percent Increase		2.75%	3.00%	3.23%	2.94%	
3	Union Increase At 4-1 Annualization Factor	4/1/17	50%				
4	Union Increase At 6-1 Annualization Factor	6/1/17		67%			
5	Non-Exempt Annualization Factor	4/1/17			50%		
6	Exempt Annualization Factor	12/1/16				17%	
7	Increase for wage rate changes		<u>143</u>	<u>59</u>	<u>95</u>	<u>81</u>	\$ 378
8	Annualized Salaries & Wages at 9-30-17 Rates		\$ 10,533	\$ 2,990	\$ 5,955	\$ 16,658	
9	Additional headcount hired in FY2017					\$ 1,052	
10	Pro Forma Salaries & Wages for TY		<u>\$ 10,533</u>	<u>\$ 2,990</u>	<u>\$ 5,955</u>	<u>\$ 17,710</u>	
11	Pro Forma Adjustment to S&W						<u>\$ 378</u>
12	Annualization Factor						<u>1.057%</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-8
 Witness: A. P. Kelly
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Adjustment - Environmental

		[1]	[2]
Line #	Description	<u>Amount</u>	<u>Total</u>
1	Increase expense for environmental remediation	<u>\$ 3,000</u>	
2	Pro Forma Adjustment		<u><u>\$ 3,000</u></u>

UGI Utilities, Inc. - Gas Division
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Schedule D-9
Witness: A. P. Kelly
Page 1 of 1

Adjustment - Employee Additions

		[1]	[2]	[3]
Line #	Description	Number of Employees	Amount	Total
1	Additional headcount for CIS replacement	17	\$ 735	
2	Adjust salaries and wages for new supervisors	10	696	
3	Adjust salaries and wages for field wage increases		170	
4	Adjust salaries and wages for additional security staffing	5	317	
5				<u>\$ 1,918</u>

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Schedule D-10
Witness: A. P. Kelly
Page 1 of 1

Adjustment - Rate Case Expense

[1] [2] [3] [4]

Line #	Description	Reference	Amount	Sub-Total	Total
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Rate Case Expenditures

1	External Consultants		\$ 293		
2	External Legal		900		
3	Total Recorded at 9-30-15		62		
4	Sub-Total	L 1 to L 3	_____	1,256	

TOTAL EXPENDITURES FOR RATE FILING

5	TOTAL COSTS	L 4			\$ 1,256
6	Normalized over 2 years (Line 5 / 2)		2		\$ 628
7	Rate Case Expense included in Budget				0
8	Pro Forma Adjustment	L 6 - L 7			\$ 628

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Schedule D-11
Witness: A. P. Kelly
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Adjustment - Uncollectibles

Line #	Description	[1] Reference Or Factor	[2] Write-Off Amounts	[3] Tariff Revenue	[4] Percent [2] / [3]	[5] Total [2] / [3]
1	2013		\$ 4,800	\$ 341,141	1.41%	
2	2014		\$ 6,580	\$ 388,333	1.69%	
3	2015		\$ 7,203	\$ 383,750	1.88%	
4	Three Year Average Sum (Line 1 to Line 3) / 3	<u>3</u>	<u>\$ 6,194</u>	<u>\$ 371,075</u>		<u>1.669%</u>
5	<u>2017 Budget</u>				\$ 5,633	
	Pro Forma Adjustment					
6	Adjusted Revenues	<u>1.669%</u>		<u>\$ 333,186</u>		
7	Pro Forma at Present Rate Revenue	[1] * [3]			5,561	
8	Total for Test Year	L 9 + L 7				<u>\$ (72)</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-13
 Witness: A. P. Kelly
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Adjustment - UNITE Project

Line #	Description	[1] FERC	[2] Amount	[3] # of Years	[4] Total
Remove UNITE project expenses that will be capitalized					
1	Administrative & General Salaries	920	\$ (356)		
2	Employee Benefits & Pension	926	(105)		
3	Outside Services Employed	923	(466)		
4	Miscellaneous General Expenses	930.2	<u>(113)</u>		
5	Total				<u>\$ (1,040)</u>
Call Center Implementation					
6	Amortization of UNITE Call Center Implementation Resources		\$ 1,034	3	<u>\$ 345</u>
UNITE Software Maintenance and Cost Reductions					
7	New CIS annual maintenance fee		\$ 859		
8	Old CIS maintenance cost reduction		<u>(64)</u>		
9	Total				<u>\$ 795</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-14
Witness: A. P. Kelly
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Adjustment - Benefits Adjustments

Line #	Description	[1] Amount	[2] Subtotal	[3] Pro Forma Adjustment
<u>OPEB Adjustments</u>				
1	Budgeted OPEB Expense		\$ (2,374)	
2	Total OPEB Adjustment			<u>\$ (2,374)</u>
3	Total OPEB Overrecovery		\$ (10,399)	
4	Amortization Period (Years)		<u>20</u>	
5	Reduce Expense for OPEB Overrecovery Amortization			<u>\$ (520)</u>
<u>Pension Expense Adjustment</u>				
6	Total budgeted pension expense		\$ 4,404	
7	Total cash contributions per revised estimate	11,839		
8	Estimated Cash Contributions attributable to UGI Gas	6,092		
9	Less: estimated capitalized portion (28%)	<u>(1,676)</u>		
10	Pension cash contributions per updated estimates		<u>4,416</u>	
11	Pro Forma Adjustment			<u>\$ 12</u>

UGI Exhibit A (Fully Projected Future)

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Schedule D-15
Witness: A. P. Kelly
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Adjustment - Other Adjustments

Line #	Description	[1] Sub-Total	[2] Total
Injuries & Damages Adjustment			
1	2013 Injuries & Damages Expense	\$ 2,446	
2	2014 Injuries & Damages Expense	3,382	
3	2015 Injuries & Damages Expense	<u>2,635</u>	
4	Three year average of injuries and damages expenses	2,821	
5	Budgeted injuries and damages expenses	<u>\$ 2,914</u>	
6	Pro Forma Adjustment		<u>\$ (93)</u>
Membership Dues Adjustment			
7	Budgeted American Gas Association membership dues attributable to lobbying	\$ (12)	
8	Budgeted Energy Association of Pennsylvania membership dues attributable to lobbying	<u>(4)</u>	
9	Pro Forma Adjustment		<u>\$ (16)</u>
Licensing Fees for New Software			
10	Contractor Management System annual licensing fee	\$ 350	
11	Customer relationship management software annual licensing fee	<u>262</u>	
12	Total		<u>\$ 612</u>
Insurance Premium for Cyber Insurance Policy			
13	Cyber insurance policy		<u>\$ 83</u>
Distribution Expense Adjustment			
14	Adjust mains and services expense for corrosion control program		<u>\$ 300</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-16
 Witness: R. R. Stoyko
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Adjustment - Universal Service

Line #	Description	[1] Reference	[2] Amount
<u>Increase for Pro Forma TY Universal Service Expense</u>			
1	Customer Assistance Plan Credit		\$ 3,645
2	Administration Costs		374
3	LIURP		1,100
4	C.A.R.E.S. Program		7
5	Customer Assistance Plan Pre-program Arrearage		<u>1,231</u>
6	TOTAL		<u><u>\$ 6,357</u></u>
7	Budget		<u><u>\$ 1,822</u></u>
8	Total Adjustment		<u><u>\$ 4,535</u></u>

UGI Utilities, Inc. - Gas Division
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Schedule D-19
 Witness: T. M. Love
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Adjustment - Energy Efficiency and Conservation Programs

Line #	Description	[1] Reference	[2] Amount	[3] Sub-Total
<u>Energy Efficiency and Conservation Programs</u>				
1	Year 1 Program Costs		<u>\$ 2,659</u>	
2	Total			<u><u>\$ 2,659</u></u>

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Schedule D-21
 Witness: J.F. Weidmayer
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Adjustment - Depreciation expense		[1]	[2]	[3]	[4]	[5]
Line #	Description	Account Number	Budgeted 9/30/17 Depreciation Expense	Adjustment To Annualize At New Depre Study Rates	Depreciation on CWIP Plant Adjustment	Pro Forma Test Year Depreciation
INTANGIBLE PLANT						
1	Organization	301	\$ -			\$ -
2	Franchise & Consent	302	-			-
3	Miscellaneous Intangible Plant	303	-			-
4	TOTAL INTANGIBLE		-	-	-	-
NATURAL GAS PRODUCTION & GATHERING						
5	Producing Lands	325.1	-			-
6	Producing Leaseholds	325.2	-			-
7	Rights of Way	325.4	-			-
8	Other Land Rights	325.5	-			-
9	Field Measuring & Regulating Station Structures	328	-			-
10	Other Structures	329	-			-
11	Producing Gas Wells-Well Construction	330	-			-
12	Producing Gas Wells-Well Equipment	331	-			-
13	Field Lines	332	-			-
14	Field Measuring & Regulating Station Equipment	334	-			-
15	Drilling & Cleaning Equipment	335	-			-
16	Other Equipment	337	-			-
17	TOTAL PRODUCTION & GATHERING		-	-	-	-
NATURAL GAS STORAGE & PROCESSING PLANT						
18	Land & Land Rights	304	-	-		-
19	Production Plant-Manufactured Gas Plants	305	(524)	524		-
20	Land	350.1	-	-		-
21	Rights of Way	350.2	-	-		-
22	Structures & Improvements	351	-	-		-
23	Wells	352	-	-		-
24	Lines	353	-	-		-
25	Compressor Station Equipment	354	-	-		-
26	Measuring & Regulating Equipment	355	-	-		-
27	Purification Equipment	356	-	-		-
28	Other Equipment	357	-	-		-
29	TOTAL STORAGE & PROCESSING		(524)	524	-	-

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Schedule D-21
 Witness: J.F. Weidmayer
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Adjustment - Depreciation expense

Line #	Description	[1] Account Number	[2] Budgeted 9/30/17 Depreciation Expense	[3] Adjustment To Annualize At New Depre Study Rates	[4] Depreciation on CWIP Plant Adjustment	[5] Pro Forma Test Year Depreciation
TRANSMISSION PLANT						
30	Land & Land Rights	365.1	-	-	-	-
31	Rights of Way	365.2	-	-	-	-
32	Structures & Improvements	366	-	-	-	-
33	Mains	367	-	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-	-
35	Communication Equipment	370	-	-	-	-
36	Other Equipment	371	-	-	-	-
37	TOTAL TRANSMISSION		-	-	-	-
DISTRIBUTION PLANT						
38	Land & Land Rights	374	-	-	-	-
39	Structures & Improvements	375	28	-	-	28
40	Mains	376	11,380	908	-	12,288
41	Measuring & Regulating Station Equipment	378	939	93	-	1,032
42	Measuring & Regulating Station Equipment	379	60	17	-	77
43	Services	380	15,045	(68)	-	14,977
44	Meters	381	2,057	(59)	-	1,998
45	Meter Installations	382	1,449	33	-	1,482
46	House Regulators	383	114	99	-	213
47	House Regulatory Installations	384	218	24	-	242
48	Industrial Measuring & Regulating Station Equipment	385	(39)	150	-	111
49	Other Property	386	25	(2)	-	23
50	Other Equipment	387	37	45	-	82
51	TOTAL DISTRIBUTION		31,313	1,240	-	32,553
GENERAL PLANT						
52	Land & Land Rights	389	-	-	-	-
53	Structures & Improvements	390	709	299	-	1,008
54	Office Furniture & Equipment	391	6,131	(1,584)	-	4,547
55	Transportation Equipment	392	(495)	579	-	84
56	Stores Equipment	393	-	-	-	-
57	Tools & Garage Equipment	394	430	72	-	502
58	Laboratory Equipment	395	-	-	-	-
59	Power Operated Equipment	396	18	(7)	-	11
60	Communication Equipment	397	56	(16)	-	40
61	Miscellaneous Equipment	398	74	12	-	86
62	Other Tangible Property	399	-	-	-	-
63	TOTAL GENERAL		6,923	(645)	-	6,278
64	TOTAL DEPRECIATION		\$ 37,712	\$ 1,119	\$ -	\$ 38,831
65	CHARGED TO CLEARING ACCOUNTS		\$ (9)			\$ (637)
66	NET SALVAGE AMORTIZATION		\$ 3,813			\$ 4,996

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Schedule D-31
Witness: A. P. Kelly
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Adjustment - Taxes Other Than Income Taxes

Line #	Description	[1] Account Number	[2] Factor or Reference	[3] Budget Amounts 9/30/17	[4] Pro Forma Adjustments	[5] Pro Forma Tax Expense 9/30/17
1	PURTA Taxes	408.1		\$ 513	\$ -	\$ 513
2	Capital Stock	408.1		316	(316)	-
3	PA & Local Use taxes	408.1		177	-	177
4	Social Security	408.1	D-32	2,679	148	2,827
5	FUTA	408.1	D-32	55	3	58
6	SUTA	408.1	D-32	485	27	512
7	PUC Assessment	408.1		1,663	-	1,663
8	Total			<u>\$ 5,888</u>	<u>\$ (138)</u>	<u>\$ 5,750</u>

UGI Exhibit A (Fully Projected Future)

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Schedule D-32
Witness: A. P. Kelly
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Adjustment - Payroll Taxes

Line #	Description	[1] Account Number	[2] Test Year 9/30/17 Present Rates	[3] Pro Forma Adjustments	[4] Increase in Payroll Taxes
1	Total Payroll Charged to Expense		<u>\$ 35,248</u>	<u>\$ 1,941</u>	
2	FICA Expense		<u>2,679</u>		
3	FICA Expense - Percent	L 2 / L 1	<u>7.60%</u>	<u>7.60%</u>	
4	Pro Forma FICA Expense on Pro Forma S&W	[4] L 1 * L 3			\$ 148
5	FUTA Expense		<u>55</u>		
6	FUTA Expense - Percent	L 5 / L 1	<u>0.15%</u>	<u>0.15%</u>	
7	Pro Forma FUTA Expense on Pro Forma S&W	[4] L 1 * L 6			3
8	SUTA Expense		<u>485</u>		
9	SUTA Expense - Percent	L 8 / L 1	<u>1.38%</u>	<u>1.38%</u>	
10	Pro Forma SUTA Expense on Pro Forma S&W	[4] L 1 * L 9			27
11	Pro Forma Adjustment	Sum L 4 to L 10			<u>\$ 178</u>

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Schedule D-33
Witness: N. McKinney
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	[1]	[2]	[3]	[4]	[5]	
Income Tax Calculation						
Line #	Factor Or Reference	Element Or Amount	Pro Forma Test Year At Present Rates	Revenue Increase	Pro Forma Test Year At Proposed Rates	
[3] + [4]						
1	Revenue		\$ 334,670	\$ 58,564	\$ 393,234	
2	Operating Expenses		(278,933)	(977)	(279,910)	
3	OIBIT	L 1 + L 2	55,737	57,587	113,324	
<u>Interest Expense</u>						
4	Rate Base	Sch A-1	923,707			
5	Weighted Cost of Debt	Sch B-7	0.02170			
6	Synchronized Interest Expense	L 4 * L 5	(20,044)	-	(20,044)	
7	Base Taxable Income	L 3 + L 6	35,693	57,587	93,280	
8	Total Tax Depreciation	Pg 2	\$ 65,325			
9	Pro Forma Book Depreciation	Pg 2	43,621			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8	(21,704)		(21,704)	
11	Other			-	-	
12	State Taxable Income	Sum L 7 to L 11	\$ 13,989	\$ 57,587	\$ 71,576	
13	State Income Tax	L 12 * Rate [2]	9.99%	\$ (1,398)	\$ (7,153)	\$ (7,150)
14	Total Tax Depreciation	Pg 2	\$ 134,261			
15	Pro Forma Book Depreciation	Pg 2	43,621			
16	Federal Tax Deducts (Over) Under Book	L 14 - L 13	(90,640)	-	(90,640)	
17	Other			-	-	
18	Federal Taxable Income	L 7 + sum L 13 to L 17	(56,344)	51,834	(4,510)	
19	Federal Income Tax Expense	-L 18 * Rate [2]	35.00%	19,720	(18,142)	1,579
20	Total Tax Expense before Deferred Income Tax	L 13 + L 19	18,322	(23,895)	(5,572)	
Deferred Federal Income Taxes						
21	Total Straight Line Tax Depreciation	Pg 2	\$ 38,831			
22	Total Tax Depreciation	Pg 2	128,735			
23	Federal Tax Deducts (Over) Under Book	L 22 - L 21	89,904	-	89,904	
24	Deferred Federal Taxable Income	L 23	\$ 89,904	\$ -	\$ 89,904	
25	Federal Income Tax Expense	-L 24 * Rate [2]	Blended Rate	(32,260)	-	(32,260)
Deferred State Income Taxes						
26	Repairs		(791)		(791)	
27	CIAC		449		449	
28	State Deferred Income Tax Expense		(342)	-	(342)	
29	Net Income Tax Expense	L20 + L 25 + L28	(14,280)	(23,895)	(38,174)	
Other Tax Adjustments						
30	ITC		318		318	
31	Combined Income Tax Expense	L 29 + L 30	\$ (13,962)	\$ (23,895)	\$ (37,856)	
32	Federal Income Tax Expense	L 19 + L 25 + L 30			\$ (30,364)	
33	State Income Tax Expense	L 13 + L 28			(7,492)	
34	Total Income Tax Expense	L 32 + L 33			\$ (37,856)	

UGI Utilities, Inc. - Gas Division
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Schedule D-34
Witness: N. McKinney
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Tax Depreciation				
Line #	Description	[1] Amount	[2] Amount	[3] Total
<u>Accelerated Tax Depreciation</u>				
1	Gas Plant		\$ 113,291	
2	Cost of Removal		5,526	
3	Repairs Tax Deduction		22,541	
4	Other Tax Basis Adjustments		<u>(7,097)</u>	
5	Total Federal Accelerated Tax Depreciation			<u>\$ 134,261</u>
6	Adjustment for PA Tax Depreciation - Bonus Decoupling		<u>(68,936)</u>	
7	Total State Accelerated Tax Depreciation			<u><u>\$65,325</u></u>
<u>Straight Line Tax Depreciation</u>				
8	Gas Plant		<u>\$ 38,831</u>	
9	Total Tax Depreciation			<u><u>\$ 38,831</u></u>
<u>Book Depreciation</u>				
10	Pro Forma Book Depreciation		\$ 38,831	
11	Net Salvage Amortization		4,996	
12	Depreciation Charged to Clearing Accounts	(637)		
13	Estimated Percent of Clearing Charged to CWIP	<u>32%</u>		
14	Depreciation Charged for CWIP		(206)	
15	Book Depreciation for Tax Calculation			<u><u>\$ 43,621</u></u>

UGI Exhibit A (Fully Projected Future)

UGI Utilities, Inc. - Gas Division
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Schedule D-35
Witness: A. P. Kelly
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Gross Revenue Conversion Factor

Line #	Description	[1] Reference Or Factor	[2] Tax Rate	[3] Factor
<u>GROSS REVENUE CONVERSION FACTOR</u>				
1	GROSS REVENUE FACTOR			1.000000
2	UNCOLLECTIBLE EXPENSES			<u>(0.016690)</u>
3	NET REVENUES	Sum L 1 to L 3		0.983310
4	STATE INCOME TAXES	[3] L 4 * Rate [2]	9.9900%	<u>(0.098233)</u>
5	FACTOR AFTER STATE TAXES	L 4 + L 5		0.885077
6	FEDERAL INCOME TAXES	[3] L 6 * Rate [2]	35.00%	<u>(0.309777)</u>
7	NET OPERATING INCOME FACTOR	L 6 + L 7		<u>0.575300</u>
8	GROSS REVENUE CONVERSION FACTOR	1 / L 8		<u>1.738224</u>
9	Combined Income Tax Factor On Gross Revenues	-L 5 - L 7		<u>40.801%</u>
<u>INCOME TAX FACTOR</u>				
10	GROSS REVENUE FACTOR			1.000000
11	STATE INCOME TAXES	[3] L 11 * Rate [2]	9.9900%	<u>(0.099900)</u>
12	FACTOR AFTER STATE TAXES	L 11 + L 12		0.900100
13	FEDERAL INCOME TAXES	[3] L 13 * Rate [2]	35.00%	<u>(0.315035)</u>
14	NET OPERATING INCOME FACTOR	L 13 + L 14		0.585065
15	GROSS REVENUE CONVERSION FACTOR	1 / L 15		<u>1.709212</u>
16	Combined Income Tax Factor On Taxable Income	-L 12 - L 14		<u>41.494%</u>

UGI GAS EXHIBIT A – FUTURE

Future Period - 12 Months Ended September 30, 2016
 (\$ in Thousands)
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	<u>Summary of Accumulated Depreciation</u>	A. P. Kelly
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D-14	<u>SCHEDULE NOT USED</u>	N/A
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D-17	<u>SCHEDULE NOT USED</u>	N/A
D-18	<u>SCHEDULE NOT USED</u>	N/A
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UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule A-1
Witness: A. P. Kelly
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Summary of Measure of Value and Revenue Increase

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Section	Schedule	Pro Forma Test Year Present Rates	Year Ended September 30, 2016 Increase	At Proposed Rates
<u>RATE BASE</u>							
1	Utility Plant		C-2		\$ 1,492,227		\$ 1,492,227
2	Accumulated Depreciation		C-3		(434,541)		(434,541)
3	Net Plant in service				1,057,686	-	1,057,686
4	Working Capital		C-4		17,624		17,624
5	Gas Inventory		C-5		21,730		21,730
6	Accumulated Deferred Income Taxes		C-6		(274,594)		(274,594)
7	Customer Deposits		C-7		(14,517)		(14,517)
8	Materials & Supplies		C-8		4,212		4,212
9	TOTAL RATE BASE	Sum L 3 to L 8			\$ 812,141	\$ -	\$ 812,141
<u>OPERATING REVENUES AND EXPENSES</u>							
<u>Operating Revenues</u>							
10	Base Customer Charges		D-5		\$ 212,430	\$ 30,746	\$ 243,176
11	Gas Cost Revenue		D-5		114,488		114,488
12	Other Operating Revenues		D-5		4,596		4,596
13	Total Revenues	Sum L 10 to L 12			331,514	30,746	362,260
14	Operating Expenses		D		(259,545)	(513)	(260,058)
15	OIBIT	L 13 + L 14			71,969	30,233	102,202
16	Pro Forma Income Tax at Present Rates		D-33		(21,518)		
17	Pro Forma Income Tax on Revenue Increase		D-33			(12,544)	(34,063)
18	NET OPERATING INCOME	Sum L 15 to L 17			\$ 50,450	\$ 17,689	\$ 68,139
19	RATE OF RETURN	L 18 / L 9			6.2120%		8.390%
<u>REVENUE INCREASE REQUIRED</u>							
20	Rate of Return at Present Rates	L 19, Col 4			6.2120%		
21	Rate of Return Required		B-7		8.3900%		
22	Change in ROR	L 21 - L 20			2.17798%		
23	Change in Operating Income	L 22 * L 9			\$ 17,688		
24	Gross Revenue Conversion Factor		D-35		1.738224		
25	Change in Revenues	L 23 * L 24			\$ 30,746		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4				14.47%	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4				9.27%	

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

Schedule
Witness:
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B-1
A. P. Kelly

Balance Sheet

[1]

Line No	Description/(Account No)	Budget TYE 9-30-16
	UTILITY PLANT (101 - 106, 108)	
1	Gas Utility Plant	\$ 1,599,413
2	Other Utility Plant	-
3	Total Plant In Service	1,599,413
4	Construction Work In Progress (107)	60,546
5	Total Utility Plant	1,659,959
6	Accumulated Provision for Depreciation - Gas (108)	(473,576)
7	Utility Acquisition Adjustment (114)	-
8	Accumulated Provision for Depreciation - Other (119)	-
9	Net Utility Plant	1,186,383
	OTHER PROPERTY INVESTMENTS	
10	Non-utility Property (121)	-
11	Accumulated Depreciation on NUP (122)	-
12	Investment in Associated & Subsidiary Companies (123.1)	-
13	Other Investments (124)	-
14	Total Other Property and Investments	-
	CURRENT AND ACCRUED ASSETS	
15	Cash & Other Temporary Investments(131-136)	2,843
16	Unbilled Revenues	-
17	Customer Accounts Receivable (142)	26,503
18	Other Accounts Receivable (143)	901
19	Accum Provision for Uncollectible (144)	(2,819)
20	Receivables from Associated Companies (145)	-
21	Accounts Receivable Assoc. Comp. (146)	(45)
22	Plant Materials & Operating Supplies (154)	4,637
23	Stores Expense - Undistributed (163)	(377)
24	Gas Stored - Current (164.1)	27,013
25	Liquefied Natural Gas stored (164.2)	-
26	Prepayments (165)	3,968
27	Accrued Utility Revenues (173)	6,591
28	Miscellaneous Current & Accrued Assets (174)	230
29	Derivative Instrument Assets (175)	432
30	Total Current and Accrued Assets	69,878
	DEFERRED DEBITS	
31	Unamortized Debt Expense (181)	1,038
32	Other Regulatory Assets (182.3)	298,717
33	Other Preliminary Survey & Investigation Charges (183.2)	908
34	Clearing Accounts ((184)	(377)
35	Miscellaneous Deferred Debits (186)	3,418
36	Deferred Losses from Disposition of Utility Plant (187)	1,027
37	Unamortized Loss on Reacquired Debt (189)	-
38	Accumulated Deferred Income Taxes (190)	23,489
39	O/U Collected Gas (191.4, 191.41)	-
40	Total Deferred Debits	328,219
41	TOTAL ASSETS AND OTHER DEBITS	\$ 1,584,480

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule **B-1**
Witness: **A. P. Kelly**
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Balance Sheet

[1]

Line No	Description/(Account No)	Budget TYE 9-30-16
PROPRIETARY CAPITAL		
42	Common Stock Issued (201)	\$ 51,878
43	Preferred Stock Issued (204)	-
44	Miscellaneous Paid-in-Capital (211)	406,270
45	Capital Stock Expense (214)	-
46	Retained Earnings (215, 215.2, 216)	259,120
47	Accum Other Comprehensive Income (219)	<u>(12,499)</u>
48	Total Proprietary Capital	704,769
LONG TERM DEBT		
49	Bonds (221)	-
50	Advances from Associated Companies (223)	-
51	Other Long-Term Debt (224)	325,755
52	Unamortized Premium on LTD (225)	-
53	Unamortized Discount on LTD (226)	-
54	Total Long-term Debt	<u>325,755</u>
OTHER NON-CURRENT LIABILITIES		
55	Obligations under Capital Leases (227)	-
56	Accum. Prov for Injuries & Damages (228.2)	523
57	Accum. Prov for Pensions & Benefits (228.3)	70,723
58	Accum. Miscellaneous Operating Prov (228.4)	3,309
59	Asset Retirement Obligation	<u>61</u>
60	Total Non-Current Liabilities	74,616
CURRENT & ACCRUED LIABILITIES		
61	Notes Payable (231)	59,100
62	Accounts Payable (232)	38,168
63	Notes Payable to Assoc. Companies (233)	-
64	Accounts Payable to Assoc. Cos (234)	9,178
65	Customer Deposits (235)	12,862
66	Taxes Accrued (236)	(3,710)
67	Interest Accrued (237)	5,590
68	Dividends Payable (237)	-
69	Accrued Interest on Other Liabilities (237)	-
70	Tax Collections Payable (241)	128
71	Misc Current & Accrued Liabilities (242)	25,530
72	Derivative Instrument Liabilities (244)	1,640
73	Other Regulatory Liabilities (245)	<u>5,109</u>
74	Total Current & Accrued Liabilities	153,595
OTHER DEFERRED CREDITS		
75	Customer Advances for Construction (252)	-
76	Other Deferred Credits (253)	15,569
77	Other Regulatory Liabilities (254)	20,635
78	Deferred ITC (255)	3,178
79	Accumulated Deferred Income Taxes (282)	291,164
80	Accumulated Deferred Income Taxes (283)	<u>(4,800)</u>
81	Total Other Deferred Credits	<u>325,745</u>
82	TOTAL LIABILITIES & OTHER CREDITS	<u>\$ 1,584,480</u>

UGI Utilities, Inc. - Gas Division
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Schedule B-2
Witness: A. P. Kelly
Page 1 of 1

Statement of Net Utility Operating Income

Line No	Description	[1] Acct No	[2] Budget TYE 9-30-16	[3] Reference
Total Operating Revenues				
1	Total Sales Revenues		\$ 388,625	B-3
2	Other Operating Revenues		<u>7,737</u>	B-3
3	Total Revenues		396,362	
Total Operating Expenses				
4	Operation & Maintenance Expenses		247,158	B-4
5	Depreciation Expense		34,697	
6	Taxes Other Than Income Taxes		<u>5,717</u>	B-5
7	Total Operating Expenses		<u>287,572</u>	
8	Operating Income Before Income Taxes (OIBIT)		108,790	
Income Taxes:				
9	State		3,226	B-5
10	Federal		<u>33,955</u>	B-5
11	Total Income Taxes		<u>37,181</u>	
12	Net Utility Operating Income		<u>\$ 71,609</u>	

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule B-3
Witness: A. P. Kelly
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Statement of Operating Revenues

[1]

Line No	Description	Budget TYE 9-30-16
Gas Operating Revenues		
1	Residential (R/RT) (480)	\$ 208,867
2	Comm & Ind (N/NT) (481)	109,423
3	Comm & Ind (DS) (489)	18,987
4	Lg Transport/Other (489)	30,045
5	Interruptible (489)	<u>21,303</u>
6	Sub-Total Gas Sales	388,625
Other Operating Revenues		
7	Forfeited Discounts (487)	3,112
8	Miscellaneous Service Revenues (488)	3,823
9	Off System Revenue (495.9)	-
10	Rent from Gas Properties (493)	-
11	Other Revenues (495)	<u>802</u>
12	Sub-Total Other Operating Revenues	7,737
13	Total Operating Revenues	<u><u>\$ 396,362</u></u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Future Period - 12 Months Ended September 30, 2016
(\$ in Thousands)

Schedule B-4
Witness: A. P. Kelly
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Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Budget TYE 9-30-16
Gas Raw Materials			
1	Liquefied Petroleum Gas Expenses	717	\$ 1
2	Liquefied Petroleum Gas Expenses	728	-
3	Miscellaneous Production Expenses	735	65
4	Total Gas Raw Materials Expenses		<u>66</u>
Production and Gathering - Operations			
5	Operating Supervision and Engineering	750	-
6	Production Maps and Records	751	-
7	Gas Wells Expenses	752	-
8	Field Lines Expenses	753	-
9	Gas Well Royalties	758	-
10	Other Expenses	759	-
11	Total Production & Gathering Operation Expenses		<u>-</u>
Production and Gathering - Maintenance			
12	Maintenance of Producing Gas Wells	763	-
13	Maintenance of Field Lines	764	-
14	Maintenance of Field Measuring and Reg. Station Equip.	766	-
15	Gas Supply Operation Expenses		<u>-</u>
Other Gas Supply Expense - Operations			
16	Natural Gas City Gate Purchases	804.0	193,571
17	Other Gas Purchases	805.0	775
18	Purchases Gas Cost Adjustments	805.1	(46,825)
19	Gas Withdrawn from Storage-Debit	808.1	26,281
20	Purchased Gas Expenses	807.0	-
21	Gas Used for Other Utility Operations-Credit	812.0	(669)
22	Gas Delivered to Storage-Credit	808.2	(30,117)
23	Other Gas Supply Expenses	813.0	1,801
24	Gas Supply Operation Expenses		<u>144,817</u>
Underground Storage Expense - Operation			
25	Operation Supervision and Engineering	814	-
26	Maps and Records	815	-
27	Wells Expenses	816	-
28	Lines Expenses	817	-
29	Measuring and Regulating Station Expenses	820	-
30	Purification Expenses	821	-
31	Gas Losses	823	-
32	Other Expenses	824	-
33	Total Underground Storage Expenses		<u>-</u>
Underground Storage Expense - Maintenance			
34	Maintenance Supervision and Engineering	830	-
35	Maintenance of Structures and Improvements	831	-
36	Maintenance of Reservoirs and Wells	832	-
37	Maintenance of Lines	833	-
38	Maintenance of Measuring & Regulating Station Equip.	835	-
39	Total Underground Maintenance Expenses		<u>-</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule B-4
Witness: A. P. Kelly
Page 2 of 3

Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Budget TYE 9-30-16
Transmission Expense - Operations			
40	Operating Supervision and Engineering	850	-
41	System Control and Load Dispatching	851	-
42	Communication System Expenses	852	-
43	Mains Expenses	856	-
44	Measuring and Regulating Station Expenses	857	-
45	Other Expenses	859	-
46	Total Transmission Operation Expenses		<u>-</u>
Transmission Expense - Maintenance			
47	Maintenance Supervision and Engineering	861	-
48	Maintenance of Structures and Improvements	862	-
49	Maintenance of Mains	863	-
50	Maintenance of Measuring and Regulating Station Equip.	865	-
51	Maintenance of Communication Equipment	866	-
52	Total Transmission Maintenance Expenses		<u>-</u>
Distribution Expense - Operations			
53	Operation Supervision and Engineering	870	2,315
54	Distribution Load Dispatching	871	535
55	Compressor Station Fuel and Power (Major Only)	873	1
56	Mains and Services Expenses	874	9,977
57	Measuring and Regulating Station Expenses-General	875	413
58	Measuring and Regulating Station Expenses-Industrial	876	406
59	Measuring and Regulating Station Expenses-City Gate	877	339
60	Meter and House Regulator Expenses	878	1,895
61	Customer Installations Expenses	879	1,239
62	Other Expenses	880	2,965
63	Rents	881	68
64	Total Distribution Operation Expenses		<u>20,153</u>
Distribution Expense - Maintenance			
65	Maintenance Supervision and Engineering	885	758
66	Maintenance of Structures and Improvements	886	3
67	Maintenance of Mains	887	11,555
68	Maintenance of Measuring & Reg. Station Equip.-Genl.	889	163
69	Maintenance of Measuring & Reg. Station Equip.-Indtrl.	890	236
70	Maintenance of Measuring & Reg. Station Equip.-City G	891	425
71	Maintenance of Services	892	1,595
72	Maintenance of Meters & House Regulators	893	599
73	Maintenance of Other Equipment	894	100
74	Maintenance of Other Equipment	895	(173)
75	Total Distribution Maintenance Expenses		<u>15,261</u>
Customer Accounts Expense - Operations			
76	Supervision	901	409
77	Meter Reading Expenses	902	907
78	Customer Records & Collection Expenses	903	8,109
79	Uncollectable Accounts	904	4,569
80	Miscellaneous Customer Accounts Expenses	905	353
81	Total Administrative & General		<u>14,347</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule B-4
Witness: A. P. Kelly
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Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Budget TYE 9-30-16
Customer Service & Information Expense			
83	Supervision	907	159
84	Customer Assistance Expenses	908	928
85	Informational & Instructional Advertising Expenses	909	697
86	Miscellaneous Customer Service & Informational Exp.	910	114
87	Total Cust. Service & Inform. Operations Exp		<u>1,898</u>
88	Description		
Sales Expense			
89	Supervision	911	-
90	Demonstrating and Selling Expenses	912	684
91	Advertising Expenses	913	109
92	Miscellaneous Sales Expenses	916	103
93	Total Operation Sales Expenses		<u>896</u>
Administrative & General - Operations			
94	Administrative and General Salaries	920.0	8,903
95	Office Supplies and Expenses	921.0	9,211
96	Outside Service Employed	923.0	9,287
97	Property Insurance	924.0	110
98	Injuries and Damages	925.0	4,061
99	Employee Pensions and Benefits	926.0	14,000
100	Regulatory Commission Expenses	928.0	-
101	General Advertising Expenses	929.0	668
102	Miscellaneous General Expenses	930.1	1,785
103	Rents	930.2	273
104	Total A & G Operation Expenses		<u>48,298</u>
Administrative & General - Maintenance			
105	Maintenance of General Plant	932	1,410
106	Maintenance of General Plant	935	12
107	Total A & G Maintenance Expenses		<u>1,422</u>
108	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 247,158</u>
109	Total Gas Operation Expenses		230,475
110	Total Gas Maintenance Expense		16,683
111	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 247,158</u>

Detail of Taxes

[1]

Line No	Description	Reference	Budget TYE 9-30-16
Taxes Other Than Income Taxes			
Non-revenue related:			
1	Pennsylvania - PURTA		\$ 498
2	Capital Stock		307
3	PA and Local Use taxes		172
4	Miscellaneous Taxes		1,615
5	Subtotal		<u>2,592</u>
Payroll Taxes			
6	FICA		2,601
7	SUTA		471
8	FUTA		53
9	Subtotal		<u>3,125</u>
10	Total Taxes Other Than Income Taxes		<u>\$ 5,717</u>
Income Taxes			
11	State		\$ 3,226
12	Federal		33,955
13	Total Income Taxes		<u>\$ 37,181</u>

Composite Cost of Debt

Line No	Description	[1]	[2]	[3]	[4]
		Amount Outstanding	Percent to Total	Effective Interest Rate	Average Weighted Cost Rate
		[2] * [3]			
Medium Term Notes					
1	6.169%, Due 2017	\$ 20,000	2.96%	6.29%	0.19%
2	7.250%, Due 2017	20,000	2.96%	7.32%	0.22%
3	5.670%, Due 2018	20,000	2.96%	5.75%	0.17%
4	6.500%, Due 2033	20,000	2.96%	6.56%	0.19%
5	6.133%, Due 2034	20,000	2.96%	6.19%	0.18%
Senior Unsecured Notes					
6	6.206%, Due 2036	100,000	14.82%	6.32%	0.94%
7	4.980%, Due 2044	175,000	25.93%	5.00%	1.30%
8	3.781%, Due 2026	100,000	14.82%	3.85%	0.57%
9	4.705%, Due 2046	200,000	29.63%	4.74%	1.40%
10	Total Long-Term Debt	675,000	100.00%		5.16%
11	Total Long-Term Debt	\$ 675,000	91.95%	5.16%	4.74%
12	Total Short-Term Debt	59,100	8.05%	2.58%	0.21%
13	TOTAL	\$ 734,100	100.00%		
14	Weighted Cost of Debt				4.95%

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Rate of Return

[1] [2] [3] [4]

<u>Line No</u>	<u>Description</u>	<u>Capitalization Ratio</u>	<u>Embedded Cost</u>	<u>Statement Reference</u>	<u>Return-%</u>
1	Long-Term Debt	39.61%	5.16%	B-6	2.04%
2	Short-Term Debt	3.47%	2.58%	B-6	0.09%
3	Common Equity	<u>56.92%</u>	11.00%		<u>6.26%</u>
4	Total	<u><u>100.00%</u></u>			<u><u>8.39%</u></u>

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Schedule C-1
Witness: A. P. Kelly
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Measure of Value

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Schedule	# of Pages	Present Rates	Adjustments	Proposed Rates
MEASURE OF VALUE							
1	Utility Plant		C-2	9	\$ 1,492,227		\$ 1,492,227
2	Accumulated Depreciation		C-3	11	(434,541)		(434,541)
3	Net Plant in service				1,057,686	-	1,057,686
4	Working Capital		C-4	9	17,624		17,624
5	Gas Inventory		C-5	1	21,730		21,730
6	Accumulated Deferred Income Taxes		C-6	1	(274,594)		(274,594)
7	Customer Deposits		C-7	1	(14,517)		(14,517)
8	Materials & Supplies		C-8	1	4,212		4,212
9	TOTAL MEASURE OF VALUE				<u>\$ 812,141</u>	<u>\$ -</u>	<u>\$ 812,141</u>

Pro Forma Gas Plant in Service

[1]

[2]

Line No	Description	Account No	Pro Forma FTY 9-30-16
INTANGIBLE PLANT			
1	Organization	301	\$ 21
2	Franchise & Consent	302	28
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>49</u>
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
NATURAL GAS STORAGE & PROCESSING PLANT			
18	Land & Land Rights	304	382
19	Production Plant-Manufactured Gas Plants	305	(435)
20	Land	350	-
21	Rights of Way	350	435
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL STORAGE & PROCESSING		<u>382</u>

UGI Utilities, Inc. - Gas Division
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Witness: A. P. Kelly
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Pro Forma Gas Plant in Service

Line No	Description	Account No	Pro Forma FTY 9-30-16
		[1]	[2]
	TRANSMISSION PLANT		
30	Land & Land Rights	365.1	\$ -
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
	DISTRIBUTION PLANT		
38	Land & Land Rights	374	2,273
39	Structures & Improvements	375	2,186
40	Mains	376	691,327
41	Measuring & Regulating Station Equipment	378	31,327
42	Measuring & Regulating Station Equipment	379	4,497
43	Services	380	551,462
44	Meters	381	56,953
45	Meter Installations	382	62,553
46	House Regulators	383	6,544
47	House Regulatory Installations	384	10,496
48	Industrial Measuring & Regulating Station Equipmer	385	5,719
49	Other Property	386	1,310
50	Other Equipment	387	3,535
51	TOTAL DISTRIBUTION		1,430,182
	GENERAL PLANT		
52	Land & Land Rights	389	1,493
53	Structures & Improvements	390	29,188
54	Office Furniture & Equipment	391	18,743
55	Transportation Equipment	392	495
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	9,037
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,371
60	Communication Equipment	397	563
61	Miscellaneous Equipment	398	724
62	Other Tangible Property	399	-
63	TOTAL GENERAL		61,614
64	Total Plant		\$ 1,492,227

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Pro Forma Plant Adjustment Summary

Line #	Description	[1] Factor Or Reference	[2] Test Year 9/30/16 Budget	[3] Adjustments	[4] Test Year As Adjusted Budget
1	INTANGIBLE PLANT	Sch C-2, Pg 4	\$ 167	\$ (118)	\$ 49
2	NATURAL GAS PRODUCTION & GATHERING	Sch C-2, Pg 4	-	-	-
3	NATURAL GAS STORAGE & PROCESSING PLANT	Sch C-2, Pg 4	(53)	435	382
4	TRANSMISSION PLANT	Sch C-2, Page 5	-	-	-
5	DISTRIBUTION PLANT	Sch C-2, Page 5	1,453,228	(23,046)	1,430,182
6	GENERAL PLANT	Sch C-2, Page 5	91,748	(30,134)	61,614
7	OTHER PLANT		-	-	-
8	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 7)	1,545,090	(52,863)	1,492,227
9	COMPLETED CONSTRUCTION NOT CLASSIFIED	G/L a/c # 106	-	-	-
10	PLANT-IN-SERVICE	L 8 + L 9	1,545,090	(52,863)	1,492,227
11	CONSTRUCTION WORK-IN-PROGRESS	G/L a/c # 107	-	-	-
12	GAS STORED - NON CURRENT	a/c 117.2	-	-	-
13	TOTAL UTILITY PLANT	Sum (L 10 to L 12)	<u>\$ 1,545,090</u>	<u>\$ (52,863)</u>	<u>\$ 1,492,227</u>

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Schedule C-2
Witness: A. P. Kelly
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Pro Forma Year End Plant Balances

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]
			9/30/2015	Amount	Pro Forma Adjustment	Balance	
<u>Test Year Ended September 30, 2016</u>							
INTANGIBLE PLANT							
1	Organization	301	\$ 19	\$ 139	\$ (118)	\$ 21	
2	Franchise & Consent	302	28	28	-	28	
3	Miscellaneous Intangible Plant	303	-	-	-	-	
4	TOTAL INTANGIBLE		<u>47</u>	<u>167</u>	<u>(118)</u>	<u>49</u>	
NATURAL GAS PRODUCTION & GATHERING							
5	Producing Lands	325.1	-	-	-	-	
6	Producing Leaseholds	325.2	-	-	-	-	
7	Rights of Way	325.4	-	-	-	-	
8	Other Land Rights	325.5	-	-	-	-	
9	Field Measuring & Regulating Station Structures	328	-	-	-	-	
10	Other Structures	329	-	-	-	-	
11	Producing Gas Wells-Well Construction	330	-	-	-	-	
12	Producing Gas Wells-Well Equipment	331	-	-	-	-	
13	Field Lines	332	-	-	-	-	
14	Field Measuring & Regulating Station Equipment	334	-	-	-	-	
15	Drilling & Cleaning Equipment	335	-	-	-	-	
16	Other Equipment	337	-	-	-	-	
17	TOTAL PRODUCTION & GATHERING		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
NATURAL GAS STORAGE & PROCESSING PLANT							
18	Land & Land Rights	304	382	382	-	382	
19	Production Plant-Manufactured Gas Plants	305	-	(435)	-	(435)	
20	Land	350.1	-	-	-	-	
21	Rights of Way	350.2	-	-	435	435	
22	Structures & Improvements	351	-	-	-	-	
23	Wells	352	-	-	-	-	
24	Lines	353	-	-	-	-	
25	Compressor Station Equipment	354	-	-	-	-	
26	Measuring & Regulating Equipment	355	-	-	-	-	
27	Purification Equipment	356	-	-	-	-	
28	Other Equipment	357	-	-	-	-	
29	TOTAL STORAGE & PROCESSING		<u>382</u>	<u>(53)</u>	<u>435</u>	<u>382</u>	

UGI Utilities, Inc. - Gas Division
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Pro Forma Year End Plant Balances

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]
			9/30/2015	Amount	Pro Forma Adjustment	Balance	
Test Year Ended September 30, 2016							
TRANSMISSION PLANT							
30	Land & Land Rights	365.1	-	-	-	-	-
31	Rights of Way	365.2	-	-	-	-	-
32	Structures & Improvements	366	-	-	-	-	-
33	Mains	367	-	-	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-	-	-
35	Communication Equipment	370	-	-	-	-	-
36	Other Equipment	371	-	-	-	-	-
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISTRIBUTION PLANT							
38	Land & Land Rights	374	2,273	2,272	1	2,273	
39	Structures & Improvements	375	2,186	2,082	104	2,186	
40	Mains	376	631,707	704,342	(13,015)	691,327	
41	Measuring & Regulating Station Equipment	378	26,985	32,045	(718)	31,327	
42	Measuring & Regulating Station Equipment	379	4,184	4,569	(72)	4,497	
43	Services	380	507,887	557,391	(5,929)	551,462	
44	Meters	381	54,219	58,885	(1,932)	56,953	
45	Meter Installations	382	59,764	63,584	(1,031)	62,553	
46	House Regulators	383	5,636	5,498	1,046	6,544	
47	House Regulatory Installations	384	9,807	10,599	(103)	10,496	
48	Industrial Measuring & Regulating Station Equipment	385	5,250	7,034	(1,315)	5,719	
49	Other Property	386	1,310	1,309	1	1,310	
50	Other Equipment	387	3,392	3,618	(83)	3,535	
51	TOTAL DISTRIBUTION		<u>1,314,600</u>	<u>1,453,228</u>	<u>(23,046)</u>	<u>1,430,182</u>	
GENERAL PLANT							
52	Land & Land Rights	389	1,493	1,431	62	1,493	
53	Structures & Improvements	390	27,275	32,297	(3,109)	29,188	
54	Office Furniture & Equipment	391	21,190	46,740	(27,997)	18,743	
55	Transportation Equipment	392	95	570	(75)	495	
56	Stores Equipment	393	-	-	-	-	
57	Tools & Garage Equipment	394	8,044	8,049	988	9,037	
58	Laboratory Equipment	395	-	-	-	-	
59	Power Operated Equipment	396	1,371	1,385	(14)	1,371	
60	Communication Equipment	397	563	563	-	563	
61	Miscellaneous Equipment	398	640	692	32	724	
62	Other Tangible Property	399	-	21	(21)	-	
63	TOTAL GENERAL		<u>60,671</u>	<u>91,748</u>	<u>(30,134)</u>	<u>61,614</u>	
64	Total Plant		<u>\$ 1,375,700</u>	<u>\$ 1,545,090</u>	<u>\$ (52,863)</u>	<u>\$ 1,492,227</u>	

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Additions to Plant

Line #	Description	[1] Account Number	[2] [3] Year ended September 30,	
			2015	2016
Plant Additions				
INTANGIBLE PLANT				
1	Organization	301	-	-
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
NATURAL GAS PRODUCTION & GATHERING				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
NATURAL GAS STORAGE & PROCESSING PLANT				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
20	Land	350.1	-	-
21	Rights of Way	350.2	-	-
22	Structures & Improvements	351	-	-
23	Wells	352	-	-
24	Lines	353	-	-
25	Compressor Station Equipment	354	-	-
26	Measuring & Regulating Equipment	355	-	-
27	Purification Equipment	356	-	-
28	Other Equipment	357	-	-
29	TOTAL STORAGE & PROCESSING		-	-

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Additions to Plant

Line #	Description	Account Number	[1]	[2]	[3]
			Year ended September 30,		
			2015	2016	
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	-
31	Rights of Way	365.2	-	-	-
32	Structures & Improvements	366	-	-	-
33	Mains	367	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-
35	Communication Equipment	370	-	-	-
36	Other Equipment	371	-	-	-
37	TOTAL TRANSMISSION		-	-	-
DISTRIBUTION PLANT					
38	Land & Land Rights	374	136	-	-
39	Structures & Improvements	375	6	-	-
40	Mains	376	44,604	65,662	65,662
41	Measuring & Regulating Station Equipment	378	2,189	5,336	5,336
42	Measuring & Regulating Station Equipment	379	-	385	385
43	Services	380	43,578	50,156	50,156
44	Meters	381	3,874	3,500	3,500
45	Meter Installations	382	2,709	3,210	3,210
46	House Regulators	383	-	1,045	1,045
47	House Regulatory Installations	384	457	793	793
48	Industrial Measuring & Regulating Station Equipment	385	96	576	576
49	Other Property	386	2	-	-
50	Other Equipment	387	-	296	296
51	TOTAL DISTRIBUTION		97,651	130,959	130,959
GENERAL PLANT					
52	Land & Land Rights	389	-	-	-
53	Structures & Improvements	390	2,570	2,126	2,126
54	Office Furniture & Equipment	391	3,045	3,409	3,409
55	Transportation Equipment	392	-	400	400
56	Stores Equipment	393	-	-	-
57	Tools & Garage Equipment	394	1,784	1,104	1,104
58	Laboratory Equipment	395	-	-	-
59	Power Operated Equipment	396	-	-	-
60	Communication Equipment	397	-	-	-
61	Miscellaneous Equipment	398	55	138	138
62	Other Tangible Property	399	-	-	-
62	TOTAL GENERAL		7,454	7,177	7,177
63	Total Plant		\$ 105,105	\$ 138,136	\$ 138,136

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Retirements

Line #	Description	[1] Account Number	[2] [3] Year ended September 30,	
			2015	2016
INTANGIBLE PLANT				
1	Organization	301	-	-
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
NATURAL GAS PRODUCTION & GATHERING				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
NATURAL GAS STORAGE & PROCESSING PLANT				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
20	Land	350.1	-	-
21	Rights of Way	350.2	-	-
22	Structures & Improvements	351	-	-
23	Wells	352	-	-
24	Lines	353	-	-
25	Compressor Station Equipment	354	-	-
26	Measuring & Regulating Equipment	355	-	-
27	Purification Equipment	356	-	-
28	Other Equipment	357	-	-
29	TOTAL STORAGE & PROCESSING		-	-

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Retirements

Line #	Description	Account Number	[1]	[2]	[3]
			Year ended September 30,		
			2015	2016	
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	-
31	Rights of Way	365.2	-	-	-
32	Structures & Improvements	366	-	-	-
33	Mains	367	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-
35	Communication Equipment	370	-	-	-
36	Other Equipment	371	-	-	-
37	TOTAL TRANSMISSION		-	-	-
DISTRIBUTION PLANT					
38	Land & Land Rights	374	-	-	-
39	Structures & Improvements	375	-	-	-
40	Mains	376	1,965	6,042	6,042
41	Measuring & Regulating Station Equipment	378	136	994	994
42	Measuring & Regulating Station Equipment	379	-	72	72
43	Services	380	6,048	6,580	6,580
44	Meters	381	840	765	765
45	Meter Installations	382	-	421	421
46	House Regulators	383	-	137	137
47	House Regulatory Installations	384	-	104	104
48	Industrial Measuring & Regulating Station Equipment	385	-	107	107
49	Other Property	386	-	-	-
50	Other Equipment	387	-	154	154
51	TOTAL DISTRIBUTION		8,989	15,376	15,376
GENERAL PLANT					
52	Land & Land Rights	389	-	-	-
53	Structures & Improvements	390	1,449	213	213
54	Office Furniture & Equipment	391	2,116	5,856	5,856
55	Transportation Equipment	392	14	-	-
56	Stores Equipment	393	-	-	-
57	Tools & Garage Equipment	394	163	112	112
58	Laboratory Equipment	395	-	-	-
59	Power Operated Equipment	396	14	-	-
60	Communication Equipment	397	-	-	-
61	Miscellaneous Equipment	398	2	53	53
62	Other Tangible Property	399	-	-	-
63	TOTAL GENERAL		3,758	6,234	6,234
64	Total Plant		\$ 12,747	\$ 21,610	\$ 21,610

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Future Period - 12 Months Ended September 30, 2016
(\$ in Thousands)

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Accumulated Provision for Depreciation

<u>Line No</u>	<u>Description</u>	<u>[1]</u> <u>Account No</u>	<u>[2]</u> <u>Pro Forma</u> <u>FTY 9-30-16</u>
INTANGIBLE PLANT			
1	Organization	301	\$ -
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>-</u>
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
NATURAL GAS STORAGE & PROCESSING PLANT			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	(613)
20	Land	350	-
21	Rights of Way	350	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL STORAGE & PROCESSING		<u>(613)</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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Accumulated Provision for Depreciation

Line No	Description	[1] Account No	[2] Pro Forma FTY 9-30-16
TRANSMISSION PLANT			
30	Land & Land Rights	365	-
31	Rights of Way	365	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	1,418
40	Mains	376	186,958
41	Measuring & Regulating Station Equipment	378	6,056
42	Measuring & Regulating Station Equipment	379	3,117
43	Services	380	151,746
44	Meters	381	22,196
45	Meter Installations	382	22,270
46	House Regulators	383	1,471
47	House Regulatory Installations	384	4,125
48	Industrial Measuring & Regulating Station Equipment	385	3,626
49	Other Property	386	716
49	Other Equipment	387	2,422
50	TOTAL DISTRIBUTION		406,121
GENERAL PLANT			
51	Land & Land Rights	389	-
52	Structures & Improvements	390	14,356
53	Office Furniture & Equipment	391	9,605
54	Transportation Equipment	392	90
55	Stores Equipment	393	-
56	Tools & Garage Equipment	394	2,999
57	Laboratory Equipment	395	-
58	Power Operated Equipment	396	1,302
59	Communication Equipment	397	420
60	Miscellaneous Equipment	398	261
61	Other Tangible Property	399	-
62	TOTAL GENERAL		29,033
63	Total Plant		\$ 434,541

UGI Utilities, Inc. - Gas Division
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Summary of Accumulated Depreciation

Line #	Description	[1]	[2]	[3]	[4]
		Factor Or Reference	Test Year Ended September 30, 2016		
			Amount	Pro Forma Adjustment	Balance
1	INTANGIBLE PLANT	Sch C-3, Pg 4	\$ -	\$ -	\$ -
2	NATURAL GAS PRODUCTION & GATHERING	Sch C-3, Pg 4	-	-	-
3	NATURAL GAS STORAGE & PROCESSING PLANT	Sch C-3, Pg 4	(568)	(45)	(613)
4	TRANSMISSION PLANT	Sch C-3, Pg 5	(59)	59	-
5	DISTRIBUTION PLANT	Sch C-3, Pg 5	434,778	(28,657)	406,121
6	GENERAL PLANT	Sch C-3, Pg 5	35,402	(6,369)	29,033
7	OTHER PLANT		-	-	-
8	Sub-Total Accumulated Depreciation	Sum L 1 to L 7	469,553	(35,012)	434,541
9	COMPLETED CONSTRUCTION NOT CLASSIFIED		-	-	-
10	ACCUMULATED DEPRECIATION	L 8 + L 9	469,553	(35,012)	434,541
11	ACCUMULATED AMORTIZATION		-	-	-
12	TOTAL ACC DEPR & AMORTIZATION	L 10 + L 11	<u>\$ 469,553</u>	<u>\$ (35,012)</u>	<u>\$ 434,541</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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Accumulated Depreciation by FERC Account

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Account Number	Year Ended September 30, 2015	Test Year Ended September 30, 2016		
				Amount	Pro Forma Adjustment	Balance
INTANGIBLE PLANT						
1	Organization	301	-	-		\$ -
2	Franchise & Consent	302	-	-		-
3	Miscellaneous Intangible Plant	303	-	-		-
4	TOTAL INTANGIBLE		-	-	-	-
NATURAL GAS PRODUCTION & GATHERING						
5	Producing Lands	325.1	-	-		-
6	Producing Leaseholds	325.2	-	-		-
7	Rights of Way	325.4	-	-		-
8	Other Land Rights	325.5	-	-		-
9	Field Measuring & Regulating Station Structures	328	-	-		-
10	Other Structures	329	-	-		-
11	Producing Gas Wells-Well Construction	330	-	-		-
12	Producing Gas Wells-Well Equipment	331	-	-		-
13	Field Lines	332	-	-		-
14	Field Measuring & Regulating Station Equipment	334	-	-		-
15	Drilling & Cleaning Equipment	335	-	-		-
16	Other Equipment	337	-	-		-
17	TOTAL PRODUCTION & GATHERING		-	-	-	-
NATURAL GAS STORAGE & PROCESSING PLANT						
18	Land & Land Rights	304	-	-	-	-
19	Production Plant-Manufactured Gas Plants	305	(276)	(568)	(45)	(613)
20	Land	350.1	-	-	-	-
21	Rights of Way	350.2	-	-	-	-
22	Structures & Improvements	351	-	-	-	-
23	Wells	352	-	-	-	-
24	Lines	353	-	-	-	-
25	Compressor Station Equipment	354	-	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-	-
27	Purification Equipment	356	-	-	-	-
28	Other Equipment	357	-	-	-	-
29	TOTAL STORAGE & PROCESSING		(276)	(568)	(45)	(613)

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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Accumulated Depreciation by FERC Account
0

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]
			2015	Amount	Pro Forma Adjustment	Balance	
Test Year Ended September 30, 2016							
TRANSMISSION PLANT							
30	Land & Land Rights	365.1		-	-	-	-
31	Rights of Way	365.2		-	-	-	-
32	Structures & Improvements	366		-	-	-	-
33	Mains	367		-	-	-	-
34	Measuring & Regulating Station Equipment	369		-	-	-	-
35	Communication Equipment	370		(59)	59	-	-
36	Other Equipment	371		-	-	-	-
37	TOTAL TRANSMISSION			-	(59)	59	-
DISTRIBUTION PLANT							
38	Land & Land Rights	374		-	-	-	-
39	Structures & Improvements	375		1,389	1,417	1	1,418
40	Mains	376		183,210	205,092	(18,134)	186,958
41	Measuring & Regulating Station Equipment	378		6,598	7,498	(1,442)	6,056
42	Measuring & Regulating Station Equipment	379		3,166	3,221	(104)	3,117
43	Services	380		146,122	158,796	(7,050)	151,746
44	Meters	381		21,095	23,066	(870)	22,196
45	Meter Installations	382		21,543	22,935	(665)	22,270
46	House Regulators	383		1,269	1,489	(18)	1,471
47	House Regulatory Installations	384		4,073	4,285	(160)	4,125
48	Industrial Measuring & Regulating Station Equipment	385		3,705	3,641	(15)	3,626
49	Other Property	386		692	717	(1)	716
50	Other Equipment	387		2,591	2,621	(199)	2,422
51	TOTAL DISTRIBUTION			395,453	434,778	(28,657)	406,121
GENERAL PLANT							
52	Land & Land Rights	389		-	-	-	-
53	Structures & Improvements	390		13,750	14,269	87	14,356
54	Office Furniture & Equipment	391		14,060	16,329	(6,724)	9,605
55	Transportation Equipment	392		89	97	(7)	90
56	Stores Equipment	393		-	-	-	-
57	Tools & Garage Equipment	394		2,686	2,668	331	2,999
58	Laboratory Equipment	395		-	-	-	-
59	Power Operated Equipment	396		1,287	1,305	(3)	1,302
60	Communication Equipment	397		361	420	-	420
61	Miscellaneous Equipment	398		250	314	(53)	261
62	Other Tangible Property	399		0	-	-	-
63	TOTAL GENERAL			32,483	35,402	(6,369)	29,033
64	Total Plant			\$ 427,660	\$ 469,553	\$ (35,012)	\$ 434,541

UGI Utilities, Inc. - Gas Division
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Future Period - 12 Months Ended September
(\$ in Thousands)

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Cost of Removal

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2015	2016	
INTANGIBLE PLANT					
1	Organization	301	\$ -	\$ -	
2	Franchise & Consent	302	-	-	
3	Miscellaneous Intangible Plant	303	-	-	
4	TOTAL INTANGIBLE		-	-	
NATURAL GAS PRODUCTION & GATHERING					
5	Producing Lands	325.1	-	-	
6	Producing Leaseholds	325.2	-	-	
7	Rights of Way	325.4	-	-	
8	Other Land Rights	325.5	-	-	
9	Field Measuring & Regulating Station Structures	328	-	-	
10	Other Structures	329	-	-	
11	Producing Gas Wells-Well Construction	330	-	-	
12	Producing Gas Wells-Well Equipment	331	-	-	
13	Field Lines	332	-	-	
14	Field Measuring & Regulating Station Equipment	334	-	-	
15	Drilling & Cleaning Equipment	335	-	-	
16	Other Equipment	337	-	-	
17	TOTAL PRODUCTION & GATHERING		-	-	
NATURAL GAS STORAGE & PROCESSING PLANT					
18	Land & Land Rights	304	-	-	
19	Production Plant-Manufactured Gas Plants	305	206	553	
20	Land	350.1	-	-	
21	Rights of Way	350.2	-	-	
22	Structures & Improvements	351	-	-	
23	Wells	352	-	-	
24	Lines	353	-	-	
25	Compressor Station Equipment	354	-	-	
26	Measuring & Regulating Equipment	355	-	-	
27	Purification Equipment	356	-	-	
28	Other Equipment	357	-	-	
29	TOTAL STORAGE & PROCESSING		206	553	

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

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Witness: A. P. Kelly
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Cost of Removal

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2015	2016	
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	
31	Rights of Way	365.2	-	-	
32	Structures & Improvements	366	-	-	
33	Mains	367	-	-	
34	Measuring & Regulating Station Equipment	369	-	-	
35	Communication Equipment	370	-	-	
36	Other Equipment	371	-	-	
37	TOTAL TRANSMISSION		-	-	
DISTRIBUTION PLANT					
38	Land & Land Rights	374	-	-	
39	Structures & Improvements	375	-	-	
40	Mains	376	292	1,067	
41	Measuring & Regulating Station Equipment	378	125	548	
42	Measuring & Regulating Station Equipment	379	-	40	
43	Services	380	4,359	3,549	
44	Meters	381	-	4	
45	Meter Installations	382	6	227	
46	House Regulators	383	793	74	
47	House Regulatory Installations	384	5	56	
48	Industrial Measuring & Regulating Station Equipment	385	-	59	
49	Other Property	386	3	-	
50	Other Equipment	387	-	72	
51	TOTAL DISTRIBUTION		5,583	5,696	
GENERAL PLANT					
52	Land & Land Rights	389	-	-	
53	Structures & Improvements	390	244	22	
54	Office Furniture & Equipment	391	-	-	
55	Transportation Equipment	392	-	-	
56	Stores Equipment	393	-	-	
57	Tools & Garage Equipment	394	-	-	
58	Laboratory Equipment	395	-	-	
59	Power Operated Equipment	396	-	-	
60	Communication Equipment	397	-	-	
61	Miscellaneous Equipment	398	-	-	
62	Other Tangible Property	399	-	-	
63	TOTAL GENERAL		244	22	
64	Total Plant		\$ 6,033	\$ 6,271	

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

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Negative Net Salvage Amortization

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2015	2016	
<u>INTANGIBLE PLANT</u>					
1	Organization	301	\$ -	\$ -	
2	Franchise & Consent	302	-	-	
3	Miscellaneous Intangible Plant	303	-	-	
4	TOTAL INTANGIBLE		-	-	
<u>NATURAL GAS PRODUCTION & GATHERING</u>					
5	Producing Lands	325.1	-	-	
6	Producing Leaseholds	325.2	-	-	
7	Rights of Way	325.4	-	-	
8	Other Land Rights	325.5	-	-	
9	Field Measuring & Regulating Station Structures	328	-	-	
10	Other Structures	329	-	-	
11	Producing Gas Wells-Well Construction	330	-	-	
12	Producing Gas Wells-Well Equipment	331	-	-	
13	Field Lines	332	-	-	
14	Field Measuring & Regulating Station Equipment	334	-	-	
15	Drilling & Cleaning Equipment	335	-	-	
16	Other Equipment	337	-	-	
17	TOTAL PRODUCTION & GATHERING		-	-	
<u>NATURAL GAS STORAGE & PROCESSING PLANT</u>					
18	Land & Land Rights	304	-	-	
19	Production Plant-Manufactured Gas Plants	305	216	296	
20	Land	350.1	-	-	
21	Rights of Way	350.2	-	-	
22	Structures & Improvements	351	-	-	
23	Wells	352	-	-	
24	Lines	353	-	-	
25	Compressor Station Equipment	354	-	-	
26	Measuring & Regulating Equipment	355	-	-	
27	Purification Equipment	356	-	-	
28	Other Equipment	357	-	-	
29	TOTAL STORAGE & PROCESSING		216	296	

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

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Negative Net Salvage Amortization

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2015	2016	
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	
31	Rights of Way	365.2	-	-	
32	Structures & Improvements	366	-	-	
33	Mains	367	-	-	
34	Measuring & Regulating Station Equipment	369	-	-	
35	Communication Equipment	370	-	-	
36	Other Equipment	371	-	-	
37	TOTAL TRANSMISSION		-	-	
DISTRIBUTION PLANT					
38	Land & Land Rights	374	-	-	
39	Structures & Improvements	375	-	-	
40	Mains	376	347	517	
41	Measuring & Regulating Station Equipment	378	64	140	
42	Measuring & Regulating Station Equipment	379	-	6	
43	Services	380	2,561	3,005	
44	Meters	381	1	1	
45	Meter Installations	382	11	54	
46	House Regulators	383	228	186	
47	House Regulatory Installations	384	7	17	
48	Industrial Measuring & Regulating Station Equipment	385	-	9	
49	Other Property	386	1	1	
50	Other Equipment	387	1	14	
51	TOTAL DISTRIBUTION		3,221	3,950	
GENERAL PLANT					
52	Land & Land Rights	389	-	-	
53	Structures & Improvements	390	79	84	
54	Office Furniture & Equipment	391	(11)	-	
55	Transportation Equipment	392	(3)	(3)	
56	Stores Equipment	393	-	-	
57	Tools & Garage Equipment	394	(3)	(3)	
58	Laboratory Equipment	395	-	-	
59	Power Operated Equipment	396	-	-	
60	Communication Equipment	397	-	-	
61	Miscellaneous Equipment	398	-	-	
62	Other Tangible Property	399	-	-	
63	TOTAL GENERAL		62	78	
64	Total Plant		\$ 3,499	\$ 4,324	

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

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Salvage

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2015	2016	
INTANGIBLE PLANT					
1	Organization	301	\$ -	\$ -	
2	Franchise & Consent	302	-	-	
3	Miscellaneous Intangible Plant	303	-	-	
4	TOTAL INTANGIBLE		-	-	
NATURAL GAS PRODUCTION & GATHERING					
5	Producing Lands	325.1	-	-	
6	Producing Leaseholds	325.2	-	-	
7	Rights of Way	325.4	-	-	
8	Other Land Rights	325.5	-	-	
9	Field Measuring & Regulating Station Structures	328	-	-	
10	Other Structures	329	-	-	
11	Producing Gas Wells-Well Construction	330	-	-	
12	Producing Gas Wells-Well Equipment	331	-	-	
13	Field Lines	332	-	-	
14	Field Measuring & Regulating Station Equipment	334	-	-	
15	Drilling & Cleaning Equipment	335	-	-	
16	Other Equipment	337	-	-	
17	TOTAL PRODUCTION & GATHERING		-	-	
NATURAL GAS STORAGE & PROCESSING PLANT					
18	Land & Land Rights	304	-	-	
19	Production Plant-Manufactured Gas Plants	305	-	-	
20	Land	350.1	-	-	
21	Rights of Way	350.2	-	-	
22	Structures & Improvements	351	-	-	
23	Wells	352	-	-	
24	Lines	353	-	-	
25	Compressor Station Equipment	354	-	-	
26	Measuring & Regulating Equipment	355	-	-	
27	Purification Equipment	356	-	-	
28	Other Equipment	357	-	-	
29	TOTAL STORAGE & PROCESSING		-	-	

UGI Utilities, Inc. - Gas Division
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Salvage

Line #	Description	Account Number	[1]	[2]	[3]
			Year Ended September 30,		
			2015	2016	
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	
31	Rights of Way	365.2	-	-	
32	Structures & Improvements	366	-	-	
33	Mains	367	-	-	
34	Measuring & Regulating Station Equipment	369	-	-	
35	Communication Equipment	370	-	-	
36	Other Equipment	371	-	-	
37	TOTAL TRANSMISSION		-	-	
DISTRIBUTION PLANT					
38	Land & Land Rights	374	-	-	
39	Structures & Improvements	375	-	-	
40	Mains	376	-	-	
41	Measuring & Regulating Station Equipment	378	(31)	(127)	
42	Measuring & Regulating Station Equipment	379	-	(9)	
43	Services	380	-	(4)	
44	Meters	381	-	(2)	
45	Meter Installations	382	-	-	
46	House Regulators	383	-	-	
47	House Regulatory Installations	384	-	-	
48	Industrial Measuring & Regulating Station Equipment	385	-	(14)	
49	Other Property	386	-	-	
50	Other Equipment	387	-	-	
51	TOTAL DISTRIBUTION		(31)	(156)	
GENERAL PLANT					
52	Land & Land Rights	389	-	-	
53	Structures & Improvements	390	-	-	
54	Office Furniture & Equipment	391	-	-	
55	Transportation Equipment	392	(3)	-	
56	Stores Equipment	393	-	-	
57	Tools & Garage Equipment	394	-	-	
58	Laboratory Equipment	395	-	-	
59	Power Operated Equipment	396	-	-	
60	Communication Equipment	397	-	-	
61	Miscellaneous Equipment	398	-	-	
62	TOTAL GENERAL		(3)	-	
63	Total Plant		\$ (34)	\$ (156)	

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

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Working Capital

Line No	Description	[1] Future FTY 9-30-16	[2] Reference
1	Working Capital for O & M Expense	\$ 14,651	C-4, Page 2
2	Interest Payments	(1,645)	C-4, Page 7
3	Tax Payment Lag Calculations	2,057	C-4, Page 8
4	Prepaid Expenses	2,562	C-4, Page 9
5	Total Cash Working Capital Requirements	\$ 17,624	

UGI Utilities, Inc. - Gas Division
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Summary of Working Capital

Line #	Description	Reference	Test Year Expenses	Factor	Number of (Lead) / Lag Days	Totals
		[1]	[2]	[3]	[4]	[5]
					[2] * [3]	
WORKING CAPITAL REQUIREMENT						
1	REVENUE LAG DAYS	Page 3				55.07
2	EXPENSE LAG DAYS	Page 4				
3	Payroll	Sch D-7	\$ 34,967	12.00	\$ 419,604	
4	Purchased Gas Costs	Sch D-6	114,488	36.71	4,203,038	
5	Other Expenses	L 19 - L 2 to L 4	62,813	27.44	1,723,589	
6	Total	Sum (L 3 to L 5)	<u>\$ 212,268</u>		<u>\$ 6,346,230</u>	
7	O & M Expense Lag Days	L6, C 4 / C 2				29.90
8	Net (Lead) Lag Days	L 1 - L 7				25.17
9	Operating Expenses Per Day	L 6, C 2 / 365				<u>\$ 582</u>
10	Working Capital for O & M Expense	L 8 * L 9				\$ 14,651
11	Interest Payments	Page 7				(1,645)
12	Tax Payment Lag Calculations	Page 8				2,057
13	Prepaid Expenses	Page 9				2,562
14	Total Working Capital Requirement	Sum (L 10 to L 13)				<u>\$ 17,624</u>
15	Pro Forma O & M Expense		\$ 216,876			
	Less:					
16	Uncollectible Expense		4,608			
17	Other					
18	Sub-Total	L 16 + L 17	<u>4,608</u>			
19	Pro Forma Cash O&M Expense	L 17 - L22	<u>\$ 212,268</u>			

UGI Utilities, Inc. - Gas Division
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Revenue Lag

Line No.	Description	[1] Reference Or Factor	[2] Accounts Receivable Balance End of Month	[3] Total Monthly Sales Page 2	[4] A/R Turnover [3] / [2]	[5] Days Lag 365 / [4]
1	Annual Number of Days					<u>365</u>
2	September, 2014		\$ 22,117			
3	October		17,354	17,346		
4	November		28,542	32,455		
5	December, 2014		49,287	59,627		
6	January, 2015		68,226	70,976		
7	February		85,929	78,256		
8	March		88,021	75,588		
9	April		68,453	40,619		
10	May		50,741	19,096		
11	June		40,641	15,208		
12	July		33,163	14,587		
13	August		24,462	12,816		
14	September, 2015		19,021	13,473		
15	Total	Sum L 2 to L 14	<u>\$595,957</u>			
16	Number of Months	<u>13</u>				
17	Average Acct Rec Balance	L 15 / L 16	<u>\$45,843</u>			
18	Total Sales for Year	Sum L 2 to L 14		<u>\$ 450,047</u>		
19	Acct Rec Turnover Ratio	L 18 / L 17			<u>9.82</u>	
20	Collection Lag Day Factor	L 1 / L 19				37.17
21	Billing Calculation and mailing days lag					2.69
22	Billing Lag (Average Period)		365 /	12 /	2 =	<u>15.21</u>
23	Total Revenue Lag Days	Sum L 20 to L 22				<u>55.07</u>

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Summary of Expense Lag Calculations

Line No.	Description	[1] Reference Or Factor	[2] Amount	[3] (Lead) / Lag Days	[4] Weighted Dollar Value [2] * [3]	[5] (Lead) / Lag Days [4] / [2]
<u>PAYROLL</u>						
1	Union Payrolls	Bi-Weekly	\$ 68,244	12.00		
2	Exempt & Non-Exempt	Bi-Weekly	21,189	12.00		
3	Weighted for Union	L1, C2 * C3			\$ 818,928	
4	Weighted for Other	L2, C2 * C3			<u>254,268</u>	
5	Payroll Lag	L 3 + L 4	<u>\$ 89,433</u>		<u>\$ 1,073,196</u>	
6	Payroll Lag Days	C 4 / C 2				<u>12.00</u>
<u>PURCHASE GAS COSTS</u>						
7	Payment Lag	Page 6	<u>\$ 190,060</u>		<u>\$ 6,977,416</u>	
8	Gas Cost Lag Days	C 4 / C 2				<u>36.71</u>
<u>OTHER O & M EXPENSES</u>						
9	JANUARY 2015	Page 5	6,906		210,713	
10	MARCH 2015	Page 5	6,408		169,762	
11	JUNE 2015	Page 5	6,388		157,958	
12	SEPTEMBER 2015	Page 5	7,281		201,991	
13	TOTAL		<u>26,983</u>		<u>740,424</u>	
14	Other O&M Expense Lag Days	C 4 / C 2				<u>27.44</u>

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Summary of O&M Expense Lag Calculations

Line #	Description	[1] Number of CDs	[2] Cash Disbursements	[3] Dollar-Days	[4] Expense Lag-Days [3] / [2]
<u>JANUARY 2015</u>					
1	Total Disbursements for Month	<u>4,387</u>	<u>\$ 33,924</u>		
2	Total Disbursements for Expenses	<u>2,109</u>	<u>\$ 6,906</u>	<u>\$ 210,713</u>	<u>30.51</u>
<u>MARCH 2015</u>					
3	Total Disbursements for Month	<u>4,034</u>	<u>\$ 34,788</u>		
4	Total Disbursements for Expenses	<u>2,217</u>	<u>\$ 6,408</u>	<u>\$ 169,762</u>	<u>26.49</u>
<u>JUNE 2015</u>					
5	Total Disbursements for Month	<u>4,819</u>	<u>\$ 23,077</u>		
6	Total Disbursements for Expenses	<u>2,427</u>	<u>\$ 6,388</u>	<u>\$ 157,958</u>	<u>24.73</u>
<u>SEPTEMBER 2015</u>					
7	Total Disbursements for Month	<u>5,081</u>	<u>\$ 27,877</u>		
8	Total Disbursements for Expenses	<u>2,335</u>	<u>\$ 7,281</u>	<u>\$ 201,991</u>	<u>27.74</u>
<u>TOTAL FOUR TEST MONTHS</u>					
9	Total Test Month Expense Disbursement (L 2 + L 4 + L 6 + L 8)	<u>9088</u>	<u>\$ 26,983</u>	<u>\$ 740,424</u>	<u>27.44</u>

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Purchase Gas Cost Payment Lag Summary

Line #	Description	[1] Number of Invoices	[2] Amount of Invoice	[3] Dollar Days	[4] Total Payment Lag-Days
1	October 2014	23	\$ 11,771	\$ 449,126	38.16
2	November	19	8,977	353,889	39.42
3	December	31	23,296	766,156	32.89
4	January 2015	26	21,084	678,725	32.19
5	February	30	29,534	1,088,896	36.87
6	March	38	34,867	1,311,988	37.63
7	April	28	15,666	640,892	40.91
8	May	29	11,328	434,701	38.37
9	June	19	7,835	279,096	35.62
10	July	20	8,163	306,544	37.55
11	August	22	8,403	315,182	37.51
12	September 2015	20	<u>9,136</u>	<u>352,220</u>	38.55
13	Total	Sum (L 1 to L 11)	<u>\$ 190,060</u>	<u>\$ 6,977,416</u>	
14	Purchase Gas Lag Days	C 3 / C 2			<u>36.71</u>

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Interest Payments

Line No.	Description	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1	Measures of Value at September 30, 2016	Sch C-1			\$ 812,141
2	Long-term Debt Ratio	Sch B-6			39.61%
3	Embedded Cost of Long-term Debt	Sch B-6			5.16%
4	Pro forma Interest Expense	L 1 * L 2 * L 3			<u>\$ 16,599</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 45
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days	Page 3		55.07	
8	Interest Payment lag days	L 7 - L 6			(36.2)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (1,645)</u>

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 Witness: A. P. Kelly
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Tax Lag Day Calculations

Line #	Description	[1] Payment Dates	[2] Mid-Point of Service Period	[3] Lead (Lag) Payment Days [1] - [2]	[4] Payment Amount	[5] Weighted Lead (Lag) Dollars [3] * [4]	[6] Payment Lead (Lag) Days [5] / [4]	[7] Revenue (Lag) Days	[8] Net Payment Lead (Lag) Days [6] - [7]	[9] Total Dollar Days	[10] Working Capital Amount
					\$ 27,266						365
1	FEDERAL INCOME TAX				\$ 27,266						
2	First Payment	01/05/16	04/01/16	87.00	\$ 6,817	593,037					
3	Second Payment	03/15/16	04/01/16	17.00	6,817	115,881					
4	Third Payment	06/15/16	04/01/16	(75.00)	6,817	(511,239)					
5	Fourth Payment	09/15/16	04/01/16	(167.00)	6,817	(1,138,358)					
6	Total				\$ 27,266	\$ (940,679)	(34.50)	(55.07)	20.57	\$ 560,863	\$ 1,537
7	STATE INCOME TAX				\$ 6,797						
8	First Payment	12/15/15	04/01/16	108.00	\$ 1,699	183,513					
9	Second Payment	03/15/16	04/01/16	17.00	1,699	28,886					
10	Third Payment	06/15/16	04/01/16	(75.00)	1,699	(127,440)					
11	Fourth Payment	09/15/16	04/01/16	(167.00)	1,699	(283,766)					
12	Total				\$ 6,797	(198,806)	(29.25)	(55.07)	25.82	\$ 175,493	\$ 481
13	PA CAPITAL STOCK TAX				\$ 307						
14	First Payment	12/15/15	04/01/16	108.00	\$ 77	8,289					
15	Second Payment	03/15/16	04/01/16	17.00	77	1,305					
16	Third Payment	06/15/16	04/01/16	(75.00)	77	(5,756)					
17	Fourth Payment	09/15/16	04/01/16	(167.00)	77	(12,817)					
18	Total				\$ 307	(8,980)	(29.25)	(55.07)	25.82	\$ 7,927	\$ 22
19	PA PROPERTY TAX				\$ 172						
20	First Payment	03/31/16	04/01/16	1.00	\$ 86	86					
21	Second Payment	09/30/16	04/01/16	(182.00)	86	(15,652)					
22	Total				\$ 172	(15,566)	(90.50)	(55.07)	(35.43)	\$ (6,094)	\$ (17)
23	PURTA				\$ 498						
24	Payment	05/01/16	04/01/16	(30.00)	\$ 498	(14,940)	(30.00)	(55.07)	25.07	\$ 12,485	\$ 34
25	Total Working Capital For Other Taxes										\$ 2,057

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 Witness: A. P. Kelly
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Prepaid Expenses

Line #	Description	[1] TOTAL	[2] Insurance	[3] PUC Assessment	[4] Property Taxes	[5] Subscriptions	[6] Postage	[7] Rent	[8] Maintenance & Services	[9]
1	September, 2014	3,964	\$ 1,188	\$ 1,398	\$ 118	\$ 18	\$ 2	\$ -	\$ 1,240	
2	October	3,674	1,050	1,242	104	52	12	-	1,214	
3	November	3,283	912	1,087	90	26	15	-	1,153	
4	December, 2014	2,927	796	932	77	-	13	-	1,109	
5	January, 2015	2,701	654	776	80	98	12	-	1,081	
6	February	2,323	512	621	88	72	14	15	1,001	
7	March	1,898	370	466	78	46	13	15	910	
8	April	1,838	229	311	76	82	38	15	1,087	
9	May	1,591	347	155	62	56	10	15	946	
10	June	1,635	233	-	48	30	15	15	1,294	
11	July	1,801	391	(155)	158	67	7	15	1,318	
12	August	1,475	243	(311)	147	41	12	15	1,328	
13	September, 2015	4,199	1,340	1,365	132	15	6	15	1,326	
14	TOTAL	\$ 33,309	\$ 8,265	\$ 7,887	\$ 1,258	\$ 603	\$ 169	\$ 120	\$ 15,007	
15	Percent to Gas		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
16	Amount to Gas		\$ 8,265	\$ 7,887	\$ 1,258	\$ 603	\$ 169	\$ 120	\$ 15,007	
17	Monthly Average	13	\$ 636	\$ 607	\$ 97	\$ 46	\$ 13	\$ 9	\$ 1,154	
18	Rate Case Amount	\$ 2,562								

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Gas Inventory					
Line #	Description	[1] Factor Or Reference	[2] Stored Underground	[3] Other	[4] Total [2] + [3]
1	September, 2014		\$ 40,011		\$ 40,011
2	October		46,144		46,144
3	November		43,472		43,472
4	December, 2014		34,589		34,589
5	January, 2015		21,572		21,572
6	February		8,661		8,661
7	March		3,147		3,147
8	April		6,238		6,238
9	May		8,778		8,778
10	June		11,650		11,650
11	July		15,314		15,314
12	August		19,540		19,540
13	September, 2015		23,368		23,368
14	Total	Sum (L 1 to L 13)	<u>\$ 282,484</u>	<u>\$ -</u>	<u>\$ 282,484</u>
15	Number of Months		<u>13</u>	<u>13</u>	<u>13</u>
16	Average Monthly Balance	L 14 / L 15	<u>\$ 21,730</u>	<u>\$ -</u>	<u>\$ 21,730</u>

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Schedule C-6
Witness: N. M. McKinney
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Accumulated Deferred Income Taxes

Line #	Description	Factor Or Reference	[1] Percent	[2] Amount	[3] Total
1	<u>Accumulated Deferred Income Tax</u>				
2	Gas Utility Plant - a/c # 282			\$ 234,585	
3	Sub-total				\$ 234,585
4	ADIT on CIAC			(16,232)	
5	ADIT for Repairs Tax Deduction			<u>47,418</u>	
6	Sub-total				<u>31,186</u>
7	Federal ADIT				265,771
8	State ADIT for Repairs Deduction				<u>8,823</u>
9	Balance At September 30, 2016				<u>\$ 274,594</u>

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Schedule C-7
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Customer Deposits

[1]

<u>Line #</u>	<u>Description</u>	<u>Factor Or Reference</u>	<u>Balance At End Of Month</u>
1	September, 2015		<u>\$ 14,517</u>

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Schedule C-8
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Materials & Supplies

Line #	Description	Factor Or Reference	[1] Materials & Supplies	[2] Undistributed Stores Expense	[3] Total
1	September, 2015		\$ 4,212	\$ -	<u>\$ 4,212</u>

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Schedule D-2
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Summary of Pro Forma Revenue and Expense
Adjustments with Proposed Revenue Increase

Line #	Description	[1] Factor Or Reference	[2] [3] [4] Test Year At Present Rates			[5] Proposed Increase	[6] Pro Forma Test Year With Proposed Increase
			Budget For Year End 09/30/16	Adjustments Sch D-3 Increase (Decrease)	Pro Forma Adjusted For Test Year 9/30/16		
<u>OPERATING REVENUES</u>							
1	Residential (R/RT)	480	\$ 208,867	\$ (20,202)	\$ 188,665	\$ -	\$ 188,665
2	Comm & Ind (N/NT)	481	109,423	(17,046)	92,377	-	92,377
3	Comm & Ind (DS)	489	18,987	(6,217)	12,770	-	12,770
4	Lg Transport/Other	489	30,045	(1,839)	28,206	-	28,206
5	Interruptible	489	21,303	(16,403)	4,900	-	4,900
6	Forfeited Discounts		3,112	-	3,112	-	3,112
7	Miscellaneous Service Revenues		3,823	(3,306)	517	-	517
8	Rent from Gas Properties		-	165	165	-	165
9	Other Revenues		802	-	802	-	802
10	Rate Increase					30,746	30,746
11	Total operating revenues	Sum L 1 to L 16	<u>396,362</u>	<u>(64,848)</u>	<u>331,514</u>	<u>30,746</u>	<u>362,260</u>
<u>OPERATING EXPENSES</u>							
12	Gas Production		66	1	67	-	67
13	Gas Supply Production		144,817	(30,329)	114,488	-	114,488
14	Distribution		35,414	(327)	35,087	-	35,087
15	Customer Accounts		9,778	4,226	14,004	-	14,004
16	Uncollectible Expense	1.669%	4,569	39	4,608	513	5,121
17	Customer Information & Services		1,898	10	1,908	-	1,908
18	Sales		896	6	902	-	902
19	Administrative & General		49,720	(3,908)	45,812	-	45,812
20	Depreciation & Amortization		34,697	2,178	36,875	-	36,875
21	Taxes other than income taxes		5,717	77	5,794	-	5,794
22	Total operating expenses	Sum L 18 to L 32	<u>287,572</u>	<u>(28,027)</u>	<u>259,545</u>	<u>513</u>	<u>260,058</u>
23	Net Operating Income - BIT	L 17 - L 33	108,790	(36,821)	71,969	30,233	102,202

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Summary of Pro Forma Adjustments

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]
		As Budgeted And Allocated	Company Use Gas	Revenues	Gas Costs	Salaries & Wages	Adjustments	Headcount Additions & Other	Rate Case	Uncollectibles Expense	Benefits Expenses	UNITE Expenses			Sub-Total Adjustments
		D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12	D-13				
OPERATING REVENUES															
Customer & Distribution Revenue															
1	Residential (R/RT)	480	\$ 111,144	\$ (5,230)										\$ (5,230)	\$ 105,914
2	Comm & Ind (N/NT)	481	66,568	(6,516)										(6,516)	60,052
3	Comm & Ind (DS)	489	15,230	(2,460)										(2,460)	12,770
4	Lg Transport/Other	489	29,931	(1,725)										(1,725)	28,206
5	Interruptible	489	19,678	(14,778)										(14,778)	4,900
Revenue for Cost of Gas															
6	Residential (R/RT)	480	97,723	(14,972)										(14,972)	82,751
7	Comm & Ind (N/NT)	481	42,855	(10,530)										(10,530)	32,325
8	Comm & Ind (DS)	489	3,757	(3,757)										(3,757)	-
9	Lg Transport/Other	489	114	(114)										(114)	-
10	Interruptible	489	1,625	(1,625)										(1,625)	-
11	Forfeited Discounts	487	3,112	-										-	3,112
12	Miscellaneous Service Revenues	488	3,823	(3,306)										(3,306)	517
13	Rent from Gas Properties	493	-	165										165	165
14	Other Revenues	495	802	-										-	802
15	Rate Increase														-
16	Total operating revenues	\$ 396,362		\$ (64,848)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (64,848)	\$ 331,514
OPERATING EXPENSES															
17	Gas Production	\$ 66			\$ 1									\$ 1	\$ 67
18	Gas Supply Production	144,817	669	(30,998)										(30,329)	114,488
19	Distribution	35,414	(504)			177								(327)	35,087
20	Customer Accounts	9,778				60								60	9,838
21	Uncollectible Expense	4,569							39					39	4,608
22	Customer Information & Services	1,898				10								10	1,908
23	Sales	896				6								6	902
24	Administrative & General	49,720	(165)			110		827	628		(3,032)	(1,020)		(2,652)	47,068
25	Depreciation & Amortization	34,697												-	34,697
26	Taxes other than income taxes	5,717												-	5,717
27	Total operating expenses	\$ 287,572	\$ -	\$ -	\$ (30,998)	\$ 364	\$ -	\$ 827	\$ 628	\$ 39	\$ (3,032)	\$ (1,020)	\$ -	\$ (33,192)	\$ 254,380
28	Net operating income Before Income Tax	\$ 108,790	\$ -	\$ (64,848)	\$ 30,998	\$ (364)	\$ -	\$ (827)	\$ (628)	\$ (39)	\$ 3,032	\$ 1,020	\$ -	\$ (31,656)	\$ 77,134

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Summary of Pro Forma Adjustments

Line #	Description	From Page 1 Sub-total	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
									Adjustments			Adjustments	Depreciation	Taxes Other Than Income	
OPERATING REVENUES					D-14	Lobbying & I&D Reserve D-15	Universal Service D-16	D-17	D-18	D-19		D-21	D-31		
29	Customer & Distribution Revenue														
30	Residential (R/RT)	480	\$ 105,914												\$ 105,914
31	Comm & Ind (N/NT)	481	60,052												60,052
32	Comm & Ind (DS)	489	12,770												12,770
33	Lg Transport/Other	489	28,206												28,206
34	Interruptible	489	4,900												4,900
	Revenue for Cost of Gas														-
35	Residential (R/RT)	480	82,751												82,751
36	Comm & Ind (N/NT)	481	32,325												32,325
37	Comm & Ind (DS)	489	-												-
38	Lg Transport/Other	489	-												-
39	Interruptible	489	-												-
40	Forfeited Discounts	487	3,112												3,112
41	Miscellaneous Service Revenues	488	517												517
42	Rent from Gas Properties	493	165												165
43	Other Revenues	495	802												802
44	Rate Increase		-												-
45	Total operating revenues		331,514		-	-	-	-	-	-	-	-	-	-	331,514
	OPERATING EXPENSES														
46	Gas Production		67												67
47	Gas Supply Production		114,488												114,488
48	Distribution		35,087												35,087
49	Customer Accounts		9,838				4,166								14,004
50	Uncollectible Expense		4,608												4,608
51	Customer Information & Services		1,908												1,908
52	Sales		902												902
53	Administrative & General		47,068			(1,256)									45,812
54	Depreciation & Amortization		34,697									2,178			36,875
55	Taxes other than income taxes		5,717										77		5,794
56	Total operating expenses		254,380		-	(1,256)	4,166	-	-	-	-	2,178	77	-	259,545
57	Net operating income Before Income Tax		77,134		-	-	1,256	(4,166)	-	-	-	(2,178)	(77)	-	71,969

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Company Use of Fuel

Line #	Description	[1] Reference	[2] Amount	[3] Total
1	Remove Company Use of Fuel	a/c 880.001	\$ (396)	
2	Remove Company Use of Fuel	a/c 880.001	(108)	
3	Remove Company Use of Fuel	a/c 930.201	(165)	
4				<u>(669)</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-5
Witness: D. E. Lahoff
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Adjustment - Revenue Adjustments

[1] [2] [3] [4] [5] [6]

PRO FORMA ADJUSTMENTS

Line #	Description	Reference Or Account Number	2016 Budget	Rev Adj	Other	Total Proforma Adjustments	Proforma Adjusted At Present Rates
				Annualization	Adjustments		
				D-5A	D-5B		
Customer & Distribution Revenue							
1	Residential (R/RT)	480	\$ 111,144	(5,230)		\$ (5,230)	\$ 105,914
2	Comm & Ind (N/NT)	481	66,568	(6,516)		(6,516)	60,052
3	Comm & Ind (DS)	489	15,230	(2,460)		(2,460)	12,770
4	Lg Transport/Other	489	29,931	(1,725)		(1,725)	28,206
5	Interruptible	489	19,678	(14,778)		(14,778)	4,900
6	Cust Chg & Distrib Revenue		242,551	(30,709)	-	(30,709)	211,842
Revenue for Cost of Gas							
7	Residential (R/RT)	480	97,723	(14,972)		(14,972)	82,751
8	Comm & Ind (N/NT)	481	42,855	(10,530)		(10,530)	32,325
9	Comm & Ind (DS)	489	3,757	(3,757)		(3,757)	-
10	Lg Transport/Other	489	114	(114)		(114)	-
11	Interruptible	489	1,625	(1,625)		(1,625)	-
12	Revenue for Cost of Gas		146,074	(30,998)	-	(30,998)	115,076
13	Total Customer Revenue		388,625	(61,707)	-	(61,707)	326,918
14	Forfeited Discounts	487	3,112			-	3,112
15	Miscellaneous Service Revenues	488	3,823		(3,306)	(3,306)	517
16	Rent from Gas Properties	489	-		165	165	165
17	Other Revenues	495	802			-	802
18	TOTAL REVENUES		\$ 396,362	\$ (61,707)	\$ (3,141)	\$ (64,848)	\$ 331,514

UGI Utilities, Inc. - Gas Division
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Schedule D-5A
Witness: D. E. Lahoff
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Adjustment - Test Year Revenue Changes

Line #	Description	[1] Factor Or Reference	[2] Budgeted Jurisdictional	[3] Revised Jurisdictional	[4] Adjustment [3] - [2]	[5] Total Adjustment
<u>TOTAL REVENUE</u>						
1	Residential (R/RT)		208,867	188,665	(20,202)	
2	Comm & Ind (N/NT)		109,423	92,377	(17,046)	
3	Comm & Ind (DS)		18,987	12,770	(6,217)	
4	Lg Transport/Other		30,045	28,206	(1,839)	
5	Interruptible		21,303	4,900	(16,403)	
6	Total		<u>388,625</u>	<u>326,918</u>	<u>(61,707)</u>	<u>\$ (61,707)</u>
<u>COST OF COMMODITY</u>						
7	Residential (R/RT)		97,723	82,751	(14,972)	
8	Comm & Ind (N/NT)		42,855	32,325	(10,530)	
9	Comm & Ind (DS)		3,757	-	(3,757)	
10	Lg Transport/Other		114	-	(114)	
11	Interruptible		1,625	-	(1,625)	
12	Total		<u>146,074</u>	<u>115,076</u>	<u>(30,998)</u>	<u>\$ (30,998)</u>
<u>NET CUSTOMER & DISTRIBUTION</u>						
13	Residential (R/RT)		111,144	105,914	(5,230)	
14	Comm & Ind (N/NT)		66,568	60,052	(6,516)	
15	Comm & Ind (DS)		15,230	12,770	(2,460)	
16	Lg Transport/Other		29,931	28,206	(1,725)	
17	Interruptible		19,678	4,900	(14,778)	
18	Total		<u>242,551</u>	<u>211,842</u>	<u>(30,709)</u>	<u>\$ (30,709)</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-5B
 Witness: D. E. Lahoff
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Adjustment - Other Revenue Items

Line #	Description	[1] Factor Or Reference	[2] Adjustment	[3]	[4] Total	[5]
1	Miscellaneous Service Revenues		\$ (3,306)			
2	Rent from Gas Property		<u>165</u>			
2	Adjust Other Operating Revenues				<u>\$ (3,141)</u>	

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Schedule D-6
Witness: D. E. Lahoff
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Adjustment - Gas Costs

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Reference Or Account Number	Budgeted Gas Costs	PRO FORMA ADJUSTMENTS		Gas Cost Pro Forma Adjustments	Pro Forma Gas Costs At Pres Rates
				D-5 Gas Costs	Co Use		
1	Budgeted Gas Costs		\$ 144,817			\$ -	\$ 144,817
2	Residential (R/RT)			(14,972)		(14,972)	(14,972)
3	Comm & Ind (N/NT)			(10,530)		(10,530)	(10,530)
4	Comm & Ind (DS)			(3,757)		(3,757)	(3,757)
5	Lg Transport/Other			(114)		(114)	(114)
6	Interruptible			(1,625)		(1,625)	(1,625)
7	Company Use of Fuel				669	669	669
8	Total Gas Costs		<u>\$ 144,817</u>	<u>\$ (30,998)</u>	<u>\$ 669</u>	<u>\$ (30,329)</u>	<u>\$ 114,488</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-7
Witness: A. P. Kelly
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Adjustment - Salaries & Wages

Line #	Description	[1] Account Number	[2] Budgeted Year 09/30/16	[3] Adjustment	[4] Payroll As Distributed	[5] Annualization Adjustment	[6] Total Pro Forma Payroll
<u>OPERATIONS</u>							
1	Total Natural Gas Production Expenses		\$ 65	\$ -	65	\$ 1	\$ 66
2	Total Underground Storage Expenses		-	-	-	-	-
3	Total Transmission Operation Expenses		-	-	-	-	-
4	Total Distribution Operation Expenses		10,736	827	11,563	113	11,676
5	Customer Account Operations Expenses		5,618	-	5,618	60	5,678
6	Total Cust. Service & Inform. Operations Exp		989	-	989	10	999
7	Total Operation Sales Expenses		525	-	525	6	531
8	Total A & G Operation Expenses		10,154	(346)	9,808	110	9,918
9	Total Operations	Sum L 1 to L 8	<u>28,087</u>	<u>481</u>	<u>28,568</u>	<u>300</u>	<u>28,868</u>
<u>MAINTENANCE</u>							
10	Total Underground Maintenance Expenses		-	-	-	-	-
11	Storage Maintenance Expenses		-	-	-	-	-
12	Total Transmission Maintenance Expenses		-	-	-	-	-
13	Total Distribution Maintenance Expenses		6,035	-	6,035	64	6,099
14	Maintenance of General Plant		-	-	-	-	-
15	Total Maintenance	Sum L 10 to L 14	<u>6,035</u>	<u>-</u>	<u>6,035</u>	<u>64</u>	<u>6,099</u>
16	Total Payroll to Expense	L 9 + L 15	<u>\$ 34,122</u>	<u>481</u>	<u>34,603</u>	<u>\$ 364</u>	<u>\$ 34,967</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-7
Witness: A. P. Kelly
Page 2 of 2

Adjustment - Salaries & Wages

Line #	Description	[1] Reference Or Function	[2] Union Increase At 4-1	[3] Union Increase At 6-1	[4] Non- Exempt	[5] Exempt	[6] Pro Forma Total Payroll
1	Budgeted Payroll For TY 9-30-16		\$ 10,088	\$ 2,845	\$ 5,690	\$ 15,499	<u>\$ 34,122</u>
<u>Annualize for Wage Increase to 9-30-16</u>							
2	Percent Increase		2.75%	3.00%	3.23%	2.94%	
3	Union Increase At 4-1 Annualization Factor	4/1/16	50%				
4	Union Increase At 6-1 Annualization Factor	6/1/16		67%			
5	Non-Exempt Annualization Factor	4/1/16			50%		
6	Exempt Annualization Factor	12/1/15				17%	
7	Increase for wage rate changes	L 1 * L 2 * Ls 3 to 6	<u>139</u>	<u>57</u>	<u>92</u>	<u>76</u>	\$ 364
8	Annualized Salaries & Wages at 9-30-16 Rates	L 1 + L 7	\$ 10,227	\$ 2,902	\$ 5,782	\$ 15,575	
9	Pro Forma Adjustment to S&W	L 8					<u>\$ 364</u>
10	Annualization Factor	L 9 / L 1					<u>1.066%</u>
		0					

UGI Utilities, Inc. - Gas Division
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Schedule D-9
 Witness: A. P. Kelly
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Adjustment - Headcount Additions and Other Adjustments

Line #	Description	[1] Reference	[2] # of Employees	[3] Amount	[4] Total
1	Adjust salaries and wages for new supervisors		9	\$ 657	
2	Adjust salaries and wages for field wage increases			170	
3	Total				\$ 827

UGI Utilities, Inc. - Gas Division
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Schedule D-10
Witness: A. P. Kelly
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Adjustment - Rate Case Expense

[1] [2] [3] [4]

Line #	Description	Reference	Amount	Sub-Total	Total
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Rate Case Expenditures

1	External Consultants		293		
2	External Legal		900		
3	Total Recorded at 9-30-15		62		
4	Sub-Total	L 1 to L 3	_____	1,256	

TOTAL EXPENDITURES FOR RATE FILING

5	TOTAL COSTS	L 4			\$ 1,256
6	Normalized over 2 years (Line 5 / 2)		2		\$ 628
7	Rate Case Expense included in Budget				0
8	Pro Forma Adjustment	L 6 - L 7			\$ 628

UGI Utilities, Inc. - Gas Division
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Schedule D-11
Witness: A. P. Kelly
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Adjustment - Uncollectibles

Line #	Description	[1] Reference Or Factor	[2] Write-Off Amounts	[3] Tariff Revenue	[4] Percent [2] / [3]	[5] Total [2] / [3]
1	2013		\$ 4,800	\$ 341,141	1.41%	
2	2014		\$ 6,580	\$ 388,333	1.69%	
3	2015		\$ 7,203	\$ 383,750	1.88%	
4	Three Year Average Sum (Line 1 to Line 3) / 3	3	\$ 6,194	\$ 371,075		1.669%
5	<u>2016 Budget</u>				\$ 5,469	
	Pro Forma Adjustment					
6	Test Year Revenue Adjustment	1.669%		\$ 330,030		
7	Pro Forma at Present Rate Revenue	[1] * [3]			5,508	
8	Total for Test Year	L 9 + L 7				\$ 39

UGI Utilities, Inc. - Gas Division
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Schedule D-12
Witness: A. P. Kelly
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Adjustment - Benefits Expenses

Line #	Description	[1]	[2]	[3]
				Amount
<u>OPEB Adjustments</u>				
1	Budgeted OPEB Expense		\$ (2,374)	
2	Total OPEB Adjustment			<u>\$ (2,374)</u>
<u>Pension Expense Adjustment</u>				
3	Total budgeted pension expense		\$ 4,339	
4	Total cash contributions per revised estimate	9,869		
5	Estimated Cash Contributions attributable to UGI Gas	5,078		
6	Less: estimated capitalized portion (28%)	<u>(1,397)</u>		
7	Pension cash contributions per updated estimates		<u>3,681</u>	
8	Pro Forma Adjustment			<u>\$ (658)</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-13
 Witness: A. P. Kelly
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Adjustment - UNITE Expenses

Line #	Description	[1] Reference	[2] Amount	[3] Total
Remove UNITE project expenses that will be capitalized				
1	Administrative & General Salaries	920	\$ (346)	
2	Employee Benefits & Pension	926	(104)	
3	Outside Services Employed	923	(459)	
4	Miscellaneous General Expenses	930.2	<u>(111)</u>	
				<u>\$ (1,020)</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-15
 Witness: A. P. Kelly
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Adjustment - Injuries & Damages & Membership Dues

		[1]	[2]
Line #	Description	Sub-Total	Total
Injuries & Damages Adjustment			
1	2013 Injuries & Damages Expense	\$ 2,446	
2	2014 Injuries & Damages Expense	3,382	
3	2015 Injuries & Damages Expense	<u>2,635</u>	
4	Three year average of injuries and damages expenses	2,821	
5	Budgeted injuries and damages expenses	\$ 4,061	
6	Pro Forma Adjustment		<u>\$ (1,240)</u>
Membership Dues Adjustment			
7	Budgeted American Gas Association membership dues attributable to lobbying	\$ (12)	
8	Budgeted Energy Association of Pennsylvania membership dues attributable to lobbying	<u>(4)</u>	
9	Pro Forma Adjustment		<u>\$ (16)</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-16
 Witness: R. R. Stoyko
 Page 1 of 1

Adjustment - Universal Service

Line #	Description	[1] Reference	[2] Amount
<u>Increase for Pro Forma TY Universal Service Expense</u>			
1	Customer Assistance Plan Credit		\$ 3,462
2	Administration Costs		340
3	LIURP		1,100
4	C.A.R.E.S. Program		7
5	Customer Assistance Plan Pre-program Arrearage		1,031
6	TOTAL		<u>\$ 5,940</u>
7	Budget		\$ 1,774
8	Total Adjustment		<u>\$ 4,166</u>

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Schedule D-21
 Witness: J.F. Weidmayer
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Adjustment - Depreciation expense		[1]	[2]	[3]	[4]	[5]
Line #	Description	Account Number	Budgeted 9/30/16 Depreciation Expense	Adjustment To Annualize At New Depre Study Rates	Depreciation on CWIP Plant Adjustment	Pro Forma Test Year Depreciation
INTANGIBLE PLANT						
1	Organization	301	\$ -	\$ -	\$ -	\$ -
2	Franchise & Consent	302	-	-	-	-
3	Miscellaneous Intangible Plant	303	-	-	-	-
4	TOTAL INTANGIBLE	0	-	-	-	-
NATURAL GAS PRODUCTION & GATHERING						
5	Producing Lands	325.1	-	-	-	-
6	Producing Leaseholds	325.2	-	-	-	-
7	Rights of Way	325.4	-	-	-	-
8	Other Land Rights	325.5	-	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-	-
10	Other Structures	329	-	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-	-
13	Field Lines	332	-	-	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-	-
16	Other Equipment	337	-	-	-	-
17	TOTAL PRODUCTION & GATHERING	0	-	-	-	-
NATURAL GAS STORAGE & PROCESSING PLANT						
18	Land & Land Rights	304	-	-	-	-
19	Production Plant-Manufactured Gas Plants	305	(292)	292	-	-
20	Land	350.1	-	-	-	-
21	Rights of Way	350.2	-	-	-	-
22	Structures & Improvements	351	-	-	-	-
23	Wells	352	-	-	-	-
24	Lines	353	-	-	-	-
25	Compressor Station Equipment	354	-	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-	-
27	Purification Equipment	356	-	-	-	-
28	Other Equipment	357	-	-	-	-
29	TOTAL STORAGE & PROCESSING	0	(292)	292	-	-

UGI Utilities, Inc. - Gas Division
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 (\$ in Thousands)

Schedule D-21
 Witness: J.F. Weidmayer
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Adjustment - Depreciation expense

Line #	Description	Account Number	[1]	[2]	[3]	[4]	[5]
				Budgeted 9/30/16 Depreciation Expense	Adjustment To Annualize At New Depre Study Rates	on CWIP Plant Adjustment	Pro Forma Test Year Depreciation
TRANSMISSION PLANT							
30	Land & Land Rights	365.1	-	-	-	-	-
31	Rights of Way	365.2	-	-	-	-	-
32	Structures & Improvements	366	-	-	-	-	-
33	Mains	367	-	-	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-	-	-
35	Communication Equipment	370	(59)	59	-	-	-
36	Other Equipment	371	-	-	-	-	-
37	TOTAL TRANSMISSION	0		<u>(59)</u>	<u>59</u>	<u>-</u>	<u>-</u>
DISTRIBUTION PLANT							
38	Land & Land Rights	374	-	-	-	-	-
39	Structures & Improvements	375	28	-	-	-	28
40	Mains	376	10,730	464	-	-	11,194
41	Measuring & Regulating Station Equipment	378	900	1	-	-	901
42	Measuring & Regulating Station Equipment	379	55	10	-	-	65
43	Services	380	12,674	1,211	-	-	13,885
44	Meters	381	1,971	(58)	-	-	1,913
45	Meter Installations	382	1,392	22	-	-	1,414
46	House Regulators	383	220	(26)	-	-	194
47	House Regulatory Installations	384	212	10	-	-	222
48	Industrial Measuring & Regulating Station Equipment	385	(64)	157	-	-	93
49	Other Property	386	25	(2)	-	-	23
50	Other Equipment	387	30	40	-	-	70
51	TOTAL DISTRIBUTION	0		<u>28,173</u>	<u>1,829</u>	<u>-</u>	<u>30,002</u>
GENERAL PLANT							
52	Land & Land Rights	389	-	-	-	-	-
53	Structures & Improvements	390	519	351	-	-	870
54	Office Furniture & Equipment	391	2,269	(665)	-	-	1,604
55	Transportation Equipment	392	8	37	-	-	45
56	Stores Equipment	393	-	-	-	-	-
57	Tools & Garage Equipment	394	(18)	470	-	-	452
58	Laboratory Equipment	395	-	-	-	-	-
59	Power Operated Equipment	396	18	(5)	-	-	13
60	Communication Equipment	397	59	(3)	-	-	56
61	Miscellaneous Equipment	398	64	9	-	-	73
62	Other Tangible Property	399	-	-	-	-	-
63	TOTAL GENERAL	0		<u>2,919</u>	<u>194</u>	<u>-</u>	<u>3,113</u>
64	TOTAL DEPRECIATION	0		<u>\$ 30,741</u>	<u>\$ 2,374</u>	<u>\$ -</u>	<u>\$ 33,115</u>
65	CHARGED TO CLEARING ACCOUNTS			<u>\$ (67)</u>			<u>\$ (566)</u>
66	NET SALVAGE AMORTIZATION			<u>\$ 4,023</u>			<u>\$ 4,326</u>

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Schedule D-31
Witness: A. P. Kelly
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Adjustment - Taxes Other Than Income Taxes

Line #	Description	[1] Factor or Reference	[2] Account Number	[3] Budget Amounts 9/30/16	[4] Pro Forma Adjustments	[5] Pro Forma Tax Expense 9/30/16
1	PURTA Taxes		408.1	\$ 498	\$ -	\$ 498
2	Capital Stock		408.104	307	-	307
3	PA & Local Use taxes			172		172
4	Social Security	D-32	408.3	2,601	64	2,665
5	FUTA	D-32	408.2	53	1	54
6	SUTA	D-32	408.4	471	12	483
7	PUC Assessment		408.1	1,615	-	1,615
8	Total			<u>\$ 5,717</u>	<u>\$ 77</u>	<u>\$ 5,794</u>

UGI Utilities, Inc. - Gas Division
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Schedule D-32
Witness: A. P. Kelly
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Adjustment - Payroll Taxes

Line #	Description	[1] Account Number	[2] Test Year 9/30/17 Present Rates	[3] Pro Forma Adjustments	[4] Increase in Payroll Taxes
1	Total Payroll Charged to Expense		<u>\$ 34,122</u>	<u>\$ 845</u>	
2	FICA Expense		<u>2,601</u>		
3	FICA Expense - Percent	L 2 / L 1	<u>7.62%</u>	<u>7.62%</u>	
4	Pro Forma FICA Expense on Pro Forma S&W	[4] L 1 * L 3			\$ 64
5	FUTA Expense		<u>53</u>		
6	FUTA Expense - Percent	L 5 / L 1	<u>0.16%</u>	<u>0.16%</u>	
7	Pro Forma FUTA Expense on Pro Forma S&W	[4] L 1 * L 6			1
8	SUTA Expense		<u>471</u>		
9	SUTA Expense - Percent	L 8 / L 1	<u>1.38%</u>	<u>1.38%</u>	
10	Pro Forma SUTA Expense on Pro Forma S&W	[4] L 1 * L 9			12
11	Pro Forma Adjustment	Sum L 4 to L 10			<u>\$ 77</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-33
Witness: N. M. McKinney
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	[1]	[2]	[3]	[4]	[5]	
Income Tax Calculation						
Line #	Factor Or Reference	Element Or Amount	Pro Forma Test Year At Present Rates	Revenue Increase	Pro Forma Test Year At Proposed Rates	
[3] + [4]						
1	Revenue		\$ 331,514	\$ 30,746	\$ 362,260	
2	Operating Expenses		(259,545)	(513)	(260,058)	
3	OIBIT	L 1 + L 2	71,969	30,233	102,202	
Interest Expense						
4	Rate Base	Sch A-1	812,141			
5	Weighted Cost of Debt	Sch B-7	0.02130			
6	Synchronized Interest Expense	L 4 * L 5	(17,299)	-	(17,299)	
7	Base Taxable Income	L 3 + L 6	54,670	30,233	84,903	
8	Total Tax Depreciation	Pg 2	\$ 52,413			
9	Pro Forma Book Depreciation	Pg 2	37,258			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8	(15,155)		(15,155)	
11	Other			-	-	
12	State Taxable Income	Sum L 7 to L 11	\$ 39,515	\$ 30,233	\$ 69,748	
13	State Income Tax (Expense)/Refund	L 12 * Rate [2]	9.99%	\$ (3,948)	\$ (3,020)	\$ (6,968)
14	Total Tax Depreciation	Pg 2	\$ 106,978			
15	Pro Forma Book Depreciation	Pg 2	37,258			
16	Federal Tax Deducts (Over) Under Book	L 14 - L 13	(69,720)	-	(69,720)	
17	Other			-	-	
18	Federal Taxable Income	L 7 + sum L 13 to L 17	(18,998)	27,213	8,215	
19	Federal Income Tax (Expense)/Refund	-L 18 * Rate [2]	35.00%	6,649	(9,524)	(2,875)
20	Total Tax Expense before Deferred Income Tax	L 13 + L 19	2,701	(12,544)	(9,843)	
Deferred Federal Income Taxes						
21	Total Straight Line Tax Depreciation	Pg 2	\$ 33,115			
22	Total Tax Depreciation	Pg 2	100,708			
23	Federal Tax Deducts (Over) Under Book	L 22 - L 21	67,593	-	67,593	
24	Deferred Federal Taxable Income	L 23	\$ 67,593	\$ -	\$ 67,593	
25	Federal Income Tax (Expense)/Refund	-L 24 * Rate [2]	Blended Rate	(24,709)	-	(24,709)
Deferred State Income Taxes						
26	Repairs		(345)		(345)	
27	CIAC		516		516	
28	State Deferred Income Tax (Expense)/Refund		171	-	171	
29	Net Income Tax Expense	L20 + L 25 + L 28	(21,836)	(12,544)	(34,381)	
Other Tax Adjustments						
30	ITC		318		318	
31	Combined Income Tax Expense	L29 + L 30	\$ (21,518)	\$ (12,544)	\$ (34,063)	
32	Federal Income Tax Expense	L 19 + L 25 + L 27			\$ (27,266)	
33	State Income Tax Expense	L 13			(6,797)	
34	Total Income Tax Expense	L 29 + L 30			\$ (34,063)	

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Future Period - 12 Months Ended September 30, 2016
(\$ in Thousands)

Schedule D-34
Witness: N. M. McKinney
Page 1 of 1

		Tax Depreciation		
		[1]	[2]	[3]
Line #	Description	Amount	Amount	Total
<u>Accelerated Tax Depreciation</u>				
1	Gas Plant		\$ 90,285	
2	Cost of Removal		6,270	
3	Repairs Tax Deduction		17,520	
4	Other Tax Basis Adjustments		<u>(7,097)</u>	
5	Total Federal Accelerated Tax Depreciation			<u>106,978</u>
6	Adjustment for PA Tax Depreciation - Bonus Decoupling		(54,565)	
7	Total State Accelerated Tax Depreciation			<u><u>\$ 52,413</u></u>
<u>Straight Line Tax Depreciation</u>				
8	Gas Plant		<u>\$ 33,115</u>	
9	Total Tax Depreciation			<u><u>\$ 33,115</u></u>
<u>Book Depreciation</u>				
10	Pro Forma Book Depreciation		\$ 33,115	
11	Net Salvage Amortization		4,326	
12	Depreciation Charged to Clearing Accounts	(566)		
13	Estimated Percent of Clearing Charged to CWIP	<u>32%</u>		
14	Depreciation Charged to CWIP		(183)	
15	Book Depreciation for Tax Calculation			<u><u>\$ 37,258</u></u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-35
Witness: A. P. Kelly
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Gross Revenue Conversion Factor

Line #	Description	[1] Reference Or Factor	[2] Tax Rate	[3] Factor
<u>GROSS REVENUE CONVERSION FACTOR</u>				
1	GROSS REVENUE FACTOR			1.000000
2	UNCOLLECTIBLE EXPENSES			<u>(0.016690)</u>
3	NET REVENUES			0.983310
4	STATE INCOME TAXES		9.9900%	<u>(0.098233)</u>
5	FACTOR AFTER STATE TAXES			0.885077
6	FEDERAL INCOME TAXES		35.00%	<u>(0.309777)</u>
7	NET OPERATING INCOME FACTOR			<u>0.575300</u>
8	GROSS REVENUE CONVERSION FACTOR			<u>1.738224</u>
9	Combined Income Tax Factor On Gross Revenues			<u>40.801%</u>
<u>INCOME TAX FACTOR</u>				
10	GROSS REVENUE FACTOR			1.000000
11	STATE INCOME TAXES		9.9900%	<u>(0.099900)</u>
12	FACTOR AFTER STATE TAXES			0.900100
13	FEDERAL INCOME TAXES		35.00%	<u>(0.315035)</u>
14	NET OPERATING INCOME FACTOR			0.585065
15	GROSS REVENUE CONVERSION FACTOR			<u>1.709212</u>
16	Combined Income Tax Factor On Taxable Income			<u>41.494%</u>

UGI GAS EXHIBIT A – HISTORIC

Historic Year - 12 Months Ended September 30, 2015
 (\$ in Thousands)
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D-15	<u>SCHEDULE NOT USED</u>	N/A
D-16	<u>SCHEDULE NOT USED</u>	N/A
D-17	<u>SCHEDULE NOT USED</u>	N/A
D-18	<u>SCHEDULE NOT USED</u>	N/A
D-19	<u>SCHEDULE NOT USED</u>	N/A
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UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule A-1
Witness: A. P. Kelly
Page 1 of 1

Summary of Measure of Value and Revenue Increase

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Section	Schedule	Pro Forma Test Year Ended September 30, 2015 At Present Rates	Increase	Proposed Rates
<u>RATE BASE</u>							
1	Utility Plant		C-2		\$ 1,375,700		\$ 1,375,700
2	Accumulated Depreciation		C-3		(427,660)		(427,660)
3	Net Plant in service	L 1 + L 2			948,040	-	948,040
4	Working Capital		C-4		18,074		18,074
5	Gas Inventory		C-5		21,730		21,730
6	Accumulated Deferred Income Taxes		C-6		(241,772)		(241,772)
7	Customer Deposits		C-7		(14,517)		(14,517)
8	Materials & Supplies		C-8		4,212		4,212
9	TOTAL RATE BASE	Sum L 3 to L 8			<u>\$ 735,767</u>	<u>\$ -</u>	<u>\$ 735,767</u>
<u>OPERATING REVENUES AND EXPENSES</u>							
<u>Operating Revenues</u>							
10	Base Customer Charges		D-5		\$ 208,467	\$ 15,903	\$ 224,370
11	Gas Cost Revenue		D-5		135,023		135,023
12	Other Operating Revenues		D-5		7,151		7,151
13	Total Revenues	Sum L 10 to L 12			<u>350,641</u>	<u>15,903</u>	<u>366,544</u>
14	Operating Expenses		D		<u>(274,575)</u>	<u>(265)</u>	<u>(274,840)</u>
15	OIBIT	L 13 + L 14			76,066	15,638	91,704
16	Pro Forma Income Tax at Present Rates		D-33		(21,644)		
17	Pro Forma Income Tax on Revenue Increase		D-33			(6,488)	(28,132)
18	NET OPERATING INCOME	Sum L 15 to L 17			<u>\$ 54,422</u>	<u>\$ 9,149</u>	<u>\$ 63,571</u>
19	RATE OF RETURN	L 18 / L 9			<u>7.3966%</u>		<u>8.640%</u>
<u>REVENUE INCREASE REQUIRED</u>							
20	Rate of Return at Present Rates	L 19, Col 4			7.3966%		
21	Rate of Return Required		B-7		<u>8.6400%</u>		
22	Change in ROR	L 21 - L 20			<u>1.24341%</u>		
23	Change in Operating Income	L 22 * L 9			\$ 9,149		
24	Gross Revenue Conversion Factor		D-35		<u>1.738224</u>		
25	Change in Revenues	L 23 * L 24			<u>\$ 15,903</u>		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4				<u>7.63%</u>	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4				<u>4.54%</u>	

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule **B-1**
Witness: A. P. Kelly
Page 1 of 2

Balance Sheet

[1]

Line No	Description/(Account No)	Actual HY 9-30-15
	UTILITY PLANT (101 - 106, 108)	
1	Gas Utility Plant	\$ 1,398,576
2	Other Utility Plant	-
3	Total Plant In Service	<u>1,398,576</u>
4	Construction Work In Progress (107)	21,168
5	Acquisition Adjustment (114)	-
6	Total Utility Plant	<u>1,419,744</u>
7	Accumulated Provision for Depreciation - Gas (108)	(418,857)
8	Accumulated Provision for Depreciation - Other (119)	(23,943)
9	Net Utility Plant	<u>976,944</u>
	OTHER PROPERTY INVESTMENTS	
10	Non-utility Property (121)	93
11	Accumulated Depreciation on NUP (122)	-
12	Investment in Associated & Subsidiary Companies (123.1)	-
13	Other Investments (124)	-
14	Total Other Property and Investments	<u>93</u>
	CURRENT AND ACCRUED ASSETS	
15	Cash and Other Temporary Investments (131-136)	2,843
16	Notes Receivable (141)	-
17	Customer Accounts Receivable (142)	28,262
18	Other Accounts Receivable (143)	7,370
19	Accum Provision for Uncollectible (144)	(3,158)
20	Accounts Receivable Associated Companies (146)	(51)
21	Plant Materials & Operating Supplies (154)	4,637
22	Gas Stored - Undistributed (163)	(426)
23	Gas Stored - Current (164.1)	23,368
24	Liquefied Natural Gas Stored (164.2)	-
25	Prepayments (165)	4,479
26	Accrued Utility Revenues (173)	4,295
27	Miscellaneous Current & Accrued Assets (171, 174, 175)	748
28	Total Current and Accrued Assets	<u>72,367</u>
	DEFERRED DEBITS	
29	Unamortized Debt Expense (181)	1,171
30	Other Regulatory Assets (182.3)	163,630
31	Other Preliminary Survey & Investigation Charges (183.2)	1,025
32	Clearing Accounts (184)	(426)
33	Miscellaneous Deferred Debits (186)	3,858
34	Deferred Losses from Disposition of Utility Plant (187)	1,159
35	Unamortized Loss on Reacquired Debt (189)	-
36	Accumulated Deferred Income Taxes (190)	26,511
37	Unrecovered Purchase Gas Costs (191)	-
38	Total Deferred Debits	<u>196,928</u>
39	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 1,246,332</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule **B-1**
Witness: **A. P. Kelly**
Page 2 of 2

Balance Sheet

[1]

Line No	Description/(Account No)	Actual HY 9-30-15
PROPRIETARY CAPITAL		
40	Common Stock Issued (201)	51,878
41	Preferred Stock Issued (204)	-
42	Premium on Capital Stock (207)	406,270
43	Capital Stock Expense (214)	-
44	Retained Earnings (215, 215.2, 216)	(99,674)
45	Unappropriated Retained Earnings (216.1)	-
46	Accum Other Comprehensive Income (219)	(15,491)
47	Total Proprietary Capital	342,983
LONG TERM DEBT		
48	Bonds (221)	-
49	Advances from Associated Companies (223)	-
50	Other Long-Term Debt (224)	164,663
51	Unamortized Premium on LTD (225)	-
52	Unamortized Discount on LTD (226)	-
53	Total Long-term Debt	164,663
OTHER NON-CURRENT LIABILITIES		
54	Obligations under Capital Leases (227)	-
55	Accum. Prov for Injuries & Damages (228.2)	590
56	Accum. Prov for Pensions & Benefits (228.3)	79,823
57	Accum. Miscellaneous Operating Prov (228.4)	3,735
58	Asset Retirement Obligation (230)	69
59	Total Long-term Debt	84,217
CURRENT & ACCRUED LIABILITIES		
60	Notes Payable (231)	180,158
61	Accounts Payable (232)	43,079
62	Notes Payable to Assoc. Companies (233)	-
63	Accounts Payable to Assoc. Cos (234)	10,359
64	Customer Deposits (235)	14,517
65	Taxes Accrued (236)	(4,187)
66	Interest Accrued (237)	6,309
67	Accrued Interest on Other Liabilities (237)	-
68	Tax Collections Payable (241)	144
69	Misc Current & Accrued Liabilities (242)	28,815
70	Derivative Instrument Liabilities (244)	1,851
71	Oth Reg Liab-Hedges-S/T-Non-Trading (245)	5,766
72	Total Current & Accrued Liabilities	286,811
OTHER DEFERRED CREDITS		
73	Customer Advances for Construction (252)	-
74	Other Deferred Credits (253)	17,572
75	Other Regulatory Liabilities (254)	23,290
76	Deferred ITC (255)	3,587
77	Accumulated Deferred Income Taxes (282)	328,627
78	Accumulated Deferred Income Taxes (283)	(5,418)
79	Total Other Deferred Credits	367,658
80	TOTAL LIABILITIES & OTHER CREDITS	\$ 1,246,332

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule B-2
Witness: A. P. Kelly
Page 1 of 1

Statement of Net Utility Operating Income

Line No	Description	[1] Acct No	[2] Actual HY 9-30-15	[3] Reference
Total Operating Revenues				
1	Total Sales Revenues		\$ 448,327	B-3
2	Other Operating Revenues		<u>50,473</u>	B-3
3	Total Revenues		498,800	
Total Operating Expenses				
4	Operation & Maintenance Expenses		345,367	B-4
5	Depreciation Expense		30,220	
6	Amortization Expense		1,624	
7	Taxes Other Than Income Taxes		<u>5,448</u>	B-5
8	Total Operating Expenses		<u>382,659</u>	
9	Operating Income Before Income Taxes (OIBIT)		116,141	
Income Taxes:				
10	State		3,226	B-5
11	Federal		<u>25,949</u>	B-5
12	Total Income Taxes		<u>29,175</u>	
13	Net Utility Operating Income		<u><u>\$ 86,966</u></u>	

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule
Witness:
Page 1 of 1

B-3
A. P. Kelly

Statement of Operating Revenues

[1]

<u>Line No</u>	<u>Description</u>	<u>Actual HY 9-30-15</u>
Gas Operating Revenues		
1	Residential (R/RT) (480)	\$ 246,868
2	Comm & Ind (N/NT) (481)	129,424
3	Comm & Ind (DS) (489)	19,978
4	Lg Transport/Other (489)	31,678
5	Interruptible (489)	<u>20,379</u>
6	Sub-Total Gas Operating Revenues	448,327
Other Operating Revenues		
7	Forfeited Discounts (487)	2,881
8	Miscellaneous Service Revenues (488)	3,517
9	Off System Revenue (495.9)	43,322
10	Rent from Gas Properties (493)	154
11	Other Revenues (495)	<u>599</u>
12	Sub-Total Other Operating Revenues	<u>50,473</u>
13	Total Operating Revenues	<u><u>\$ 498,800</u></u>

Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Actual HY 9-30-15
Gas Raw Materials			
1	Liquefied Petroleum Gas Expenses	717	\$ 1
2	Miscellaneous Production Expenses	735	69
3	Maintenance of Structures and Improvements	741	-
4	Total Gas Raw Materials Expenses		<u>70</u>
Production and Gathering - Operations			
5	Operating Supervision and Engineering	750	-
6	Production Maps and Records	751	-
7	Gas Wells Expenses	752	-
8	Field Lines Expenses	753	-
9	Field Measuring and Regulating Station Expenses	756	-
10	Gas Well Royalties	758	-
11	Total Production & Gathering Operation Expenses		<u>-</u>
Production and Gathering - Maintenance			
12	Maintenance of Structures and Improvements	762	-
13	Maintenance of Producing Gas Wells	763	-
14	Maintenance of Field Lines	764	-
15	Maintenance of Field Measuring and Reg. Station Equip.	766	-
16	Gas Supply Operation Expenses		<u>-</u>
Other Gas Supply Expense - Operations			
17	Natural Gas City Gate Purchases	804.0	189,347
18	Other Gas Purchases	805.0	701
19	Purchases Gas Cost Adjustments	805.1	(14,202)
20	Purchased Gas Expenses	807.0	-
21	Gas Withdrawn from Storage-Debit	808.1	54,471
22	Gas Delivered to Storage-Credit	808.2	(37,043)
23	Gas Used for Other Utility Operations-Credit	812.0	(431)
24	Other Gas Supply Expenses	813.0	49,085
25	Gas Supply Operation Expenses		<u>241,928</u>
Underground Storage Expense - Operation			
26	Operation Supervision and Engineering	814	-
27	Maps and Records	815	-
28	Wells Expenses	816	-
29	Lines Expenses	817	-
30	Compressor Station Expenses	818	-
31	Compressor Station Fuel and Power	819	-
30	Measuring and Regulating Station Expenses	820	-
31	Purification Expenses	821	-
32	Gas Losses	823	-
33	Other Expenses	824	-
34	Total Underground Storage Expenses		<u>-</u>
Underground Storage Expense - Maintenance			
35	Maintenance Supervision and Engineering	830	-
36	Maintenance of Structures and Improvements	831	-
37	Maintenance of Reservoirs and Wells	832	-
38	Maintenance of Lines	833	-
39	Maintenance of Measuring & Regulating Station Equip.	835	-
40	Maintenance of Purification Equipment	836	-
41	Total Underground Maintenance Expenses		<u>-</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule B-4
Witness: A. P. Kelly
Page 2 of 3

Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Actual HY 9-30-15
Transmission Expense - Operations			
42	Operating Supervision and Engineering	850	-
43	System Control and Load Dispatching	851	-
44	Communication System Expenses	852	-
45	Mains Expenses	856	-
46	Measuring and Regulating Station Expenses	857	-
47	Other Expenses	859	-
48	Total Transmission Operation Expenses		-
Transmission Expense - Maintenance			
49	Maintenance Supervision and Engineering	861	-
50	Maintenance of Structures and Improvements	862	-
51	Maintenance of Mains	863	-
52	Maintenance of Measuring and Regulating Station Equip.	865	-
53	Maintenance of Communication Equipment	866	-
54	Total Transmission Maintenance Expenses		-
Distribution Expense - Operations			
55	Operation Supervision and Engineering	870	2,504
56	Distribution Load Dispatching	871	460
57	Mains and Services Expenses	874	10,457
58	Measuring and Regulating Station Expenses-General	875	541
59	Measuring and Regulating Station Expenses-Industrial	876	437
60	Measuring and Regulating Station Expenses-City Gate	877	168
61	Meter and House Regulator Expenses	878	1,950
62	Customer Installations Expenses	879	1,421
63	Other Expenses	880	3,120
64	Rents	881	71
65	Total Distribution Operation Expenses		21,129
Distribution Expense - Maintenance			
66	Maintenance Supervision and Engineering	885	775
67	Maintenance of Structures and Improvements	886	11
68	Maintenance of Mains	887	10,505
69	Maintenance of Measuring & Reg. Station Equip.-Genl.	889	243
70	Maintenance of Measuring & Reg. Station Equip.-Indtrl.	890	299
71	Maintenance of Measuring & Reg. Station Equip.-City G	891	588
72	Maintenance of Services	892	1,642
73	Maintenance of Meters & House Regulators	893	616
74	Maintenance of Other Equipment	894	121
75	Construction & Maintenance	895	(111)
76	Total Distribution Maintenance Expenses		14,689
Customer Accounts Expense - Operations			
78	Supervision	901	484
79	Meter Reading Expenses	902	929
80	Customer Records & Collection Expenses	903	8,918
81	Uncollectable Accounts	904	7,203
82	Miscellaneous Customer Accounts Expenses	905	422
83	Total Administrative & General		17,956

UGI Utilities, Inc. - Gas Division
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Schedule B-4
Witness: A. P. Kelly
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Operation and Maintenance Expenses

[1]

Line No	Description	Account No	Actual HY 9-30-15
Customer Service & Information Expense			
84	Supervision	907	126
85	Customer Assistance Expenses	908	928
86	Informational & Instructional Advertising Expenses	909	534
87	Miscellaneous Customer Service & Informational Exp.	910	150
88	Total Cust. Service & Inform. Operations Exp		<u>1,738</u>
89	Description		
Sales Expense			
90	Supervision	911	-
91	Demonstrating and Selling Expenses	912	718
92	Advertising Expenses	913	169
93	Miscellaneous Sales Expenses	916	92
94	Total Operation Sales Expenses		<u>979</u>
Administrative & General - Operations			
95	Administrative and General Salaries	920.0	9,846
96	Office Supplies and Expenses	921.0	8,044
97	Outside Service Employed	923.0	10,739
98	Property Insurance	924.0	171
99	Injuries and Damages	925.0	3,314
100	Employee Pensions and Benefits	926.0	9,810
101	Regulatory Commission Expenses	928.0	-
102	General Advertising Expenses	929.0	538
103	Miscellaneous General Expenses	930.1	2,394
104	Rents	930.2	387
105	Total A & G Operation Expenses		<u>45,243</u>
Administrative & General - Maintenance			
106	Maintenance of General Plant	932	1,504
107	Maintenance of General Plant	935	131
108	Total A & G Maintenance Expenses		<u>1,635</u>
109	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 345,367</u>
110	Total Gas Operation Expenses		329,043
111	Total Gas Maintenance Expense		16,324
112	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 345,367</u>

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Schedule B-5
 Witness: A. P. Kelly
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Detail of Taxes

[1]

Line No	Description	Reference	Actual HY 9-30-15
Taxes Other Than Income Taxes			
Non-revenue related:			
1	Pennsylvania - PURTA		401
2	Capital Stock		(15)
3	PA and Local Use taxes		171
4	Miscellaneous Taxes		84
5	Subtotal	Sum L 1 to L 4	641
Payroll Taxes			
6	FICA		2,690
7	SUTA		243
8	FUTA		21
9	Other		1,853
10	Subtotal	Sum L 6 to L 9	4,807
11	Total Taxes Other Than Income Taxes	L 5 + L 10	<u>\$ 5,448</u>
Income Taxes			
12	State		\$ 3,226
13	Federal		25,949
14	Total Income Taxes	L 12 + L 13	<u>\$ 29,175</u>

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Schedule B-6
 Witness: P. R. Moul
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Composite Cost of Debt

Line No	Description	[1] Amount Outstanding	[2] Percent to Total	[3] Effective Interest Rate	[4] Average Weighted Cost Rate [2] * [3]
Medium Term Notes					
1	7.37%, Due 2015	\$ 22,000	3.54%	7.44%	0.26%
2	7.25%, Due 2017	20,000	3.22%	5.72%	0.18%
3	6.50%, Due 2033	20,000	3.22%	6.29%	0.20%
4	6.133%, Due 2034	20,000	3.22%	7.32%	0.24%
5	5.64%, Due 2015	50,000	8.04%	5.72%	0.46%
6	6.169%, Due 2017	20,000	3.22%	6.56%	0.21%
7	5.67%, Due 2018	20,000	3.22%	6.19%	0.20%
Senior Unsecured Notes					
8	5.753% Due 2016	175,000	28.14%	5.82%	1.64%
9	6.206%, Due 2036	100,000	16.08%	6.32%	1.02%
10	4.98%, Due 2043	175,000	28.14%	5.00%	1.41%
11	Total Long-Term Debt	622,000	100.00%		5.82%
12	Total Long-Term Debt	\$ 622,000	90.72%	5.82%	5.28%
13	Total Short-Term Debt	63,617	9.28%	2.58%	0.24%
14	TOTAL	\$ 685,617	100.00%		
15	Weighted Cost of Debt				5.52%

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Schedule B-7
Witness: P. R. Moul
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Rate of Return

[1] [2] [3] [4]

Line No	Description	Capitalization Ratio	Embedded Cost	Statement Reference	Return-%
1	Long-Term Debt	39.12%	5.82%	B-6	2.28%
2	Short-Term Debt	4.00%	2.58%	B-6	0.10%
3	Common Equity	<u>56.88%</u>	11.00%		<u>6.26%</u>
4	Total	<u><u>100.00%</u></u>			<u><u>8.64%</u></u>

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Schedule C-1
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Measure of Value

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Schedule	# of Pages	Present Rates	Adjustments	Proposed Rates
<u>MEASURE OF VALUE</u>							
1	Utility Plant		C-2	11	\$ 1,375,700		\$ 1,375,700
2	Accumulated Depreciation		C-3	11	(427,660)		(427,660)
3	Net Plant in service	L 1 + L 2			948,040	-	948,040
4	Working Capital		C-4	9	18,074		18,074
5	Gas Inventory		C-5	1	21,730		21,730
6	Accumulated Deferred Income Taxes		C-6	1	(241,772)		(241,772)
7	Customer Deposits		C-7	1	(14,517)		(14,517)
8	Materials & Supplies		C-8	1	4,212		4,212
9	TOTAL MEASURE OF VALUE				<u>\$ 735,767</u>	<u>\$ -</u>	<u>\$ 735,767</u>

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Schedule C-2
Witness: A. P. Kelly
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Pro Forma Gas Plant in Service

[1]

[2]

Line No	Description	Account No	Pro Forma Year 9/30/2015
INTANGIBLE PLANT			
1	Organization	301	\$ 19
2	Franchise & Consent	302	28
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		47
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
NATURAL GAS STORAGE & PROCESSING			
18	Land & Land Rights	304	382
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		382

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Pro Forma Gas Plant in Service

Line No	Description	[1] Account No	[2] Pro Forma Year 9/30/2015
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	\$ -
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		<u>-</u>
DISTRIBUTION PLANT			
38	Land & Land Rights	374	2,273
39	Structures & Improvements	375	2,186
40	Mains	376	631,707
41	Measuring & Regulating Station Equipment	378	26,985
42	Measuring & Regulating Station Equipment	379	4,184
43	Services	380	507,887
44	Meters	381	54,219
45	Meter Installations	382	59,764
46	House Regulators	383	4,514
47	House Regulatory Installations	384	9,807
48	Industrial Measuring & Regulating Station Equipmer	385	6,372
49	Other Property	386	1,310
50	Other Equipment	387	3,392
51	TOTAL DISTRIBUTION		<u>1,314,600</u>
GENERAL PLANT			
52	Land & Land Rights	389	1,493
53	Structures & Improvements	390	27,275
54	Office Furniture & Equipment	391	21,190
55	Transportation Equipment	392	95
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	8,044
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,371
60	Communication Equipment	397	563
61	Miscellaneous Equipment	398	640
62	TOTAL GENERAL		<u>60,671</u>
63	Total Plant		<u>\$ 1,375,700</u>

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Schedule C-2
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Pro Forma Plant Adjustment Summary

Line #	Description	[1] Factor Or Reference	[2] Test Year 9/30/15	[3] Adjustments	[4] Pro Forma As Adjusted 09/30/15 [2] + [3]
1	INTANGIBLE PLANT	Sch C-2, Pg 4	\$ 47	\$ -	\$ 47
2	NATURAL GAS PRODUCTION & GATHERING	Sch C-2, Pg 4	-	-	-
3	NATURAL GAS STORAGE & PROCESSING	Sch C-2, Pg 4	382	-	382
4	TRANSMISSION PLANT	Sch C-2, Page 5	-	-	-
5	DISTRIBUTION PLANT	Sch C-2, Page 5	1,314,600	-	1,314,600
6	GENERAL PLANT	Sch C-2, Page 5	60,671	-	60,671
7	OTHER PLANT		-	-	-
8	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 7)	<u>1,375,700</u>	-	<u>1,375,700</u>
9	COMPLETED CONSTRUCTION NOT CLASSIFIED	G/L a/c # 106	-	-	-
10	PLANT-IN-SERVICE	L 8 + L 9	<u>1,375,700</u>	-	<u>1,375,700</u>
11	CONSTRUCTION WORK-IN-PROGRESS	G/L a/c # 107	-	-	-
12	OTHER		-	-	-
13	TOTAL UTILITY PLANT	Sum (L 10 to L 12)	<u><u>\$ 1,375,700</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,375,700</u></u>

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Schedule C-2
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Pro Forma Year End Plant Balances

Line #	Description	[1] Account Number	[2] Amount	[3] Pro Forma Adjustment	[4] Balance [2] + [3]
<u>INTANGIBLE PLANT</u>					
1	Organization	301	\$ 19	\$ -	\$ 19
2	Franchise & Consent	302	28	-	28
3	Miscellaneous Intangible Plant	303	-	-	-
4	TOTAL INTANGIBLE		47	-	47
<u>NATURAL GAS PRODUCTION & GATHERING</u>					
5	Producing Lands	325.1	-	-	-
6	Producing Leaseholds	325.2	-	-	-
7	Rights of Way	325.4	-	-	-
8	Other Land Rights	325.5	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-
10	Other Structures	329	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-
13	Field Lines	332	-	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-
16	Other Equipment	337	-	-	-
17	TOTAL PRODUCTION & GATHERING		-	-	-
<u>NATURAL GAS STORAGE & PROCESSING</u>					
18	Land & Land Rights	304	382	-	382
19	Production Plant-Manufactured Gas Plants	305	-	-	-
20	Land	350.1	-	-	-
21	Rights of Way	350.2	-	-	-
22	Structures & Improvements	351	-	-	-
23	Wells	352	-	-	-
24	Lines	353	-	-	-
25	Compressor Station Equipment	354	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-
27	Purification Equipment	356	-	-	-
28	Other Equipment	357	-	-	-
29	TOTAL PRODUCTION & PROCESSING		382	-	382

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Pro Forma Year End Plant Balances

		[1]	[2]	[3]	[4]
Line #	Description	Account Number	Amount	Pro Forma Adjustment	Balance [2] + [3]
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	-
31	Rights of Way	365.2	-	-	-
32	Structures & Improvements	366	-	-	-
33	Mains	367	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-
35	Communication Equipment	370	-	-	-
36	Other Equipment	371	-	-	-
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	<u>-</u>
DISTRIBUTION PLANT					
38	Land & Land Rights	374	2,273	-	2,273
39	Structures & Improvements	375	2,186	-	2,186
40	Mains	376	631,707	-	631,707
41	Measuring & Regulating Station Equipment	378	26,985	-	26,985
42	Measuring & Regulating Station Equipment	379	4,184	-	4,184
43	Services	380	507,887	-	507,887
44	Meters	381	54,219	-	54,219
45	Meter Installations	382	59,764	-	59,764
46	House Regulators	383	4,514	-	4,514
47	House Regulatory Installations	384	9,807	-	9,807
48	Industrial Measuring & Regulating Station Equipment	385	6,372	-	6,372
49	Other Property	386	1,310	-	1,310
50	Other Equipment	387	3,392	-	3,392
51	TOTAL DISTRIBUTION		<u>1,314,600</u>	<u>-</u>	<u>1,314,600</u>
GENERAL PLANT					
52	Land & Land Rights	389	1,493	-	1,493
53	Structures & Improvements	390	27,275	-	27,275
54	Office Furniture & Equipment	391	21,190	-	21,190
55	Transportation Equipment	392	95	-	95
56	Stores Equipment	393	-	-	-
57	Tools & Garage Equipment	394	8,044	-	8,044
58	Laboratory Equipment	395	-	-	-
59	Power Operated Equipment	396	1,371	-	1,371
60	Communication Equipment	397	563	-	563
61	Miscellaneous Equipment	398	640	-	640
62	Other Tangible Property	399	-	-	-
63	TOTAL GENERAL		<u>60,671</u>	<u>-</u>	<u>60,671</u>
64	Total Plant		<u>\$ 1,375,700</u>	<u>\$ -</u>	<u>\$ 1,375,700</u>

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Additions to Plant

[1] [2]

Line #	Description	Account Number	Amount
Plant Additions			
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>-</u>
<u>NATURAL GAS PRODUCTION & GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipmen	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
<u>NATURAL GAS STORAGE & PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		<u>-</u>

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Additions to Plant

[1] [2]

Line #	Description	Account Number	Amount
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		<u>-</u>
DISTRIBUTION PLANT			
38	Land & Land Rights	374	136
39	Structures & Improvements	375	6
40	Mains	376	44,604
41	Measuring & Regulating Station Equipment	378	2,189
42	Measuring & Regulating Station Equipment	379	-
43	Services	380	43,578
44	Meters	381	3,874
45	Meter Installations	382	2,709
46	House Regulators	383	-
47	House Regulatory Installations	384	457
48	Industrial Measuring & Regulating Station Equip	385	96
49	Other Property	386	2
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		<u>97,651</u>
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	2,570
54	Office Furniture & Equipment	391	3,045
55	Transportation Equipment	392	-
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	1,784
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	-
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	55
62	Other Tangible Property	399	-
62	TOTAL GENERAL		<u>7,454</u>
63	Total Plant		<u>\$ 105,105</u>

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Retirements

[1] [2]

Line #	Description	Account Number	Amount
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<u>NATURAL GAS PRODUCTION & GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<u>NATURAL GAS STORAGE & PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		-

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Retirements

[1] [2]

Line #	Description	Account Number	Amount
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	-
40	Mains	376	1,965
41	Measuring & Regulating Station Equipment	378	136
42	Measuring & Regulating Station Equipment	379	-
43	Services	380	6,048
44	Meters	381	840
45	Meter Installations	382	-
46	House Regulators	383	-
47	House Regulatory Installations	384	-
48	Industrial Measuring & Regulating Station Equipment	385	-
49	Other Property	386	-
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		8,989
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	1,449
54	Office Furniture & Equipment	391	2,116
55	Transportation Equipment	392	14
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	163
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	14
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	2
62	Other Tangible Property	399	-
63	TOTAL GENERAL		3,758
64	Total Plant		\$ 12,747

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Schedule
Witness:
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Accumulated Provision for Depreciation

<u>Line No</u>	<u>Description</u>	<u>[1]</u> <u>Account No</u>	<u>[2]</u> <u>Pro Forma Year</u> <u>9/30/2015</u>
	INTANGIBLE PLANT		
1	Organization	301	\$ -
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>-</u>
	NATURAL GAS PRODUCTION & GATHERING		
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
	NATURAL GAS STORAGE & PROCESSING		
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	(276)
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		<u>(276)</u>

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Accumulated Provision for Depreciation

Line No	Description	[1] Account No	[2] Pro Forma Year 9/30/2015
	TRANSMISSION PLANT		
30	Land & Land Rights	365	-
31	Rights of Way	365	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
	DISTRIBUTION PLANT		
38	Land & Land Rights	374	-
39	Structures & Improvements	375	1,389
40	Mains	376	183,210
41	Measuring & Regulating Station Equipment	378	6,598
42	Measuring & Regulating Station Equipment	379	3,166
43	Services	380	146,122
44	Meters	381	21,095
45	Meter Installations	382	21,543
46	House Regulators	383	1,269
47	House Regulatory Installations	384	4,073
48	Industrial Measuring & Regulating Station Equipment	385	3,705
49	Other Property	386	692
50	Other Equipment	387	2,591
51	TOTAL DISTRIBUTION		395,453
	GENERAL PLANT		
52	Land & Land Rights	389	-
53	Structures & Improvements	390	13,750
54	Office Furniture & Equipment	391	14,060
55	Transportation Equipment	392	89
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	2,686
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,287
60	Communication Equipment	397	361
61	Miscellaneous Equipment	398	250
62	TOTAL GENERAL		32,483
63	Total Plant		\$ 427,660

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Summary of Accumulated Depreciation

Line #	Description	[1] Factor Or Reference	[2] [3] [4] Test Year Ended September 30, 2015		
			Amount	Pro Forma Adjustment	Balance
1	INTANGIBLE PLANT	Sch C-3, Pg 4	\$ -	\$ -	\$ -
2	NATURAL GAS PRODUCTION & GATHERING	Sch C-3, Pg 4	-	-	-
3	NATURAL GAS STORAGE & PROCESSING	Sch C-3, Pg 4	(276)	-	(276)
4	TRANSMISSION PLANT	Sch C-3, Pg 5	-	-	-
5	DISTRIBUTION PLANT	Sch C-3, Pg 5	395,453	-	395,453
6	GENERAL PLANT	Sch C-3, Pg 5	32,483	-	32,483
7	OTHER PLANT		-	-	-
8	Sub-Total Accumulated Depreciation	Sum L 1 to L 7	427,660	-	427,660
9	COMPLETED CONSTRUCTION NOT CLASSIFIED		-	-	-
10	ACCUMULATED DEPRECIATION	L 8 + L 9	427,660	-	427,660
11	ACCUMULATED AMORTIZATION		-	-	-
12	TOTAL ACC DEPR & AMORTIZATION	L 10 + L 11	<u>\$ 427,660</u>	<u>\$ -</u>	<u>\$ 427,660</u>

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Accumulated Depreciation by FERC Account

Line #	Description	[1] Account Number	[2] Amount	[3] Pro Forma Adjustment	[4] Balance [2] + [3]
INTANGIBLE PLANT					
1	Organization	301	\$ -	\$ -	\$ -
2	Franchise & Consent	302	-	-	-
3	Miscellaneous Intangible Plant	303	-	-	-
4	TOTAL INTANGIBLE		-	-	-
NATURAL GAS PRODUCTION & GATHERING					
5	Producing Lands	325.1	-	-	-
6	Producing Leaseholds	325.2	-	-	-
7	Rights of Way	325.4	-	-	-
8	Other Land Rights	325.5	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-
10	Other Structures	329	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-
13	Field Lines	332	-	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-
16	Other Equipment	337	-	-	-
17	TOTAL PRODUCTION & GATHERING		-	-	-
NATURAL GAS STORAGE & PROCESSING					
18	Land & Land Plants	304	-	-	-
19	Production Plant-Manufactured Gas Plants	305	(276)	-	(276)
20	Land & Land Plants	350.2	-	-	-
21	Rights of Way	350.2	-	-	-
22	Structures & Improvements	351	-	-	-
23	Wells	352	-	-	-
24	Lines	353	-	-	-
25	Compressor Station Equipment	354	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-
27	Purification Equipment	356	-	-	-
28	Other Equipment	357	-	-	-
29	TOTAL PRODUCTION & PROCESSING		(276)	-	(276)

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Accumulated Depreciation by FERC Account

Line #	Description	[1] Account Number	[2] Amount	[3] Pro Forma Adjustment	[4] Balance [2] + [3]
TRANSMISSION PLANT					
30	Land & Land Rights	365.1	-	-	-
31	Rights of Way	365.2	-	-	-
32	Structures & Improvements	366	-	-	-
33	Mains	367	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-
35	Communication Equipment	370	-	-	-
36	Other Equipment	371	-	-	-
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	<u>-</u>
DISTRIBUTION PLANT					
38	Land & Land Rights	374	-	-	-
39	Structures & Improvements	375	1,389	-	1,389
40	Mains	376	183,210	-	183,210
41	Measuring & Regulating Station Equipment	378	6,598	-	6,598
42	Measuring & Regulating Station Equipment	379	3,166	-	3,166
43	Services	380	146,122	-	146,122
44	Meters	381	21,095	-	21,095
45	Meter Installations	382	21,543	-	21,543
46	House Regulators	383	1,269	-	1,269
47	House Regulatory Installations	384	4,073	-	4,073
48	Industrial Measuring & Regulating Station Equipmen	385	3,705	-	3,705
49	Other Property	386	692	-	692
50	Other Equipment	387	2,591	-	2,591
51	TOTAL DISTRIBUTION		<u>395,453</u>	<u>-</u>	<u>395,453</u>
GENERAL PLANT					
52	Land & Land Rights	389	-	-	-
53	Structures & Improvements	390	13,750	-	13,750
54	Office Furniture & Equipment	391	14,060	-	14,060
55	Transportation Equipment	392	89	-	89
56	Stores Equipment	393	-	-	-
57	Tools & Garage Equipment	394	2,686	-	2,686
58	Laboratory Equipment	395	-	-	-
59	Power Operated Equipment	396	1,287	-	1,287
60	Communication Equipment	397	361	-	361
61	Miscellaneous Equipment	398	250	-	250
62	Other Tangible Property	399	-	-	-
63	TOTAL GENERAL		<u>32,483</u>	<u>-</u>	<u>32,483</u>
64	Total Plant		<u>\$ 427,660</u>	<u>\$ -</u>	<u>\$ 427,660</u>

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Cost of Removal

[1]

[2]

Line #	Description	Account Number	Amount
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<u>NATURAL GAS PRODUCTION & GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<u>NATURAL GAS STORAGE & PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	206
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		206

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Cost of Removal

[1]

[2]

Line #	Description	Account Number	Amount
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	-
40	Mains	376	292
41	Measuring & Regulating Station Equipment	378	125
42	Measuring & Regulating Station Equipment	379	-
43	Services	380	4,359
44	Meters	381	-
45	Meter Installations	382	6
46	House Regulators	383	793
47	House Regulatory Installations	384	5
48	Industrial Measuring & Regulating Station Equipment	385	-
49	Other Property	386	3
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		5,583
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	244
54	Office Furniture & Equipment	391	-
55	Transportation Equipment	392	-
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	-
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	-
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	-
62	Other Tangible Property	399	-
63	TOTAL GENERAL		244
64	Total Plant		\$ 6,033

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Negative Net Salvage Amortization

[1]

[2]

Line #	Description	Account Number	Amount
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<u>NATURAL GAS PRODUCTION & GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<u>NATURAL GAS STORAGE & PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	216
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		216

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Negative Net Salvage Amortization

[1]

[2]

Line #	Description	Account Number	Amount
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		<u>-</u>
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	-
40	Mains	376	347
41	Measuring & Regulating Station Equipment	378	64
42	Measuring & Regulating Station Equipment	379	-
43	Services	380	2,561
44	Meters	381	1
45	Meter Installations	382	11
46	House Regulators	383	228
47	House Regulatory Installations	384	7
48	Industrial Measuring & Regulating Station Equipmen	385	-
49	Other Property	386	1
50	Other Equipment	387	1
51	TOTAL DISTRIBUTION		<u>3,221</u>
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	79
54	Office Furniture & Equipment	391	(11)
55	Transportation Equipment	392	(3)
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	(3)
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	-
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	-
62	Other Tangible Property	399	-
63	TOTAL GENERAL		<u>62</u>
64	Total Plant		<u>\$ 3,499</u>

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Salvage

[1]

[2]

Line #	Description	Account Number	Amount
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<u>NATURAL GAS PRODUCTION & GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<u>NATURAL GAS STORAGE & PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		-

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Salvage

[1]

[2]

Line #	Description	Account Number	Amount
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	-
40	Mains	376	-
41	Measuring & Regulating Station Equipment	378	(31)
42	Measuring & Regulating Station Equipment	379	-
43	Services	380	-
44	Meters	381	-
45	Meter Installations	382	-
46	House Regulators	383	-
47	House Regulatory Installations	384	-
48	Industrial Measuring & Regulating Station Equipmen	385	-
49	Other Property	386	-
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		(31)
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	-
54	Office Furniture & Equipment	391	-
55	Transportation Equipment	392	(3)
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	-
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	-
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	-
62	Other Tangible Property	399	-
63	TOTAL GENERAL		(3)
64	Total Plant		\$ (34)

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Working Capital

Line No	Description	[1] Historic Year 2015	[2] Reference
1	Working Capital for O & M Expense	\$ 15,495	C-4, Page 2
2	Interest Payments	(1,660)	C-4, Page 7
3	Tax Payment Lag Calculations	1,677	C-4, Page 8
4	Prepaid Expenses	2,562	C-4, Page 9
5	Total Cash Working Capital Requirements	\$ 18,074	

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Summary of Working Capital

Line #	Description	Reference	Test Year Expenses	Factor	Number of (Lead) / Lag Days	Totals
		[1]	[2]	[3]	[4]	[5]
					[2] * [3]	
WORKING CAPITAL REQUIREMENT						
1	REVENUE LAG DAYS	Page 3				55.07
2	EXPENSE LAG DAYS	Page 4				
3	Payroll	Sch D-7	\$ 35,237	12.00	\$ 422,844	
4	Commodity Purchased	Sch D-6	135,023	36.71	4,956,910	
5	Other Expenses	L 19 - L 2 to L 4	60,015	27.44	1,646,812	
6	Total	Sum (L 3 to L 5)	<u>\$ 230,275</u>		<u>\$ 7,026,566</u>	
7	O & M Expense Lag Days	L 6, C 4 / C 2				30.51
8	Net (Lead) Lag Days	L 1 - L 7				24.56
9	Operating Expenses Per Day	L 6, C 2 / 365				<u>\$ 631</u>
10	Working Capital for O & M Expense	L 8 * L 9				\$ 15,495
11	Interest Payments	Page 7				(1,660)
12	Tax Payment Lag Calculations	Page 8				1,677
13	Prepaid Expenses	Page 9				2,562
14	Total Working Capital Requirement	Sum (L 10 to L 13)				<u>\$ 18,074</u>
15	Pro Forma O & M Expense		\$ 235,960			
	Less:					
16	Uncollectible Expense		5,685			
17	Other					
18	Sub-Total	L 16 + L 17	<u>5,685</u>			
19	Pro Forma Cash O&M Expense	L 17 - L 22	<u>\$ 230,275</u>			

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Revenue Lag

Line No.	Description	[1] Reference Or Factor	[2] Accounts Receivable Balance End of Month	[3] Total Monthly Sales Page 2	[4] A/R Turnover [3] / [2]	[5] Days Lag 365 / [4]
1	Annual Number of Days					<u>365</u>
2	September, 2014		\$ 22,117			
3	October		17,354	17,346		
4	November		28,542	32,455		
5	December, 2014		49,287	59,627		
6	January, 2015		68,226	70,976		
7	February		85,929	78,256		
8	March		88,021	75,588		
9	April		68,453	40,619		
10	May		50,741	19,096		
11	June		40,641	15,208		
12	July		33,163	14,587		
13	August		24,462	12,816		
14	September, 2015		19,021	13,473		
15	Total	Sum L 2 to L 14	<u>\$595,957</u>			
16	Number of Months	<u>13</u>				
17	Average Acct Rec Balance	L 15 / L 16	<u>\$45,843</u>			
18	Total Sales for Year	Sum L 2 to L 14		<u>\$ 450,047</u>		
19	Acct Rec Turnover Ratio	L 18 / L 17			<u>9.82</u>	
20	Collection Lag Day Factor	L 1 / L 19				37.17
21	Meter Read Lag Factor					2.69
22	Midpoint Lag Factor		365 /	12 /	2 =	<u>15.21</u>
23	Total Revenue Lag Days	Sum L 20 to L 22				<u>55.07</u>

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Summary of Expense Lag Calculations

Line No.	Description	[1] Reference Or Factor	[2] Amount	[3] (Lead) / Lag Days	[4] Weighted Dollar Value [2] * [3]	[5] (Lead) / Lag Days [4] / [2]
<u>PAYROLL</u>						
1	Union Payrolls	Bi-Weekly	\$ 14,383	12.00		
2	Exempt & Non-Exempt	Bi-Weekly	20,536	12.00		
3	Weighted for Union	L1, C2 * C3			\$ 172,596	
4	Weighted for Other	L2, C2 * C3			<u>246,432</u>	
5	Payroll Lag	L 3 + L 4	<u>\$ 34,919</u>		<u>\$ 419,028</u>	
6	Payroll Lag Days	C 4 / C 2				<u>12.00</u>
<u>PURCHASE GAS COSTS</u>						
7	Payment Lag	Page 6	<u>\$ 190,060</u>		<u>\$ 6,977,415</u>	
8	Gas Cost Lag Days	C 4 / C 2				<u>36.71</u>
<u>OTHER O & M EXPENSES</u>						
9	JANUARY 2015	Page 5	6,906		210,713	
10	MARCH 2015	Page 5	6,408		169,762	
11	JUNE 2015	Page 5	6,388		157,958	
12	SEPTEMBER 2015	Page 5	7,281		201,991	
13	TOTAL		<u>26,983</u>		<u>740,424</u>	
14	Other O&M Expense Lag Days	C 4 / C 2				<u>27.44</u>

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General Disbursements Payment Lag Summary

Line #	Description	[1] Number of CDs	[2] Cash Disbursements	[3] Dollar-Days	[4] Expense Lag-Days [3]/[2]
<u>JANUARY 2015</u>					
1	Total Disbursements for Month	<u>4,387</u>	<u>\$ 33,924</u>		
2	Total Disbursements for Expenses	<u>2,109</u>	<u>\$ 6,906</u>	<u>\$ 210,713</u>	<u>30.51</u>
<u>MARCH 2015</u>					
3	Total Disbursements for Month	<u>4,034</u>	<u>\$ 34,788</u>		
4	Total Disbursements for Expenses	<u>2,217</u>	<u>\$ 6,408</u>	<u>\$ 169,762</u>	<u>26.49</u>
<u>JUNE 2015</u>					
5	Total Disbursements for Month	<u>4,819</u>	<u>\$ 23,077</u>		
6	Total Disbursements for Expenses	<u>2,427</u>	<u>\$ 6,388</u>	<u>\$ 157,958</u>	<u>24.73</u>
<u>SEPTEMBER 2015</u>					
7	Total Disbursements for Month	<u>5,081</u>	<u>\$ 27,877</u>		
8	Total Disbursements for Expenses	<u>2,335</u>	<u>\$ 7,281</u>	<u>\$ 201,991</u>	<u>27.74</u>
<u>TOTAL FOUR TEST MONTHS</u>					
9	Total Test Month Expense Disbursement (L 2 + L 4 + L 6 + L 8)	<u>9088</u>	<u>\$ 26,983</u>	<u>\$ 740,424</u>	<u>27.44</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015

Schedule C-4
Witness: A. P. Kelly
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Purchase Gas Cost Payment Lag Summary

Line #	Description	[1] Number of Invoices	[2] Amount of Invoices	[3] Dollar Days	[4] Total Payment Lag-Days
1	October 2014	23	\$ 11,771	\$ 449,126	38.16
2	November	19	8,977	353,889	39.42
3	December	31	23,296	766,156	32.89
4	January 2015	26	21,084	678,725	32.19
5	February	30	29,534	1,088,896	36.87
6	March	38	34,867	1,311,988	37.63
7	April	28	15,666	640,892	40.91
8	May	29	11,328	434,701	38.37
9	June	19	7,835	279,096	35.62
10	July	20	8,163	306,544	37.55
11	August	22	8,403	315,182	37.51
12	September 2015	20	<u>9,136</u>	<u>352,220</u>	38.55
13	Total	Sum (L 1 to L 11)	<u>\$ 190,060</u>	<u>\$ 6,977,415</u>	
14	Purchase Gas Lag Days	C 3 / C 2			<u>36.71</u>

UGI Utilities, Inc. - Gas Division
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Schedule C-4
Witness: A. P. Kelly
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Interest Payments

Line No.	Description	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1	Measures of Value at December 31, 2015	Sch C-1			\$ 735,767
2	Long-term Debt Ratio	Sch B-6			39.12%
3	Embedded Cost of Long-term Debt	Sch B-6			5.82%
4	Pro forma Interest Expense	L 1 * L 2 * L 3			<u>\$ 16,752</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 46
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days	Page 3		55.07	
8	Interest Payment lag days	L 7 - L 6			(36.2)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (1,660)</u>

UGI Utilities, Inc. - Gas Division
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Schedule C-4
 Witness: A. P. Kelly
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Tax Lag Day Calculations

Line #	Description	[1] Payment Dates	[2] Mid-Point of Service Period	[3] Lead (Lag) Payment Days [1] - [2]	[4] Payment Amount	[5] Weighted Lead (Lag) Dollars [3] * [4]	[6] Payment Lead (Lag) Days [5] / [4]	[7] Revenue (Lag) Days	[8] Net Payment Lead (Lag) Days [6] - [7]	[9] Total Dollar Days	[10] Working Capital Amount
											365
1	FEDERAL INCOME TAX				\$ 22,526						
2	First Payment	01/05/15	04/01/15	86.00	\$ 5,631	484,300					
3	Second Payment	03/15/15	04/01/15	17.00	5,631	95,734					
4	Third Payment	06/15/15	04/01/15	(75.00)	5,631	(422,355)					
5	Fourth Payment	09/15/15	04/01/15	(167.00)	5,631	(940,443)					
6	Total				\$ 22,526	\$ (782,764)	(34.75)	(55.07)	20.32	\$ 457,720	\$ 1,254
7	STATE INCOME TAX				\$ 5,607						
8	First Payment	12/15/14	04/01/15	107.00	\$ 1,402	149,985					
9	Second Payment	03/15/15	04/01/15	17.00	1,402	23,829					
10	Third Payment	06/15/15	04/01/15	(75.00)	1,402	(105,130)					
11	Fourth Payment	09/15/15	04/01/15	(167.00)	1,402	(234,089)					
12	Total				\$ 5,607	(165,404)	(29.50)	(55.07)	25.57	\$ 143,369	\$ 393
13	PA CAPITAL STOCK TAX				\$ 269						
14	First Payment	12/15/14	04/01/15	107.00	\$ 67	7,196					
15	Second Payment	03/15/15	04/01/15	17.00	67	1,143					
16	Third Payment	06/15/15	04/01/15	(75.00)	67	(5,044)					
17	Fourth Payment	09/15/15	04/01/15	(167.00)	67	(11,231)					
18	Total				\$ 269	(7,936)	(29.50)	(55.07)	25.57	\$ 6,878	\$ 19
19	PA PROPERTY TAX				\$ 171						
20	First Payment	03/31/15	04/01/15	1.00	\$ 86	86					
21	Second Payment	09/30/15	04/01/15	(182.00)	86	(15,561)					
22	Total				\$ 171	(15,476)	(90.50)	(55.07)	(35.43)	\$ (6,059)	\$ (17)
23	PURTA				\$ 401						
24	Payment	05/01/15	04/01/15	(30.00)	\$ 401	(12,030)	(30.00)	(55.07)	25.07	\$ 10,053	\$ 28
25	Total Working Capital For Other Taxes										\$ 1,677

UGI Utilities, Inc. - Gas Division
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Schedule C-4
 Witness: A. P. Kelly
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Prepaid Expenses

Line #	[1] Description	[2] TOTAL	[3] Insurance	[4] PUC Assessment	[5] Property Taxes	[6] Subscriptions	[7] Postage	[8] Rent	[9] Maintenance & Services
1	September, 2014	3,964	\$ 1,188	\$ 1,398	\$ 118	\$ 18	\$ 2	\$ -	\$ 1,240
2	October	3,674	1,050	1,242	104	52	12	-	1,214
3	November	3,283	912	1,087	90	26	15	-	1,153
4	December, 2014	2,927	796	932	77	-	13	-	1,109
5	January, 2015	2,701	654	776	80	98	12	-	1,081
6	February	2,323	512	621	88	72	14	15	1,001
7	March	1,898	370	466	78	46	13	15	910
8	April	1,838	229	311	76	82	38	15	1,087
9	May	1,591	347	155	62	56	10	15	946
10	June	1,635	233	-	48	30	15	15	1,294
11	July	1,801	391	(155)	158	67	7	15	1,318
12	August	1,475	243	(311)	147	41	12	15	1,328
13	September, 2015	4,199	1,340	1,365	132	15	6	15	1,326
14	TOTAL	\$ 33,309	\$ 8,265	\$ 7,887	\$ 1,258	\$ 603	\$ 169	\$ 120	\$ 15,007
15	Percent to Gas		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
16	Amount to Gas		\$ 8,265	\$ 7,887	\$ 1,258	\$ 603	\$ 169	\$ 120	\$ 15,007
17	Monthly Average	13	\$ 636	\$ 607	\$ 97	\$ 46	\$ 13	\$ 9	\$ 1,154
18	Rate Case Amount		\$ 2,562						

UGI Utilities, Inc. - Gas Division
 Before the Pennsylvania Public Utility Commission
 Historic Year - 12 Months Ended September 30, 2015
 (\$ in Thousands)

Schedule C-5
 Witness: A. P. Kelly
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Gas Inventory					
Line #	Description	[1] Factor Or Reference	[2] Stored Underground	[3] Other	[4] Total [2] + [3]
1	September, 2014		\$ 40,011		\$ 40,011
2	October		46,144		46,144
3	November		43,472		43,472
4	December, 2014		34,589		34,589
5	January, 2015		21,572		21,572
6	February		8,661		8,661
7	March		3,147		3,147
8	April		6,238		6,238
9	May		8,778		8,778
10	June		11,650		11,650
11	July		15,314		15,314
12	August		19,540		19,540
13	September, 2015		23,368		23,368
14	Total	Sum (L 1 to L 13)	<u>\$ 282,484</u>	<u>\$ -</u>	<u>\$ 282,484</u>
15	Number of Months		<u>13</u>	<u>13</u>	<u>13</u>
16	Average Monthly Balance	L 14 / L 15	<u>\$ 21,730</u>	<u>\$ -</u>	<u>\$ 21,730</u>

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule C-6
Witness: N. M. McKinney
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Accumulated Deferred Income Taxes

Line #	Description	Factor Or Reference	[1] Percent	[2] Amount	[3] Total
1	<u>Accumulated Deferred Income Tax</u>				
2	Gas Utility Plant - a/c # 282			\$ 200,944	
3	Sub-total				200,944
4	ADIT on CIAC			(14,110)	
5	ADIT for Repairs Tax Deduction			<u>46,318</u>	
6	Sub-total				<u>32,208</u>
7	Federal ADIT				233,153
8	State ADIT for Repairs Tax Deduction				<u>8,619</u>
9	State ADIT				8,619
10	Total at September 30, 2015				<u>\$ 241,772</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule C-7
Witness: A. P. Kelly
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Customer Deposits

[1]

<u>Line</u> <u>#</u>	<u>Description</u>	<u>Factor</u> <u>Or</u> <u>Reference</u>	<u>Balance</u> <u>At End</u> <u>Of Month</u>
1	September, 2015		<u>\$ 14,517</u>

UGI Utilities, Inc. - Gas Division
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Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule C-8
Witness: A. P. Kelly
 Page 1 of 1

Materials & Supplies

Line #	Description	Factor Or Reference	[1] Materials & Supplies	[2] Undistributed Stores Expense	[3] Total
1	September, 2015		\$ 4,212	\$ -	<u>\$ 4,212</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-1
Witness: A. P. Kelly
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Summary of Revenue and Expenses
Pro Forma with Proposed Revenue Increase

Line #	Description	Factor Or Reference	Pro Forma Historic Year Ended September 30, 2015		
			[1] At Present Rates	[2] Rate Increase	[3] At Proposed Rates
OPERATING REVENUES					
1	Customer & Distribution Revenue		\$ 205,337	\$ -	\$ 205,337
2	Gas Supply & Cost Adjustment Revenue		135,272	-	135,272
3	Other Revenues		7,151	-	7,151
4	Revenue Increase		-	15,903	15,903
5	Total operating revenues		<u>347,760</u>	<u>15,903</u>	<u>363,663</u>
OPERATING EXPENSES					
6	Manufactured Gas		71	-	71
7	Gas Supply Production		135,023	-	135,023
8	Transmission		(158)	-	(158)
9	Distribution		35,720	-	35,720
10	Customer Accounts		10,819	-	10,819
11	Uncollectible Expense		5,685	265	5,950
12	Customer Information & Services		1,748	-	1,748
13	Sales		985	-	985
14	Administrative & General		46,067	-	46,067
15	Depreciation & Amortization		32,850	-	32,850
16	Taxes other than income taxes		5,765	-	5,765
17	Total operating expenses		<u>274,575</u>	<u>265</u>	<u>274,840</u>
18	Net operating income Before Income Tax		73,185	15,638	88,823
<u>Income Taxes</u>					
19	Pro Forma Income Tax At Present Rates		21,644		21,644
20	Pro Forma Income Tax on Revenue Increase			6,488	6,488
21	Net Operating Income		<u>\$ 51,541</u>	<u>\$ 9,149</u>	<u>\$ 60,690</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-2
Witness: A. P. Kelly
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Summary of Pro Forma Revenue and Expense
Adjustments with Proposed Revenue Increase

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Factor Or Reference	Pro Forma Historic Year Recorded	Adjustments Sch D-3 Increase (Decrease)	As Adjusted And Allocated [2] + [3]	Proposed Increase	Pro Forma Test Year With Proposed Increase [4] + [5]
<u>OPERATING REVENUES</u>							
1	Residential (R/RT)	480	\$ 246,868	\$ (49,629)	\$ 197,239		\$ 197,239
2	Comm & Ind (N/NT)	481	129,424	(34,519)	94,905		94,905
3	Comm & Ind (DS)	489	19,978	(6,519)	13,459		13,459
4	Lg Transport/Other	489	31,678	(3,860)	27,818		27,818
5	Interruptible	489	20,379	(13,191)	7,188		7,188
6	Forfeited Discounts	487	2,881	-	2,881		2,881
7	Miscellaneous Service Revenues	488	3,517	-	3,517		3,517
8	Off System Revenues	496	43,322	(43,322)	-		-
9	Rent from Gas Properties	493	154	-	154		154
10	Other Revenues	495	599	-	599		599
11	Rate Increase			-	-	15,903	15,903
12	Total operating revenues		<u>498,800</u>	<u>(151,040)</u>	<u>347,760</u>	<u>15,903</u>	<u>363,663</u>
<u>OPERATING EXPENSES</u>							
13	Gas Production		70	1	71		71
14	Gas Supply Production		241,928	(106,905)	135,023		135,023
15	Transmission		-	(158)	(158)		(158)
16	Distribution		35,818	(98)	35,720		35,720
17	Customer Accounts		10,753	66	10,819		10,819
18	Uncollectible Expense	1.669%	7,203	(1,518)	5,685	265	5,950
19	Customer Information & Services		1,738	10	1,748		1,748
20	Sales		979	6	985		985
21	Administrative & General		46,878	(811)	46,067		46,067
22	Depreciation & Amortization		31,844	1,006	32,850		32,850
23	Taxes other than income taxes		5,448	317	5,765		5,765
24	Total operating expenses		<u>382,659</u>	<u>(108,084)</u>	<u>274,575</u>	<u>265</u>	<u>274,840</u>
25	Net Operating Income - OBIT		116,141	(42,956)	73,185	15,638	88,823

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-3
Witness: A. P. Kelly
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Summary of Pro Forma Adjustments

Line #	Description	As Budgeted And Allocated	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
			Company Use Fuel	Revenues	Gas Costs	Salaries & Wages	Adjustments	Salary Annualization	Rate Case	Uncollectibles Expense	2014 Right of Way	UNITE Project	Sub-Total Adjustments	Total Proforma	
			D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12	D-13			
OPERATING REVENUES															
Customer & Distribution Revenue															
1	Residential (R/RT)	480	\$ 114,254		\$ (11,511)									\$ (11,511)	\$ 102,743
2	Comm & Ind (N/NT)	481	69,576		(13,345)									(13,345)	56,231
3	Comm & Ind (DS)	489	16,137		(3,291)									(3,291)	12,846
4	Lg Transport/Other	489	30,983		(2,366)									(2,366)	28,617
5	Interruptible	489	18,091		(13,191)									(13,191)	4,900
Revenue for Cost of Gas															
6	Residential (R/RT)	480	132,614		(38,118)									(38,118)	94,496
7	Comm & Ind (N/NT)	481	59,848		(21,174)									(21,174)	38,674
8	Comm & Ind (DS)	489	3,841		(3,228)									(3,228)	613
9	Lg Transport/Other	489	695		(1,494)									(1,494)	(799)
10	Interruptible Transport	489	2,288		(0)									(0)	2,288
11	Forfeited Discounts	487	2,881		-									-	2,881
12	Miscellaneous Service Revenues	488	3,517		-									-	3,517
13	Off System Revenues	496	43,322		(43,322)									(43,322)	-
14	Rent from Gas Properties	493	154		-									-	154
15	Other Revenues	495	599		-									-	599
16	Rate Increase														-
17	Total operating revenues		\$ 498,800	\$ -	\$ (151,040)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (151,040)	\$ 347,760
OPERATING EXPENSES															
18	Gas Production		\$ 70				\$ 1							\$ 1	\$ 71
19	Gas Supply Production		241,928	431		(107,336)								(106,905)	135,023
20	Transmission		-	(158)										(158)	(158)
21	Distribution		35,818	(108)			188					(178)		(98)	35,720
22	Customer Accounts		10,753				66							66	10,819
23	Uncollectible Expense		7,203							(1,518)				(1,518)	5,685
24	Customer Information & Services		1,738				10							10	1,748
25	Sales		979				6							6	985
26	Administrative & General		46,878	(165)			115	-	664	628			(2,053)	(811)	46,067
27	Depreciation & Amortization		31,844											-	31,844
28	Taxes other than income taxes		5,448											-	5,448
29	Total operating expenses		\$ 382,659	\$ -	\$ -	\$ (107,336)	\$ 386	\$ -	\$ 664	\$ 628	\$ (1,518)	\$ (178)	\$ (2,053)	\$ (109,407)	\$ 273,252
30	Net operating income Before Income Tax		\$ 116,141	\$ -	\$ (151,040)	\$ 107,336	\$ (386)	\$ -	\$ (664)	\$ (628)	\$ 1,518	\$ 178	\$ 2,053	\$ (41,633)	\$ 74,508

UGI Utilities, Inc. - Gas Division
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 (\$ in Thousands)

Schedule D-3
 Witness: A. P. Kelly
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Summary of Pro Forma Adjustments

Line #	Description	From Page 1 Sub-total	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
			Adjustments	Adjustments	Depreciation D-21	Taxes Other Than Income D-31	TOTAL Adjusted							
OPERATING REVENUES														
31	Customer & Distribution Revenue													
32	Residential (R/RT)	480	\$ 102,743											\$ 102,743
33	Comm & Ind (N/NT)	481	56,231											56,231
34	Comm & Ind (DS)	489	12,846											12,846
35	Lg Transport/Other	489	28,617											28,617
36	Interruptible	489	4,900											4,900
Revenue for Cost of Gas														
37	Residential (R/RT)	480	94,496											94,496
38	Comm & Ind (N/NT)	481	38,674											38,674
39	Comm & Ind (DS)	489	613											613
40	Lg Transport/Other	489	(799)											(799)
41	Interruptible Transport	489	2,288											2,288
42	Forfeited Discounts	487	2,881											2,881
43	Miscellaneous Service Revenues	488	3,517											3,517
44	Off System Revenues	496	-											-
45	Rent from Gas Properties	493	154											154
46	Other Revenues	495	599											599
47	Rate Increase		-											-
48	Total operating revenues		347,760	-	-	-	-	-	-	-	-	-	-	347,760
OPERATING EXPENSES														
49	Gas Production		71											71
50	Gas Supply Production		135,023											135,023
51	Transmission		(158)											(158)
52	Distribution		35,720											35,720
53	Customer Accounts		10,819											10,819
54	Uncollectible Expense		5,685											5,685
55	Customer Information & Services		1,748											1,748
56	Sales		985											985
57	Administrative & General		46,067											46,067
58	Depreciation & Amortization		31,844							1,006				32,850
59	Taxes other than income taxes		5,448									317		5,765
60	Total operating expenses		273,252	-	-	-	-	-	-	1,006	317	-	-	274,575
61	Net operating income Before Income Tax		74,508	-	-	-	-	-	-	(1,006)	(317)	-	-	73,185

UGI Utilities, Inc. - Gas Division
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(\$ in Thousands)

Schedule D-4
 Witness: A. P. Kelly
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Company Use of Fuel

Line #	Description	[1]	[2]	[3]
1	Remove Company Use of Fuel	a/c 859.001	\$ (158)	
2	Remove Company Use of Fuel	a/c 880.001	(108)	
3	Remove Company Use of Fuel	a/c 930.201	(165)	
4				(431)

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-5
Witness: D. E. Lahoff
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Adjustment - Revenue Adjustments

[1] [2] [3] [4] [5] [6]

PRO FORMA ADJUSTMENTS

Line #	Description	Reference Or Account Number	2015 Actual	<u>Rev Adj For HY</u> D-5A	<u>Off System Sales</u> D-5C	Total Proforma Adjustments	Proforma Adjusted At Present Rates
Customer & Distribution Revenue							
1	Residential (R/RT)	480	\$ 114,254	\$ (11,511)		\$ (11,511)	\$ 102,743
2	Comm & Ind (N/NT)	481	69,576	(13,345)		(13,345)	56,231
3	Comm & Ind (DS)	489	16,137	(3,291)		(3,291)	12,846
4	Lg Transport/Other	489	30,983	(2,366)		(2,366)	28,617
5	Interruptible	489	18,091	(13,191)		(13,191)	4,900
6	Cust Chg & Distrib Revenue		249,041	(43,704)	-	(43,704)	205,337
Revenue for Cost of Gas							
7	Residential (R/RT)	480	132,614	(38,118)		(38,118)	94,496
8	Comm & Ind (N/NT)	481	59,848	(21,174)		(21,174)	38,674
9	Comm & Ind (DS)	489	3,841	(3,228)		(3,228)	613
10	Lg Transport/Other	489	695	(1,494)		(1,494)	(799)
11	Interruptible Transport	489	2,288	(0)		(0)	2,288
12	Revenue for Cost of Gas		199,286	(64,014)	-	(64,014)	135,272
13	Total Customer Revenue		448,327	(107,718)	-	(107,718)	340,609
14	Forfeited Discounts	487	2,881			-	2,881
15	Miscellaneous Service Revenues	488	3,517			-	3,517
16	Off System Revenue	489.3	43,322		(43,322)	(43,322)	-
17	Rent from Gas Properties	489	154			-	154
18	Other Revenues	495	599			-	599
19	TOTAL REVENUES		<u>\$ 498,800</u>	<u>\$ (107,718)</u>	<u>\$ (43,322)</u>	<u>\$ (151,040)</u>	<u>\$ 347,760</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-5A
Witness: D. E. Lahoff
Page 1 of 1

Adjustment - Test Year Revenue Change

Line #	Description	[1]	[2]	[3]	[4]	[5]
#	Description		Recorded Amount	Revised	Adjustment	
					[3] - [2]	
<u>TOTAL REVENUE</u>						
1	Residential (R/RT)		246,868	197,239	(49,629)	
2	Comm & Ind (N/NT)		130,119	95,600	(34,519)	
3	Comm & Ind (DS)		19,978	13,459	(6,519)	
4	Lg Transport/Other		33,271	29,411	(3,860)	
5	Interruptible		18,091	4,900	(13,191)	
6						
7	Total		448,327	340,609	(107,718)	
<u>GAS COST /PGC FLOWBACK</u>						
8	Residential (R/RT)		132,614	94,496	(38,118)	
9	Comm & Ind (N/NT)		60,543	39,369	(21,174)	
10	Comm & Ind (DS)		3,841	613	(3,228)	
11	Lg Transport/Other		2,288	794	(1,494)	
12	Interruptible		0	(0)	(0)	
13						
14	Total		199,286	135,272	(64,014)	
<u>NET CUSTOMER & DISTRIBUTION</u>						
15	Residential (R/RT)		114,254	102,743	(11,511)	
16	Comm & Ind (N/NT)		69,576	56,231	(13,345)	
17	Comm & Ind (DS)		16,137	12,846	(3,291)	
18	Lg Transport/Other		30,983	28,617	(2,366)	
19	Interruptible		18,091	4,900	(13,191)	
20						
21	Total		249,041	205,337	(43,704)	

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-5C
 Witness: D. E. Lahoff
 Page 1 of 1

Adjustment - Other Revenue Items

Line #	Description	[1] Reference	[2] Amount	[3] Sub-Total
<u>REVENUE</u>				
1	Off System Sales		\$ 43,322	
2	Total revenue Adjustment			\$ 43,322
 <u>GAS COSTS</u>				
3	Off System Sales		\$ 43,322	
4	Total Gas Cost Adjustment			\$ 43,322

UGI Utilities, Inc. - Gas Division
 Before the Pennsylvania Public Utility Commission
 Historic Year - 12 Months Ended September 30, 2015
 (\$ in Thousands)

Schedule D-6
 Witness: D. E. Lahoff
 Page 1 of 1

Adjustment - Gas Costs

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]
		Reference Or Account Number	Historic Gas Costs	PRO FORMA ADJUSTMENTS			Gas Cost Pro Forma Adjustments	Pro Forma Gas Costs At Pres Rates
				D-5 Gas Costs	D-5C Off System Sales	Company Use	Sum [2] to [5]	[2] + [6]
1	Actual Gas Costs		\$ 241,928				\$ -	\$ 241,928
2	Residential (R/RT)			(38,118)			(38,118)	(38,118)
3	Comm & Ind (N/NT)			(21,174)			(21,174)	(21,174)
4	Comm & Ind (DS)			(3,228)			(3,228)	(3,228)
5	Lg Transport/Other			(1,494)			(1,494)	(1,494)
6	Off System Sales				(43,322)		(43,322)	(43,322)
7	Company Use of Fuel					431	431	431
							-	-
							-	-
							-	-
8	Total Gas Costs		<u>\$ 241,928</u>	<u>\$ (64,014)</u>	<u>\$ (43,322)</u>	<u>\$ 431</u>	<u>\$ (106,905)</u>	<u>\$ 135,023</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-7
Witness: A. P. Kelly
Page 1 of 2

Adjustment - Salaries & Wages

Line #	Description	[1] Account Number	[2] Recorded Year 09/30/15	[3] Redistribute General Categories	[4] Payroll As Distributed	[5] Adjustment	[6] Total Pro Forma Payroll
<u>OPERATIONS</u>							
1	Total Natural Gas Production Expenses		\$ -		-	\$ 1	\$ 1
2	Total Underground Storage Expenses		-		-	-	-
3	Total Transmission Operation Expenses		12		12	-	12
4	Total Distribution Operation Expenses		11,810		11,810	132	11,942
5	Customer Account Operations Expenses		5,992		5,992	66	6,058
6	Total Cust. Service & Inform. Operations Exp		950		950	10	960
7	Total Operation Sales Expenses		526		526	6	532
8	Total A & G Operation Expenses		9,386	112	9,498	110	9,608
9	Total Operations		<u>28,676</u>	<u>112</u>	<u>28,788</u>	<u>325</u>	<u>29,113</u>
<u>MAINTENANCE</u>							
10	Total Underground Maintenance Expenses		-		-	-	-
11	Storage Maintenance Expenses		-		-	-	-
12	Total Transmission Maintenance Expenses		25		25	-	25
13	Total Distribution Maintenance Expenses		5,069	552	5,621	56	5,677
14	Maintenance of General Plant		417		417	5	422
15	Total Maintenance		<u>5,511</u>	<u>552</u>	<u>6,063</u>	<u>61</u>	<u>6,124</u>
16	Total Payroll to Expense		<u>\$ 34,187</u>	<u>664</u>	<u>34,851</u>	<u>\$ 386</u>	<u>\$ 35,237</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-7
Witness: A. P. Kelly
Page 2 of 2

Adjustment - Salaries & Wages

Line #	Description	[1] Reference Or Function	[2] Union Increase At 4-1	[3] Union Increase At 6-1	[4] Non- Exempt	[5] Exempt	[6] Pro Forma Total Payroll
		1	Annual Payroll at 9-30-15		\$ 11,241	\$ 3,142	\$ 5,992
<u>Annualize for Wage Increase to 9-30-15</u>							
2	Percent Increase		2.75%	3.00%	3.23%	2.94%	
3	Union Increase At 4-1 Annualization Factor	4/1/15	50%				
4	Union Increase At 6-1 Annualization Factor	6/1/15		67%			
5	Non-Exempt Annualization Factor	4/1/15			50%		
6	Exempt Annualization Factor	12/1/14				17%	
7	Increase for wage rate changes	L 1 * L 2 * Ls 3 to 6	155	63	97	71	\$ 386
8	Annualized Salaries & Wages at 9-30-15 Rates	L 1 + L 7	\$ 11,396	\$ 3,205	\$ 6,089	\$ 14,615	
9	Pro Forma Adjustment to S&W	L 8					\$ 386
10	Annualization Factor	L 9 / L 1					1.105%

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-9
 Witness: A. P. Kelly
 Page 1 of 1

Adjustment - Salary Annualization

Line #	Description	[1] Reference	[2] Total Salary Annualization	[3] Pro Forma Adjustment
1	Annualize salaries of key positions partly employed in 2015		\$ 916	\$ 664
2	Total Adjustment			<u>\$ 664</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-11
Witness: A. P. Kelly
Page 1 of 1

Adjustment - Uncollectibles

Line #	Description	[1] Reference Or Factor	[2] Charge Off Amounts	[3] Tariff Revenue	[4] Percent [2] / [3]	[5] Total [2] / [3]
1	2013		\$ 4,800	\$ 341,141	1.41%	
2	2014		\$ 6,580	\$ 388,333	1.69%	
3	2015		\$ 7,203	\$ 383,750	1.88%	
4	Three Year Average Sum (Line 1 to Line 3) / 3	3	\$ 6,194	\$ 371,075		1.66900%
5	2015 Recorded				\$ 7,203	
	Pro Forma Adjustment					
6	Test Year Revenue Adjustment	1.669%		\$ 340,609		
7	Pro Forma at Present Rate Revenue	[1] * [3]			5,685	
8	Total for Test Year	L 7 - L5				\$ (1,518)

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-12
Witness: A. P. Kelly
Page 1 of 1

Adjustment - Right of Way Expense

Line #	Description	[1] Reference	[2] Amount	[3] Total
1	Reduce operating expenses for 2014 carryover right-of-way work		\$ 178	<u>\$ 178</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-13
 Witness: A. P. Kelly
 Page 1 of 1

Adjustment - UNITE Project

[1]

Line #	Description	FERC	Amount
UNITE project expenses that will be capitalized			
1	Administrative & General Salaries	920	\$ 490
2	Office Supplies	921	24
3	Outside Services Employed	923	1,217
4	Miscellaneous General Expenses	930.2	<u>322</u>
5	Total		<u>\$ 2,053</u>

UGI Utilities, Inc. - Gas Division
 Before the Pennsylvania Public Utility Commission
 Historic Year - 12 Months Ended September 30, 2015
 (\$ in Thousands)

Adjustment - Depreciation expense

Line #	Description	Account Number	[1] 9/30/15 Depreciation Expense	[2]	[3] Adjustment To Annualize Depreciation Expense	[4] Other Pro Forma Adjust	[5] Pro Forma Historic Year Depreciation
INTANGIBLE PLANT							
1	Organization	301	\$ -				-
2	Franchise & Consent	302	-				-
3	Miscellaneous Intangible Plant	303	-				-
4	TOTAL INTANGIBLE		-		-	-	-
NATURAL GAS PRODUCTION & GATHERING							
5	Producing Lands	325.1	-				-
6	Producing Leaseholds	325.2	-	-			-
7	Rights of Way	325.4	-	-			-
8	Other Land Rights	325.5	-	-			-
9	Field Measuring & Regulating Station Structures	328	-	-			-
10	Other Structures	329	-	-			-
11	Producing Gas Wells-Well Construction	330	-	-			-
12	Producing Gas Wells-Well Equipment	331	-	-			-
13	Field Lines	332	-	-			-
14	Field Measuring & Regulating Station Equipment	334	-	-			-
15	Drilling & Cleaning Equipment	335	-	-			-
16	Other Equipment	337	-	-			-
17	TOTAL PRODUCTION & GATHERING		-	-	-	-	-
NATURAL GAS PRODUCTION & PROCESSING							
18	Land & Land Rights	304	-	-			-
19	Production Plant - Manufactured Gas Plants	305	-	-			-
20	Rights of Way	350.2	-	-			-
21	Structures & Improvements	351	-	-			-
22	Wells	352	-	-			-
23	Lines	353	-	-			-
24	Compressor Station Equipment	354	-	-			-
25	Measuring & Regulating Equipment	355	-	-			-
26	Purification Equipment	356	-	-			-
27	Other Equipment	357	-	-			-
28	TOTAL PRODUCTION & PROCESSING		-	-	-	-	-

UGI Utilities, Inc. - Gas Division
 Before the Pennsylvania Public Utility Commission
 Historic Year - 12 Months Ended September 30, 2015
 (\$ in Thousands)

Schedule D-21
 Witness: J.F. Weidmayer
 Page 2 of 2

Adjustment - Depreciation expense

Line #	Description	[1] Account Number	[2] 9/30/15 Depreciation Expense	[3] Adjustment To Annualize Depreciation Expense	[4] Other Pro Forma Adjust	[5] Pro Forma Historic Year Depreciation
TRANSMISSION PLANT						
29	Land & Land Rights	365.1	-	-	-	-
30	Rights of Way	365.2	-	-	-	-
31	Structures & Improvements	366	-	-	-	-
32	Mains	367	-	-	-	-
33	Measuring & Regulating Station Equipment	369	-	-	-	-
34	Communication Equipment	370	-	-	-	-
35	Other Equipment	371	-	-	-	-
36	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DISTRIBUTION PLANT						
37	Land & Land Rights	374	-	-	-	-
38	Structures & Improvements	375	27	2	-	29
39	Mains	376	9,786	273	-	10,059
40	Measuring & Regulating Station Equipment	378	696	60	-	756
41	Measuring & Regulating Station Equipment	379	52	-	-	52
42	Services	380	11,771	864	-	12,635
43	Meters	381	1,816	5	-	1,821
44	Meter Installations	382	1,314	20	-	1,334
45	House Regulators	383	97	75	-	172
46	House Regulatory Installations	384	194	5	-	199
47	Industrial Measuring & Regulating Station Equipment	385	128	(57)	-	71
48	Other Property	386	25	(1)	-	24
49	Other Equipment	387	59	(5)	-	54
50	TOTAL DISTRIBUTION		<u>25,965</u>	<u>1,241</u>	<u>-</u>	<u>27,206</u>
GENERAL PLANT						
51	Land & Land Rights	389	-	-	-	-
52	Structures & Improvements	390	(591)	1,325	-	734
53	Office Furniture & Equipment	391	3,942	(2,591)	-	1,351
54	Transportation Equipment	392	(432)	433	-	1
55	Stores Equipment	393	-	-	-	-
56	Tools & Garage Equipment	394	368	34	-	402
57	Laboratory Equipment	395	-	-	-	-
58	Power Operated Equipment	396	19	(4)	-	15
59	Communication Equipment	397	59	-	-	59
60	Miscellaneous Equipment	398	58	3	-	61
61	TOTAL GENERAL		<u>3,423</u>	<u>(800)</u>	<u>-</u>	<u>2,623</u>
62	TOTAL DEPRECIATION		<u>\$ 29,388</u>	<u>\$ 441</u>	<u>\$ -</u>	<u>\$ 29,829</u>
63	CHARGED TO CLEARING ACCOUNTS		<u>\$ (14)</u>			<u>\$ (477)</u>
64	NET SALVAGE AMORTIZATION		<u>\$ 2,470</u>			<u>\$ 3,498</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-31
Witness: N. M. McKinney
Page 1 of 1

Adjustment - Taxes Other Than Income Taxes

Line #	Description	[1] Factor or Reference	[2] Account Number	[3] Recorded Amounts 9/30/15	[4] Pro Forma Adjustments	[5] Pro Forma Tax Expense 9/30/15
1	PURTA Taxes		408.1	\$ 401	\$ -	\$ 401
2	Capital Stock			(15)	284 (1)	269
3	PA & Local Use taxes			171		\$ 171
4	Social Security	D-32	408.3	2,690	30	\$ 2,720
5	FUTA	D-32	408.2	21	-	\$ 21
6	SUTA	D-32	408.4	243	3	\$ 246
7	PUC Assessment		408.1	1,853		\$ 1,853
8	Other - Miscellaneous			84		\$ 84
9	Total			<u>\$ 5,448</u>	<u>\$ 317</u>	<u>\$ 5,765</u>

(1) For FY15, the Company made a one-time adjustment to capital stock expense due to an over-accrual of the liability. The adjustment above was done to reflect capital stock tax on a normalized basis.

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
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(\$ in Thousands)

Schedule D-32
Witness: A. P. Kelly
Page 1 of 1

Adjustment - Payroll Taxes

Line #	Description	[1] Account Number	[2] Historic Year 9/30/15 Present Rates	[3] Pro Forma Adjustments	[4] Increase in Payroll Taxes
1	Total Payroll Charged to Expense		<u>\$ 34,851</u>	<u>\$ 386</u>	
2	FICA Expense		<u>2,690</u>		
3	FICA Expense - Percent	L 2 / L 1	<u>7.72%</u>	<u>7.72%</u>	
4	Pro Forma FICA Expense on Pro Forma S&W	[4] L 1 * L 3			\$ 30
5	FUTA Expense		<u>21</u>		
6	FUTA Expense - Percent	L 5 / L 1	<u>0.06%</u>	<u>0.06%</u>	
7	Pro Forma FUTA Expense on Pro Forma S&W	[4] L 1 * L 6			-
8	SUTA Expense		<u>243</u>		
9	SUTA Expense - Percent	L 8 / L 1	<u>0.70%</u>	<u>0.70%</u>	
10	Pro Forma SUTA Expense on Pro Forma S&W	[4] L 1 * L 9			3
11	Pro Forma Adjustment	Sum L 4 to L 10			<u>\$ 33</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-33
Witness: N. M. McKinney
Page 1 of 1

Line #	Description	[1]	[2]	[3]	[4]	[5]
		Factor Or Reference	Element Or Amount	Pro Forma Historic Year At Present Rates	Revenue Increase	Pro Forma Historic Year At Proposed Rates
						[3] + [4]
1	Revenue			\$ 347,760	\$ 15,903	\$ 363,663
2	Operating Expenses			(274,575)	(265)	(274,840)
3	OIBIT	L 1 + L 2		73,185	15,638	88,823
	Interest Expense					
4	Rate Base	Sch A-1	735,767			
5	Weighted Cost of Debt	Sch B-7	0.02280			
6	Synchronized Interest Expense	L 4 * L 5		(16,775)	-	(16,775)
7	Base Taxable Income	L 3 + L 6		56,410	15,638	72,048
8	Total Tax Depreciation	Pg 2	\$ 62,749			
9	Pro Forma Book Depreciation	Pg 2	33,113			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8		(29,636)		(29,636)
11	Other				-	-
12	State Taxable Income	Sum L 7 to L 11		\$ 26,774	\$ 15,638	\$ 42,412
13	State Income Tax	L 12 * Rate [2]	9.99%	\$ (2,675)	\$ (1,562)	\$ (4,237)
14	Total Tax Depreciation	Pg 2	\$ 70,255			
15	Pro Forma Book Depreciation	Pg 2	33,113			
16	Federal Tax Deducts (Over) Under Book	L 14 - L 13		(37,142)	-	(37,142)
17	Other				-	-
18	Federal Taxable Income	L 7 + sum L 13 to L 17		16,593	14,075	30,669
19	Federal Income Tax Expense	-L 18 * Rate [2]	35.00%	(5,808)	(4,926)	(10,734)
20	Total Tax Expense before Deferred Income Tax	L 13 + L 19		(8,483)	(6,488)	(14,971)
	Deferred Federal Income Taxes					
21	Total Straight Line Tax Depreciation	Pg 2	\$ 31,002			
22	Total Tax Depreciation	Pg 2	64,256			
23	Federal Tax Deducts (Over) Under Book	L 22 - L 21		33,254	-	33,254
24	Deferred Federal Taxable Income	L 23		\$ 33,254	\$ -	\$ 33,254
25	Federal Income Tax Expense	-L 24 * Rate [2]	Blended Rate	(12,110)	-	(12,110)
	Deferred State Income Taxes					
26	Repairs			(1,891)		(1,891)
27	CIAC			521		521
28	State Deferred Income Tax Expense			(1,370)	-	(1,370)
29	Net Income Tax Expense	L20 + L 25		(21,962)	(6,488)	(28,450)
	Other Tax Adjustments					
30	ITC			318		318
31	Combined Income Tax Expense	L13 + sum L 26 to L 27		(21,644)	(6,488)	(28,132)
32	Federal Income Tax Expense	L 19 + L 25 + L 27				\$ (22,526)
33	State Income Tax Expense	L 13				(5,607)
34	Total Income Tax Expense	L 29 + L 30				\$ (28,132)

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-34
Witness: N. M. McKinney
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Tax Depreciation				
Line #	Description	[1] Amount	[2] Amount	[3] Total
<u>Accelerated Tax Depreciation</u>				
1	Gas Plant		\$ 39,208	
2	Cost of Removal		5,999	
3	Repairs Tax Deduction		32,145	
4	Other Tax Basis Adjustments		(7,097)	
5	Total Federal Accelerated Tax Depreciation			<u>\$ 70,255</u>
6	Adjustment for PA Tax Depreciation - Bonus Decoupling		(7,506)	
7	Total State Accelerated Tax Depreciation			<u>\$62,749</u>
<u>Straight Line Tax Depreciation</u>				
8	Gas Plant		<u>\$ 31,002</u>	
9	Total Straight Line Tax Depreciation			<u>\$ 31,002</u>
<u>Book Depreciation</u>				
10	Pro Forma Book Depreciation		\$ 31,002	
11	Net Salvage Amortization		2,265	
12	Depreciation Charged to Clearing Accounts	(477)		
13	Estimated Percent of Clearing Charged to CWIP	<u>32%</u>		
14	Depreciation Charged for CWIP		<u>(154)</u>	
15	Book Depreciation for Tax Calculation			<u>\$ 33,113</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2015
(\$ in Thousands)

Schedule D-35
Witness: A. P. Kelly
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Gross Revenue Conversion Factor

Line #	Description	Reference Or Factor	[1] Tax Rate	[2] Tax Rate	[3] Factor
<u>GROSS REVENUE CONVERSION FACTOR</u>					
1	GROSS REVENUE FACTOR				1.000000
2	UNCOLLECTIBLE EXPENSES				<u>(0.016690)</u>
3	NET REVENUES	Sum L 1 to L 3			0.983310
4	STATE INCOME TAXES	[3] L 4 * Rate [2]	9.9900%		<u>(0.098233)</u>
5	FACTOR AFTER STATE TAXES	L 4 + L 5			0.885077
6	FEDERAL INCOME TAXES	[3] L 6 * Rate [2]	35.00%		<u>(0.309777)</u>
7	NET OPERATING INCOME FACTOR	L 6 + L 7			<u>0.575300</u>
8	GROSS REVENUE CONVERSION FACTOR	1 / L 8			<u>1.738224</u>
9	Combined Income Tax Factor On Gross Revenues	- L 5 - L 7			<u>40.801%</u>
<u>INCOME TAX FACTOR</u>					
10	GROSS REVENUE FACTOR				1.000000
11	STATE INCOME TAXES	[3] L 11 * Rate [2]	9.9900%		<u>(0.099900)</u>
12	FACTOR AFTER STATE TAXES	L 11 + L 12			0.900100
13	FEDERAL INCOME TAXES	[3] L 13 * Rate [2]	35.00%		<u>(0.315035)</u>
14	NET OPERATING INCOME FACTOR	L 13 + L 14			0.585065
15	GROSS REVENUE CONVERSION FACTOR	1 / L 15			<u>1.709212</u>
16	Combined Income Tax Factor On Taxable Income	- L 12 - L 14			<u>41.494%</u>

UGI GAS EXHIBIT B – RATE OF RETURN

UGI UTILITIES, Inc.

Exhibit to Accompany the

Direct Testimony

of

Paul R. Moul, Managing Consultant
P. Moul & Associates, Inc.

Concerning

Fair Rate of Return

UGI Utilities, Inc.
Index of Schedules

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UGI Utilities, Inc.
Proposed Rate of Return
Estimated at September 30, 2017

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	40.30%	5.07%	2.04%
Short-Term Debt	5.15%	2.58%	0.13%
Total Debt	<u>45.45%</u>		<u>2.17%</u>
Common Equity	<u>54.55%</u>	11.00%	<u>6.00%</u>
Total	<u>100.00%</u>		<u>8.17%</u>

Indicated levels of fixed charge coverage assuming that the Company could actually achieve its proposed rate of return:

Pre-tax coverage of interest expense based upon a 41.4935% composite federal and state income tax rate
(12.43% ÷ 2.17%) 5.73 x

Post-tax coverage of interest expense
(8.17% ÷ 2.17%) 3.76 x

UGI Utilities, Inc.
Cost of Equity
as of October 31, 2015

Discounted Cash Flow (DCF)	D_1/P_0	+	g	+	lev.	=	k		
Gas Group	3.34%	+	6.25%	+	0.81%	=	10.40%		
Risk Premium (RP)			I	+	RP	=	k		
Gas Group			5.00%	+	6.50%	=	11.50%		
Capital Asset Pricing Model (CAPM)	R_f	+	β	x	($R_m - R_f$)	+	size	=	k
Gas Group	3.75%	+	0.90	x	(7.24%)	+	1.10%	=	11.37%
Comparable Earnings (CE)					Historical	Forecast	Average		
Comparable Earnings Group					11.2%	12.1%	11.65%		

- References:
- (1) Schedule 07
 - (2) Schedule 09
 - (3) Schedule 10
 - (4) A-rated public utility bond yield comprised of a 3.75% risk-free rate of return (Schedule 13 page 2) and a yield spread of 1.25%
 - (5) Schedule 12 page 1
 - (6) Schedule 13 page 2
 - (7) Schedule 10
 - (8) Schedule 13 page 2
 - (9) Schedule 13 page 3
 - (10) Schedule 14 page 2

UGI Utilities, Inc
Capitalization and Financial Statistics
2010-2014, Inclusive

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 1,490.0	\$ 1,459.8	\$ 1,367.5	\$ 1,380.7	\$ 1,385.9	
Short-Term Debt	\$ 86.3	\$ -	\$ -	\$ -	\$ 17.0	
Total Capital	<u>\$ 1,576.3</u>	<u>\$ 1,459.8</u>	<u>\$ 1,367.5</u>	<u>\$ 1,380.7</u>	<u>\$ 1,402.9</u>	
Capital Structure Ratios						<u>Average</u>
Based on Permanent Capital:						
Long-Term Debt	43.1%	45.2%	44.5%	46.4%	46.2%	45.1%
Common Equity ⁽¹⁾	<u>56.9%</u>	<u>54.8%</u>	<u>55.5%</u>	<u>53.6%</u>	<u>53.8%</u>	<u>54.9%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	46.2%	45.2%	44.5%	46.4%	46.8%	45.8%
Common Equity ⁽¹⁾	<u>53.8%</u>	<u>54.8%</u>	<u>55.5%</u>	<u>53.6%</u>	<u>53.2%</u>	<u>54.2%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽¹⁾	15.1%	13.1%	11.7%	14.2%	12.2%	13.3%
Operating Ratio ⁽²⁾	77.7%	78.2%	79.6%	82.4%	84.3%	80.4%
Coverage incl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	6.40 x	5.35 x	4.37 x	4.95 x	4.48 x	5.11 x
Post-tax: All Interest Charges	4.23 x	3.60 x	3.07 x	3.46 x	3.13 x	3.50 x
Coverage excl. AFUDC ⁽³⁾						
Pre-tax: All Interest Charges	6.40 x	5.35 x	4.37 x	4.95 x	4.48 x	5.11 x
Post-tax: All Interest Charges	4.23 x	3.60 x	3.07 x	3.46 x	3.13 x	3.50 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Effective Income Tax Rate	40.3%	40.3%	38.5%	37.6%	38.7%	39.1%
Internal Cash Generation/Construction ⁽⁴⁾	89.7%	91.1%	100.5%	108.6%	197.3%	117.4%
Gross Cash Flow/ Avg. Total Debt ⁽⁵⁾	32.4%	31.0%	29.7%	31.9%	32.4%	31.5%
Gross Cash Flow Interest Coverage ⁽⁶⁾	6.74 x	6.26 x	5.07 x	5.76 x	6.49 x	6.06 x
Common Dividend Coverage ⁽⁷⁾	2.90 x	3.33 x	2.62 x	2.08 x	3.18 x	2.82 x

See Page 2 for Notes.

UGI Utilities, Inc.
Capitalization and Financial Statistics
2010-2014, Inclusive

Notes:

- (1) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account..
- (2) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less AFUDC) as a percentage of average total debt.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Common dividend coverage is the relationship of internally generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Utility COMPUSTAT

Gas Group
Capitalization and Financial Statistics ⁽¹⁾
2010-2014, Inclusive

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 2,452.5	\$ 2,082.4	\$ 1,811.1	\$ 1,747.1	\$ 1,673.1	
Short-Term Debt	\$ 226.5	\$ 228.6	\$ 216.1	\$ 118.6	\$ 134.5	
Total Capital	<u>\$ 2,679.0</u>	<u>\$ 2,311.0</u>	<u>\$ 2,027.2</u>	<u>\$ 1,865.7</u>	<u>\$ 1,807.6</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	19 x	19 x	17 x	16 x	15 x	17 x
Market/Book Ratio	192.3%	178.9%	177.4%	179.3%	169.7%	179.5%
Dividend Yield	3.2%	3.5%	3.6%	3.6%	3.8%	3.5%
Dividend Payout Ratio	63.6%	68.8%	59.7%	57.6%	57.1%	61.4%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	44.9%	42.7%	40.7%	41.2%	41.7%	42.3%
Preferred Stock	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Common Equity ⁽²⁾	54.9%	57.1%	59.1%	58.6%	58.1%	57.6%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	51.2%	50.1%	47.4%	45.9%	48.0%	48.5%
Preferred Stock	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
Common Equity ⁽²⁾	48.7%	49.8%	52.4%	53.9%	51.8%	51.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽²⁾	10.1%	9.5%	10.5%	10.9%	11.1%	10.4%
Operating Ratio ⁽³⁾	87.9%	88.5%	87.2%	88.8%	89.0%	88.3%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	5.03 x	4.70 x	4.97 x	5.01 x	4.99 x	4.94 x
Post-tax: All Interest Charges	3.75 x	3.62 x	3.79 x	3.67 x	3.54 x	3.67 x
Overall Coverage: All Int. & Pfd. Div.	3.74 x	3.61 x	3.77 x	3.65 x	3.52 x	3.66 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	4.99 x	4.64 x	4.92 x	4.97 x	4.97 x	4.90 x
Post-tax: All Interest Charges	3.72 x	3.55 x	3.74 x	3.64 x	3.52 x	3.63 x
Overall Coverage: All Int. & Pfd. Div.	3.70 x	3.54 x	3.72 x	3.62 x	3.50 x	3.62 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	1.2%	2.2%	1.6%	1.0%	0.7%	1.3%
Effective Income Tax Rate	31.3%	26.5%	30.1%	34.2%	36.5%	31.7%
Internal Cash Generation/Construction ⁽⁵⁾	86.2%	66.4%	72.7%	99.5%	125.0%	90.0%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	26.9%	24.6%	28.8%	30.1%	31.0%	28.3%
Gross Cash Flow Interest Coverage ⁽⁷⁾	7.97 x	7.07 x	7.02 x	6.92 x	7.18 x	7.23 x
Common Dividend Coverage ⁽⁸⁾	4.78 x	4.17 x	4.33 x	4.52 x	4.90 x	4.54 x

See Page 2 for Notes.

Gas Group
Capitalization and Financial Statistics
2010-2014, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Gross Cash Flow plus interest charges divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection:

The Gas Group includes companies that are contained in The Value Line Investment Survey within the industry group "Natural Gas Utility," they are not currently the target of a publicly-announced merger or acquisition, and after eliminating NiSource due to its electric operations and recent separation of the former natural gas pipeline/storage operations and UGI Corp. due to its highly diversified businesses.

Ticker	Company	Corporate Credit Ratings		Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
ATO	Atmos Energy Corp.	A2	A-	NYSE	A-	0.85
CPK	Chesapeake Utilities Corp.			NYSE	A	0.65
LG	Laclede Group	A3	A-	NYSE	B+	0.70
NJR	New Jersey Resources Corp.	Aa2	A	NYSE	B+	0.85
NWN	Northwest Natural Gas Co.	A3	A+	NYSE	A-	0.70
SJI	South Jersey Industries, Inc.	A2	BBB+	NYSE	A-	0.85
SWX	Southwest Gas Corporation	A3	BBB+	NYSE	B+	0.85
WGL	WGL Holdings, Inc.	A1	A+	NYSE	B+	0.80
	Average	<u>A2</u>	<u>A-</u>		<u>B+</u>	<u>0.78</u>

Note: Ratings are those of utility subsidiaries

Source of Information: Utility COMPUSTAT
Moody's Investors Service
Standard & Poor's Corporation

Standard & Poor's Public Utilities
Capitalization and Financial Statistics ⁽¹⁾
2010-2014, Inclusive

	2014	2013	2012	2011	2010	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 23,785.1	\$ 22,496.2	\$ 21,620.0	\$ 18,840.8	\$ 17,587.3	
Short-Term Debt	\$ 887.5	\$ 703.8	\$ 648.9	\$ 531.4	\$ 435.4	
Total Capital	<u>\$ 24,672.6</u>	<u>\$ 23,200.0</u>	<u>\$ 22,268.9</u>	<u>\$ 19,372.2</u>	<u>\$ 18,022.7</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	21 x	21 x	18 x	15 x	15 x	18 x
Market/Book Ratio	201.5%	175.8%	164.0%	155.2%	142.8%	167.9%
Dividend Yield	3.6%	3.9%	4.1%	4.4%	4.8%	4.2%
Dividend Payout Ratio	74.3%	81.1%	72.9%	64.7%	72.0%	73.0%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	52.8%	52.7%	52.9%	52.9%	53.4%	52.9%
Preferred Stock	2.7%	1.9%	1.6%	1.3%	1.3%	1.8%
Common Equity ⁽²⁾	44.4%	45.4%	45.5%	45.8%	45.3%	45.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	54.7%	54.3%	54.5%	54.5%	54.7%	54.5%
Preferred Stock	2.6%	1.9%	1.6%	1.3%	1.3%	1.7%
Common Equity ⁽²⁾	42.7%	43.9%	44.0%	44.3%	44.0%	43.8%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity ⁽²⁾	9.9%	8.4%	9.2%	10.5%	10.8%	9.8%
Operating Ratio ⁽³⁾	81.0%	81.3%	81.3%	81.4%	81.6%	81.3%
Coverage incl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.57 x	3.24 x	2.94 x	3.35 x	3.34 x	3.29 x
Post-tax: All Interest Charges	2.70 x	2.46 x	2.35 x	2.59 x	2.52 x	2.52 x
Overall Coverage: All Int. & Pfd. Div.	2.67 x	2.43 x	2.32 x	2.57 x	2.50 x	2.50 x
Coverage excl. AFUDC ⁽⁴⁾						
Pre-tax: All Interest Charges	3.47 x	3.15 x	2.85 x	3.25 x	3.25 x	3.19 x
Post-tax: All Interest Charges	2.60 x	2.36 x	2.25 x	2.49 x	2.43 x	2.43 x
Overall Coverage: All Int. & Pfd. Div.	2.57 x	2.34 x	2.22 x	2.47 x	2.41 x	2.40 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	7.6%	7.6%	7.1%	5.7%	6.7%	6.9%
Effective Income Tax Rate	30.2%	35.2%	31.8%	33.5%	34.3%	33.0%
Internal Cash Generation/Construction ⁽⁵⁾	85.0%	80.3%	75.0%	89.4%	108.0%	87.5%
Gross Cash Flow/ Avg. Total Debt ⁽⁶⁾	23.3%	22.7%	21.9%	23.2%	23.9%	23.0%
Gross Cash Flow Interest Coverage ⁽⁷⁾	5.70 x	5.47 x	5.37 x	5.12 x	5.09 x	5.35 x
Common Dividend Coverage ⁽⁸⁾	7.00 x	6.38 x	4.31 x	4.58 x	4.88 x	5.43 x

See Page 2 for Notes.

Standard & Poor's Public Utilities
Capitalization and Financial Statistics
2010-2014, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) as a percentage of average total debt.
- (7) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Annual Reports to Shareholders
Utility COMPUSTAT

Standard & Poor's Public Utilities
Company Identities

	Ticker	Credit Rating ⁽¹⁾		Common Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
AGL Resources Inc.	GAS	A2	BBB+	NYSE	A	0.75
Ameren Corporation	AEE	Baa1	BBB+	NYSE	B	0.80
American Electric Power	AEP	Baa1	BBB	NYSE	B	0.70
CMS Energy	CMS	A3	BBB	NYSE	B	0.70
CenterPoint Energy	CNP	A3	A-	NYSE	B	0.80
Consolidated Edison	ED	A2	A-	NYSE	B+	0.60
DTE Energy Co.	DTE	A2	BBB+	NYSE	B+	0.80
Dominion Resources	D	A2	A-	NYSE	B+	0.70
Duke Energy	DUK	A1	BBB+	NYSE	B	0.65
Edison Int'l	EIX	A2	BBB+	NYSE	B	0.80
Entergy Corp.	ETR	Baa1	BBB	NYSE	A	0.70
EQT Corp.	EQT	Baa3	BBB	NYSE	B+	1.15
Exelon Corp.	EXC	A2	BBB	NYSE	B+	0.75
FirstEnergy Corp.	FE	Baa2	BBB-	NYSE	B+	0.75
Integrus Energy Group	TEG	A1	A-	NYSE	B	1.00
NextEra Energy Inc.	NEE	A1	A-	NYSE	A	0.70
NiSource Inc.	NI	Baa1	BBB-	NYSE	B	0.85
Northeast Utilities	NU	Baa1	A-	NYSE	B	0.75
NRG Energy Inc.	NRG	Ba3	BB-	NYSE	B	1.05
ONEOK, Inc.	OKE	Baa3	BB+	NYSE	A-	1.05
PEPCO Holdings, Inc.	POM	Baa1	BBB+	NYSE	B	0.75
PG&E Corp.	PCG	A3	BBB	NYSE	B	0.60
PPL Corp.	PPL	Baa1	BBB	NYSE	B+	0.65
Pinnacle West Capital	PNW	A3	A-	NYSE	B	0.75
Public Serv. Enterprise Inc.	PEG	A2	BBB+	NYSE	B+	0.75
SCANA Corp.	SCG	Baa2	BBB+	NYSE	A-	0.70
Sempra Energy	SRE	A1	A	NYSE	B+	0.75
Southern Co.	SO	A3	A	NYSE	A-	0.55
TECO Energy	TE	A2	BBB+	NYSE	B	0.95
Wisconsin Energy Corp.	WEC	A1	A-	NYSE	A	0.65
Xcel Energy Inc	XEL	A2	A-	NYSE	B+	0.65
Average for S&P Utilities		<u>A3</u>	<u>BBB+</u>		<u>B+</u>	<u>0.77</u>

Note: ⁽¹⁾ Ratings are those of utility subsidiaries

Source of Information: Moody's Investors Service
Standard & Poor's Corporation
Standard & Poor's Stock Guide
Value Line Investment Survey for Windows

UGI Utilities, Inc.
Capitalization and Related Capital Structure Ratios
Actual at September 30, 2015 and Estimated at September 30, 2016 and September 30, 2017

	Actual at September 30, 2015			Estimated at September 30, 2016			Estimated at September 30, 2017		
	Amount Outstanding (\$000)	Capital Structure Ratios		Amount Outstanding (\$000)	Capital Structure Ratios		Amount Outstanding (\$000)	Capital Structure Ratios	
		Incl. S-T Debt	Excl. S-T Debt		Incl. S-T Debt	Excl. S-T Debt		Incl. S-T Debt	Excl. S-T Debt
Long-Term Debt ⁽¹⁾	\$ 622,000	39.12%	40.75%	\$ 675,000 ⁽²⁾	39.61%	41.03%	\$ 755,000 ⁽²⁾	40.30%	42.49%
Common Equity									
Common Stock	60,259			60,259			60,259		
Other Paid-In Capital	471,904			471,904			471,904		
Retained Earnings ⁽³⁾	372,143			437,877 ⁽⁴⁾			489,842 ⁽⁴⁾		
Total Common Equity	<u>904,306</u>	<u>56.88%</u>	<u>59.25%</u>	<u>970,040</u>	<u>56.92%</u>	<u>58.97%</u>	<u>1,022,005</u>	<u>54.55%</u>	<u>57.51%</u>
Total Permanent Capital	1,526,306	96.00%	<u>100.00%</u>	1,645,040	96.53%	<u>100.00%</u>	1,777,005	94.85%	<u>100.00%</u>
Avg. Net Short-Term Debt ⁽⁴⁾	<u>63,617</u>	<u>4.00%</u>		<u>59,100</u>	<u>3.47%</u>		<u>96,475</u>	<u>5.15%</u>	
Total Capital Employed	<u>\$ 1,589,923</u>	<u>100.00%</u>		<u>\$ 1,704,139</u>	<u>100.00%</u>		<u>\$ 1,873,480</u>	<u>100.00%</u>	

Notes:

⁽¹⁾ Includes current portion of long-term debt.

⁽²⁾ Reflects change in long-term debt consisting of:

Maturities	\$ (247,000)	\$ (20,000)
New issues	\$ 300,000	\$ 100,000

⁽³⁾ Excludes Accumulated Other Comprehensive Income of \$13.686 million in the HTY and \$8.189 million in the FTY and FFTY.

⁽⁴⁾ Reflects change in retained earnings consisting of:

Net income	\$ 117,734	\$ 111,966
Common Dividends	\$ (52,000)	\$ (60,000)

⁽⁴⁾ Average Short-Term Debt

Balance	\$ 96,433	\$ 101,475
Less: Bridge Financing	\$ (37,333)	\$ (5,000)
Net	<u>\$ 59,100</u>	<u>\$ 96,475</u>

Source of Information: Company provided data

UGI Utilities, Inc.
Calculation of the Embedded Cost of Long-Term Debt
Actual at September 30, 2015

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u> ⁽¹⁾	<u>Weighted Cost Rate</u>
<u>Medium Term Notes</u>					
7.370%	10/01/15	\$ 22,000	3.54%	7.44%	0.26%
5.640%	12/01/15	50,000	8.04%	5.72%	0.46%
6.169%	06/15/17	20,000	3.22%	6.29%	0.20%
7.250%	11/01/17	20,000	3.22%	7.32%	0.24%
5.670%	01/15/18	20,000	3.22%	5.75%	0.18%
6.500%	08/15/33	20,000	3.22%	6.56%	0.21%
6.133%	10/15/34	20,000	3.22%	6.19%	0.20%
<u>Senior Notes</u>					
5.753%	09/30/16	175,000	28.14%	5.82%	1.64%
6.206%	09/30/36	100,000	16.08%	6.32%	1.02%
4.980%	03/26/44	175,000	28.14%	5.00%	1.41%
Total Long-Term Debt		<u>\$ 622,000</u>	<u>100.00%</u>		<u>5.82%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

UGI Utilities, Inc.
Calculation of the Embedded Cost of Long-Term Debt
Estimated at September 30, 2016

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u>
<u>Medium Term Notes</u>					
6.169%	06/15/17	\$ 20,000	2.96%	6.29%	0.19%
7.250%	11/01/17	\$ 20,000	2.96%	7.32%	0.22%
5.670%	01/15/18	\$ 20,000	2.96%	5.75%	0.17%
6.500%	08/15/33	\$ 20,000	2.96%	6.56%	0.19%
6.133%	10/15/34	\$ 20,000	2.96%	6.19%	0.18%
<u>Senior Notes</u>					
6.206%	09/30/36	100,000	14.82%	6.32%	0.94%
4.980%	03/26/44	175,000	25.93%	5.00%	1.30%
3.781%	06/30/26	100,000	14.82%	3.85%	0.57%
4.705%	09/30/46	200,000	29.63%	4.74%	1.40%
Total Long-Term Debt		<u>\$ 675,000</u>	<u>100.00%</u>		<u>5.16%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

UGI Utilities, Inc.
Calculation of the Embedded Cost of Long-Term Debt
Estimated at September 30, 2017

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u> ⁽¹⁾	<u>Weighted Cost Rate</u>
<u>Medium Term Notes</u>					
7.250%	11/01/17	\$ 20,000	2.65%	7.32%	0.19%
5.670%	01/15/18	20,000	2.65%	5.75%	0.15%
6.500%	08/15/33	20,000	2.65%	6.56%	0.17%
6.133%	10/15/34	20,000	2.65%	6.19%	0.16%
<u>Senior Notes</u>					
6.206%	09/30/36	100,000	13.25%	6.32%	0.84%
4.980%	03/26/44	175,000	23.18%	5.00%	1.16%
3.781%	06/30/26	100,000	13.25%	3.85%	0.51%
4.705%	09/30/46	200,000	26.49%	4.74%	1.26%
4.705%	10/31/46	100,000	13.25%	4.74%	0.63%
Total Long-Term Debt		<u>\$755,000</u>	<u>100.00%</u>		<u>5.07%</u>

Notes: ⁽¹⁾ As calculated on page 4 of this schedule.

Source of Information: Company provided data

UGI Utilities, Inc.
Calculation of the Effective Cost of Long-Term Debt by Series

Series	Date of Issue	Date of Maturity	Average Term in Years ⁽¹⁾	Principal Amount Issued	Premium/Discount & Expense (\$000)	Net Proceeds	Net Proceeds Ratio	Effective Cost Rate ⁽²⁾
Medium Term Notes								
7.370%	09/29/95	10/01/15	20	\$ 22,000	\$ 165	\$ 21,835	99.25%	7.44%
5.640%	12/27/05	12/01/15	10	50,000	313	49,688	99.38%	5.72%
6.169%	06/19/07	06/15/17	10	20,000	179	19,821	99.10%	6.29%
7.250%	10/28/97	11/01/17	20	20,000	150	19,850	99.25%	7.32%
5.670%	01/11/08	01/15/18	10	20,000	125	19,875	99.37%	5.75%
6.500%	08/14/03	08/15/33	30	20,000	150	19,850	99.25%	6.56%
6.133%	10/14/04	10/15/34	30	20,000	150	19,850	99.25%	6.19%
Senior Notes								
5.753%	11/14/06	09/30/16	10	175,000	924	174,076	99.47%	5.82%
6.206%	11/14/06	09/30/36	30	100,000	1,485	98,515	98.52%	6.32%
4.980%	03/26/14	03/26/44	30	175,000	642	174,358	99.63%	5.00%
3.781% ⁽³⁾	06/30/16	06/30/26	10	100,000	550	99,450	99.45%	3.85%
4.705% ⁽³⁾	09/30/16	09/30/46	30	200,000	1,100	198,900	99.45%	4.74%
4.705% ⁽³⁾	10/31/16	10/31/46	30	100,000	550	99,450	99.45%	4.74%

Notes: ⁽¹⁾ Determined by taking into account the effect of the annual sinking fund requirements which are met by the retirement of bonds which reduce the term of each issue.

⁽²⁾ The effective cost for each issue is the yield to maturity using as inputs the average term of issue, coupon rate, and net proceeds ratio.

⁽³⁾ Estimated.

Source of Information: Company provided data

**Monthly Dividend Yields for
Natural Gas Group
for the Twelve Months Ending October 2015**

<u>Company</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>12-Month Average</u>	<u>6-Month Average</u>	<u>3-Month Average</u>
Atmos Energy Corp (ATO)	2.91%	2.81%	2.76%	2.94%	2.83%	2.91%	2.89%	3.05%	2.84%	2.85%	2.69%	2.49%			
Chesapeake Utilities Corp (CPK)	2.42%	2.18%	2.22%	2.30%	2.14%	2.41%	2.20%	2.14%	2.24%	2.35%	2.17%	2.21%			
Laclede Group Inc (LG)	3.66%	3.47%	3.44%	3.58%	3.60%	3.56%	3.47%	3.54%	3.42%	3.50%	3.38%	3.16%			
New Jersey Resources Corporation (NJR)	3.13%	2.95%	2.83%	2.89%	2.90%	2.96%	3.01%	3.27%	3.13%	3.21%	3.00%	2.85%			
Northwest Natural Gas (NWN)	4.01%	3.75%	3.73%	3.95%	3.90%	3.98%	4.18%	4.44%	4.30%	4.25%	4.09%	3.92%			
South Jersey Industries Inc (SJI)	3.55%	3.42%	3.47%	3.57%	3.71%	3.83%	3.84%	4.07%	4.17%	4.21%	3.99%	3.81%			
Southwest Gas Corp (SWX)	2.52%	2.37%	2.39%	2.55%	2.52%	2.96%	2.98%	3.06%	2.89%	2.94%	2.79%	2.65%			
WGL Holdings Inc (WGL)	<u>3.62%</u>	<u>3.25%</u>	<u>3.12%</u>	<u>3.31%</u>	<u>3.14%</u>	<u>3.37%</u>	<u>3.23%</u>	<u>3.43%</u>	<u>3.32%</u>	<u>3.43%</u>	<u>3.23%</u>	<u>2.98%</u>			
Average	<u>3.23%</u>	<u>3.03%</u>	<u>3.00%</u>	<u>3.14%</u>	<u>3.09%</u>	<u>3.25%</u>	<u>3.23%</u>	<u>3.38%</u>	<u>3.29%</u>	<u>3.34%</u>	<u>3.17%</u>	<u>3.01%</u>	<u>3.18%</u>	<u>3.24%</u>	<u>3.17%</u>

Note: Monthly dividend yields are calculated by dividing the annualized quarterly dividend by the month-end closing stock price adjusted by the fraction of the ex-dividend.

Source of Information: <http://performance.morningstar.com/stock/performance-return>
<http://www.snl.com/interactivex/dividends>

Forward-looking Dividend Yield	1/2 Growth	D_0/P_0	(.5g)	D_1/P_0	$K = \frac{D_0(1+g)^6 + D_0(1+g)^7 + D_0(1+g)^8 + D_0(1+g)^9}{P_0} + g$
		3.24%	1.031250	3.34%	
	Discrete	D_0/P_0	Adj.	D_1/P_0	$K = \frac{D_0(1+g)^{25} + D_0(1+g)^{50} + D_0(1+g)^{75} + D_0(1+g)^{100}}{P_0} + g$
		3.24%	1.038767	3.36%	
	Quarterly	D_0/P_0	Adj.	D_1/P_0	$K = \left[\left(1 + \frac{D_0(1+g)^{25}}{P_0} \right)^4 - 1 \right] + g$
	Average	0.8092%	1.015272	<u>3.33%</u>	
				3.34%	
	Growth rate			<u>6.25%</u>	
	K			<u>9.59%</u>	

Historical Growth Rates
Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

Gas Group	Earnings per Share		Dividends per Share		Book Value per Share		Cash Flow per Share	
	<u>Value Line</u>		<u>Value Line</u>		<u>Value Line</u>		<u>Value Line</u>	
	<u>5 Year</u>	<u>10 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Atmos Energy Corp.	5.00%	5.00%	2.00%	1.50%	4.50%	6.00%	4.00%	5.00%
Chesapeake Utilities Corp.	10.50%	8.50%	4.50%	3.00%	8.50%	8.50%	12.50%	7.00%
Laclede Group	-2.00%	4.00%	3.00%	2.50%	7.50%	7.00%	-2.00%	3.00%
New Jersey Resources Corp.	5.50%	6.50%	8.50%	6.50%	4.50%	8.00%	4.50%	5.00%
Northwest Natural Gas	-4.00%	2.50%	3.50%	3.50%	3.00%	3.50%	-1.00%	3.00%
South Jersey Industries, Inc.	6.50%	8.00%	10.00%	8.50%	8.00%	8.50%	7.50%	8.00%
Southwest Gas Corp.	11.00%	8.50%	8.00%	5.00%	5.00%	5.00%	6.00%	4.50%
WGL Holdings, Inc.	1.50%	3.50%	3.00%	2.50%	3.00%	4.00%	1.50%	2.50%
Average	<u>4.25%</u>	<u>5.81%</u>	<u>5.31%</u>	<u>4.13%</u>	<u>5.50%</u>	<u>6.31%</u>	<u>4.13%</u>	<u>4.75%</u>

Source of Information: Value Line Investment Survey, September 4, 2015

Analysts' Five-Year Projected Growth Rates
Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

Gas Group	I/B/E/S First Call	Reuters	Zacks	Morningstar	SNL	Value Line				
						Earnings Per Share	Dividends Per Share	Book Value Per Share	Cash Flow Per Share	Percent Retained to Common Equity
Atmos Energy Corp.	7.00%	7.00%	7.00%	6.60%	6.80%	7.00%	5.00%	4.50%	4.50%	5.50%
Chesapeake Utilities Corp.	3.00%	-	NA	3.00%	NA	8.50%	5.50%	9.00%	7.50%	7.00%
Laclede Group, Inc.	4.42%	4.42%	4.80%	-	4.70%	10.00%	4.50%	7.50%	8.50%	4.00%
New Jersey Resources Corp.	6.00%	6.00%	6.00%	NMF ⁽¹⁾	NMF ⁽¹⁾	4.00%	3.50%	7.50%	4.50%	6.50%
Northwest Natural Gas	4.00%	-	4.00%	4.00%	4.00%	7.00%	2.50%	3.50%	4.50%	3.50%
South Jersey Industries, Inc.	6.00%	-	NA	6.00%	NA	7.50%	7.00%	6.50%	7.50%	5.50%
Southwest Gas Corporation	4.00%	-	5.00%	2.40%	4.00%	7.00%	8.00%	4.50%	5.50%	6.00%
WGL Holdings, Inc.	6.50%	7.00%	6.00%	6.80%	6.90%	5.50%	3.00%	3.50%	4.00%	5.00%
Average	<u>5.12%</u>	<u>6.11%</u>	<u>5.47%</u>	<u>4.80%</u>	<u>5.28%</u>	<u>7.06%</u>	<u>4.88%</u>	<u>5.81%</u>	<u>5.81%</u>	<u>5.38%</u>

Note: ⁽¹⁾ Excluding negative growth rate of -14.40% by Morningstar and -4.20% by SNL

Source of Information :
 Yahoo Finance, November 3, 2015
 Reuters.com, November 3, 2015
 Zacks, November 3, 2015
 Morningstar, November 3, 2015
 SNL, November 3, 2015
 Value Line Investment Survey, September 4, 2015

Gas Group
Financial Risk Adjustment

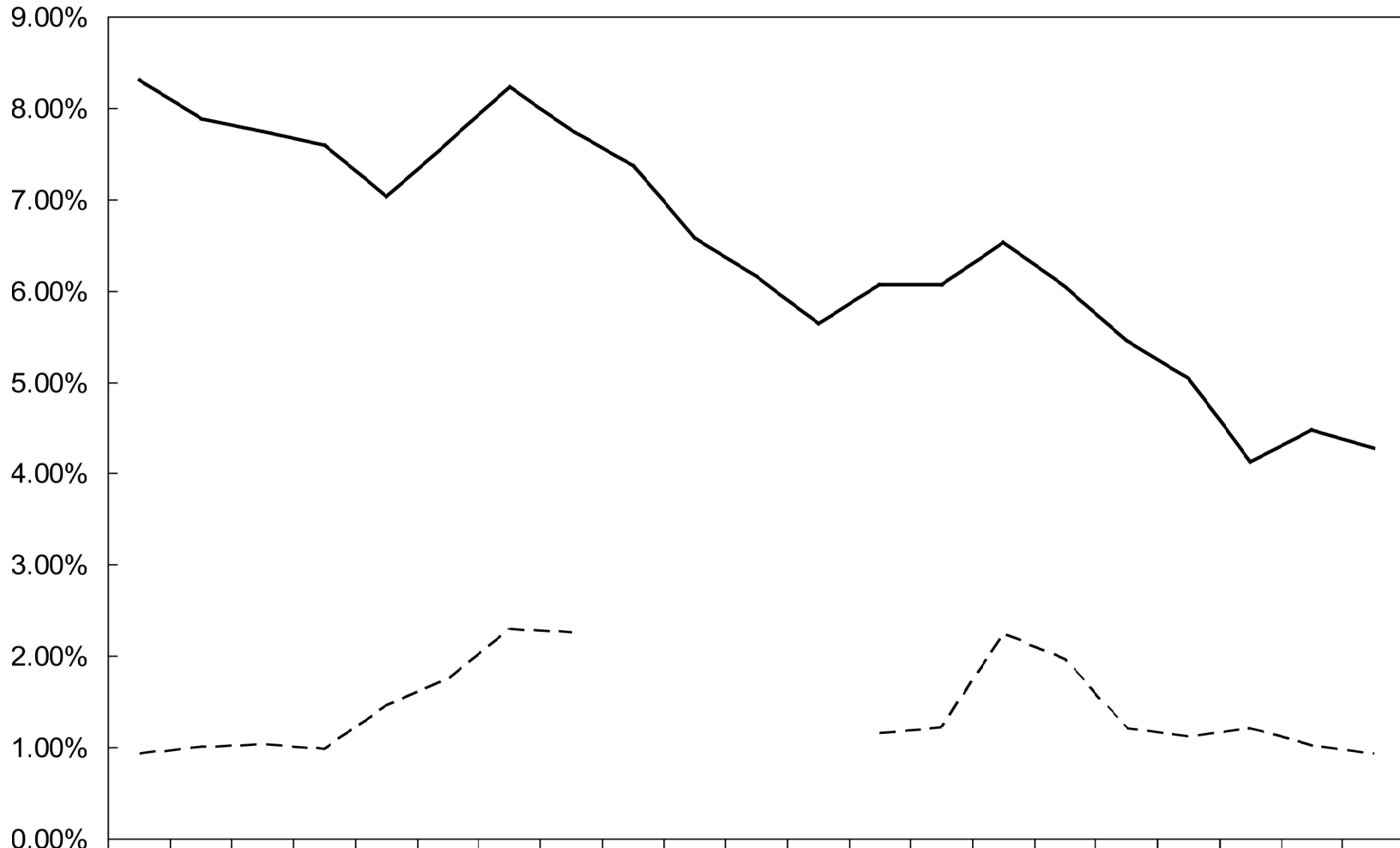
Fiscal Year	ATMOS Energy	Chesapeake	Laclede Group	New Jersey	Northwest	South Jersey	Southwest Gas	WGL Holdings	Average										
	(NYSE:ATO)	(NYSE:CPK)	(NYSE:LG)	(NYSE:NJR)	(NYSE:NWN)	(NYSE:SJI)	(SWX)	(NYSE:WGL)											
	09/30/14	12/31/14	09/30/14	09/30/14	12/31/14	12/31/14	12/31/14	09/30/14											
Capitalization at Fair Values																			
Debt(D)	2,769,541	180,700	1,937,300	586,909	756,808	1,058,500	1,795,928	809,300	1,236,873										
Preferred(P)	0	0	0	0	0	0	0	28,173	3,522										
Equity(E)	<u>4,788,512</u>	<u>724,475</u>	<u>2,003,729</u>	<u>1,982,284</u>	<u>1,361,472</u>	<u>2,013,487</u>	<u>2,875,598</u>	<u>2,133,654</u>	<u>2,235,401</u>										
Total	<u>7,558,053</u>	<u>905,175</u>	<u>3,941,029</u>	<u>2,569,193</u>	<u>2,118,280</u>	<u>3,071,987</u>	<u>4,671,526</u>	<u>2,971,127</u>	<u>3,475,796</u>										
Capital Structure Ratios																			
Debt(D)	36.64%	19.93%	49.16%	22.84%	35.73%	34.46%	38.44%	27.24%	33.06%										
Preferred(P)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.95%	0.12%										
Equity(E)	<u>63.36%</u>	<u>80.04%</u>	<u>50.84%</u>	<u>77.16%</u>	<u>64.27%</u>	<u>65.54%</u>	<u>61.56%</u>	<u>71.81%</u>	<u>66.82%</u>										
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>										
Common Stock																			
Issued	100,388,092	14,588,711	43,183,818	42,178,156	27,284,000	34,167,430	46,523,184	50,656,553											
Treasury	0.000	0.000	0.000	2,932,775	0.000	0.000	0.000	0.000											
Outstanding	100,388,092	14,588,711	43,183,818	39,245,381	27,284,000	34,167,430	46,523,184	50,656,553											
Market Price	\$ 47.70	\$ 49.86	\$ 46.40	\$ 50.51	\$ 49.90	\$ 58.93	\$ 61.81	\$ 42.12											
Capitalization at Carrying Amounts																			
Debt(D)	2,460,000	161,500	1,851,000	557,845	661,700	1,009,400	1,663,950	679,200	1,130,574										
Preferred(P)	0	0	0	0	0	0	0	28,173	3,522										
Equity(E)	<u>3,086,232</u>	<u>300,322</u>	<u>1,508,400</u>	<u>966,166</u>	<u>767,321</u>	<u>932,432</u>	<u>1,488,523</u>	<u>1,246,576</u>	<u>1,286,997</u>										
Total	<u>5,546,232</u>	<u>461,822</u>	<u>3,359,400</u>	<u>1,524,011</u>	<u>1,429,021</u>	<u>1,941,832</u>	<u>3,152,473</u>	<u>1,953,949</u>	<u>2,421,093</u>										
Capital Structure Ratios																			
Debt(D)	44.35%	34.97%	55.10%	36.60%	46.30%	51.98%	52.78%	34.76%	44.61%										
Preferred(P)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.44%	0.18%										
Equity(E)	<u>55.65%</u>	<u>65.03%</u>	<u>44.90%</u>	<u>63.40%</u>	<u>53.70%</u>	<u>48.02%</u>	<u>47.22%</u>	<u>63.80%</u>	<u>55.22%</u>										
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>										
Betas																			
Value Line	0.85	0.65	0.70	0.85	0.70	0.85	0.85	0.80	0.78										
Hamada																			
BI	=	Bu	[1+	(1 - t)	D/E	+	P/E]											
0.78	=	Bu	[1+	(1-0.35)	0.4948	+	0.0018]											
0.78	=	Bu	[1+	0.65	0.4948	+	0.0018]											
0.78	=	Bu	1.3234																
0.59	=	Bu																	
Hamada																			
BI	=	0.59	[1+	(1 - t)	D/E	+	P/E]											
BI	=	0.59	[1+	0.65	0.8078	+	0.0033]											
BI	=	0.59	1.5284																
BI	=	0.90																	
M&M																			
ku	=	ke	- (((ku	-	i)	1-t)	D	/	E	-	(ku	- d)	P	/	E
3.30%	=	9.59%	- (((8.30%	-	4.32%)	0.65)	33.06%	/	66.82%	-	8.30%	- 5.68%)	0.12%	/	56.82%
3.30%	=	9.59%	- (((3.99%)	0.65)	0.4948			-	2.62%)	0.0018		
3.30%	=	9.59%	- ((2.59%))	0.4948			-	2.62%)	0.0018		
3.30%	=	9.59%	-	1.28%)				-	0.00%					
M&M																			
ke	=	ku	+ (((ku	-	i)	1-t)	D	/	E	+	(ku	- d)	P	/	E
10.40%	=	8.30%	+ (((8.30%	-	4.32%)	0.65)	44.61%	/	55.22%	+	8.30%	- 5.68%)	0.18%	/	55.22%
10.40%	=	8.30%	+ (((3.99%)	0.65)	0.8078			+	2.62%)	0.0033		
10.40%	=	8.30%	+ ((2.59%))	0.8078			+	2.62%)	0.0033		
10.40%	=	8.30%	+	2.09%)				+	0.01%					

**Interest Rates for Investment Grade Public Utility Bonds
Yearly for 2010-2014
and the Twelve Months Ended October 2015**

<u>Years</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
2010	5.24%	5.46%	5.96%	5.55%
2011	4.78%	5.04%	5.57%	5.13%
2012	3.83%	4.13%	4.86%	4.27%
2013	4.24%	4.48%	4.98%	4.57%
2014	4.19%	4.28%	4.80%	4.42%
Five-Year Average	<u>4.46%</u>	<u>4.68%</u>	<u>5.23%</u>	<u>4.79%</u>
<u>Months</u>				
Nov-15	4.03%	4.09%	4.75%	4.29%
Dec-15	3.90%	3.95%	4.70%	4.18%
Jan-15	3.52%	3.58%	4.39%	3.83%
Feb-15	3.62%	3.67%	4.44%	3.91%
Mar-15	3.67%	3.74%	4.51%	3.97%
Apr-15	3.63%	3.75%	4.51%	3.96%
May-15	4.05%	4.17%	4.91%	4.38%
Jun-15	4.29%	4.39%	5.13%	4.60%
Jul-15	4.27%	4.40%	5.22%	4.63%
Aug-15	4.13%	4.25%	5.23%	4.54%
Sep-15	4.25%	4.39%	5.42%	4.68%
Oct-15	4.13%	4.29%	5.47%	4.63%
Twelve-Month Average	<u>3.96%</u>	<u>4.06%</u>	<u>4.89%</u>	<u>4.30%</u>
Six-Month Average	<u>4.19%</u>	<u>4.32%</u>	<u>5.23%</u>	<u>4.58%</u>
Three-Month Average	<u>4.17%</u>	<u>4.31%</u>	<u>5.37%</u>	<u>4.62%</u>

: Mergent Bond Record

Yields on A-rated Public Utility Bonds and Spreads over 30-Year Treasuries



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
— A-rated Public Utility	8.31%	7.89%	7.75%	7.60%	7.04%	7.62%	8.24%	7.76%	7.37%	6.58%	6.16%	5.65%	6.07%	6.07%	6.53%	6.04%	5.46%	5.04%	4.13%	4.48%	4.28%
- - - Spread vs. 30-year	0.94%	1.01%	1.04%	0.99%	1.46%	1.75%	2.30%	2.27%					1.16%	1.23%	2.25%	1.96%	1.21%	1.13%	1.21%	1.03%	0.94%

A rated Public Utility Bonds over 30-Year Treasuries

Year	A-rated Public Utility	30-Year Treasuries		Year	A-rated Public Utility	30-Year Treasuries		Year	A-rated Public Utility	30-Year Treasuries		Year	A-rated Public Utility	30-Year Treasuries		Year	A-rated Public Utility	30-Year Treasuries	
		Yield	Spread			Yield	Spread			Yield	Spread			Yield	Spread			Yield	Spread
Jan-99	6.97%	5.16%	1.81%	Jan-03	7.07%			Jan-07	5.96%	4.85%	1.11%	Jan-11	5.57%	4.52%	1.05%	Jan-15	3.58%	2.46%	1.12%
Feb-99	7.09%	5.37%	1.72%	Feb-03	6.93%			Feb-07	5.90%	4.82%	1.08%	Feb-11	5.68%	4.65%	1.03%	Feb-15	3.67%	2.57%	1.10%
Mar-99	7.26%	5.58%	1.68%	Mar-03	6.79%			Mar-07	5.85%	4.72%	1.13%	Mar-11	5.56%	4.51%	1.05%	Mar-15	3.74%	2.63%	1.11%
Apr-99	7.22%	5.55%	1.67%	Apr-03	6.64%			Apr-07	5.97%	4.87%	1.10%	Apr-11	5.55%	4.50%	1.05%	Apr-15	3.75%	2.59%	1.16%
May-99	7.47%	5.81%	1.66%	May-03	6.36%			May-07	5.99%	4.90%	1.09%	May-11	5.32%	4.29%	1.03%	May-15	4.17%	2.96%	1.21%
Jun-99	7.74%	6.04%	1.70%	Jun-03	6.21%			Jun-07	6.30%	5.20%	1.10%	Jun-11	5.26%	4.23%	1.03%	Jun-15	4.39%	3.11%	1.28%
Jul-99	7.71%	5.98%	1.73%	Jul-03	6.57%			Jul-07	6.25%	5.11%	1.14%	Jul-11	5.27%	4.27%	1.00%	Jul-15	4.40%	3.07%	1.33%
Aug-99	7.91%	6.07%	1.84%	Aug-03	6.48%			Aug-07	6.24%	4.93%	1.31%	Aug-11	4.69%	3.65%	1.04%	Aug-15	4.25%	2.86%	1.39%
Sep-99	7.93%	6.07%	1.86%	Sep-03	6.56%			Sep-07	6.18%	4.79%	1.39%	Sep-11	4.48%	3.18%	1.30%	Sep-15	4.39%	2.95%	1.44%
Oct-99	8.06%	6.26%	1.80%	Oct-03	6.43%			Oct-07	6.11%	4.77%	1.34%	Oct-11	4.52%	3.13%	1.39%	Oct-15	4.29%	2.89%	1.40%
Nov-99	7.94%	6.15%	1.79%	Nov-03	6.37%			Nov-07	5.97%	4.52%	1.45%	Nov-11	4.25%	3.02%	1.23%				
Dec-99	8.14%	6.35%	1.79%	Dec-03	6.27%			Dec-07	6.16%	4.53%	1.63%	Dec-11	4.33%	2.98%	1.35%				
Jan-00	8.35%	6.63%	1.72%	Jan-04	6.15%			Jan-08	6.02%	4.33%	1.69%	Jan-12	4.34%	3.03%	1.31%	Average:			
Feb-00	8.25%	6.23%	2.02%	Feb-04	6.15%			Feb-08	6.21%	4.52%	1.69%	Feb-12	4.36%	3.11%	1.25%	12-months			1.23%
Mar-00	8.28%	6.05%	2.23%	Mar-04	5.97%			Mar-08	6.21%	4.39%	1.82%	Mar-12	4.48%	3.28%	1.20%	6-months			1.34%
Apr-00	8.29%	5.85%	2.44%	Apr-04	6.35%			Apr-08	6.29%	4.44%	1.85%	Apr-12	4.40%	3.18%	1.22%	3-months			1.41%
May-00	8.70%	6.15%	2.55%	May-04	6.62%			May-08	6.28%	4.60%	1.68%	May-12	4.20%	2.93%	1.27%				
Jun-00	8.36%	5.93%	2.43%	Jun-04	6.46%			Jun-08	6.38%	4.66%	1.69%	Jun-12	4.08%	2.70%	1.38%				
Jul-00	8.25%	5.85%	2.40%	Jul-04	6.27%			Jul-08	6.40%	4.57%	1.83%	Jul-12	3.93%	2.59%	1.34%				
Aug-00	8.13%	5.72%	2.41%	Aug-04	6.14%			Aug-08	6.37%	4.50%	1.87%	Aug-12	4.00%	2.77%	1.23%				
Sep-00	8.23%	5.83%	2.40%	Sep-04	5.98%			Sep-08	6.49%	4.27%	2.22%	Sep-12	4.02%	2.88%	1.14%				
Oct-00	8.14%	5.80%	2.34%	Oct-04	5.94%			Oct-08	7.56%	4.17%	3.39%	Oct-12	3.91%	2.90%	1.01%				
Nov-00	8.11%	5.78%	2.33%	Nov-04	5.97%			Nov-08	7.60%	4.00%	3.60%	Nov-12	3.84%	2.80%	1.04%				
Dec-00	7.84%	5.49%	2.35%	Dec-04	5.92%			Dec-08	6.52%	2.87%	3.65%	Dec-12	4.00%	2.88%	1.12%				
Jan-01	7.80%	5.54%	2.26%	Jan-05	5.78%			Jan-09	6.39%	3.13%	3.26%	Jan-13	4.15%	3.08%	1.07%				
Feb-01	7.74%	5.45%	2.29%	Feb-05	5.61%			Feb-09	6.30%	3.59%	2.71%	Feb-13	4.18%	3.17%	1.01%				
Mar-01	7.68%	5.34%	2.34%	Mar-05	5.83%			Mar-09	6.42%	3.64%	2.78%	Mar-13	4.20%	3.16%	1.04%				
Apr-01	7.94%	5.65%	2.29%	Apr-05	5.64%			Apr-09	6.48%	3.76%	2.72%	Apr-13	4.00%	2.93%	1.07%				
May-01	7.99%	5.78%	2.21%	May-05	5.53%			May-09	6.49%	4.23%	2.26%	May-13	4.17%	3.11%	1.06%				
Jun-01	7.85%	5.67%	2.18%	Jun-05	5.40%			Jun-09	6.20%	4.52%	1.68%	Jun-13	4.53%	3.40%	1.13%				
Jul-01	7.78%	5.61%	2.17%	Jul-05	5.51%			Jul-09	5.97%	4.41%	1.56%	Jul-13	4.68%	3.61%	1.07%				
Aug-01	7.59%	5.48%	2.11%	Aug-05	5.50%			Aug-09	5.71%	4.37%	1.34%	Aug-13	4.73%	3.76%	0.97%				
Sep-01	7.75%	5.48%	2.27%	Sep-05	5.52%			Sep-09	5.53%	4.19%	1.34%	Sep-13	4.80%	3.79%	1.01%				
Oct-01	7.63%	5.32%	2.31%	Oct-05	5.79%			Oct-09	5.55%	4.19%	1.36%	Oct-13	4.70%	3.68%	1.02%				
Nov-01	7.57%	5.12%	2.45%	Nov-05	5.88%			Nov-09	5.64%	4.31%	1.33%	Nov-13	4.77%	3.80%	0.97%				
Dec-01	7.83%	5.48%	2.35%	Dec-05	5.80%			Dec-09	5.79%	4.49%	1.30%	Dec-13	4.81%	3.89%	0.92%				
Jan-02	7.66%	5.45%	2.21%	Jan-06	5.75%			Jan-10	5.77%	4.60%	1.17%	Jan-14	4.63%	3.77%	0.86%				
Feb-02	7.54%	5.40%	2.14%	Feb-06	5.82%	4.54%	1.28%	Feb-10	5.87%	4.62%	1.25%	Feb-14	4.53%	3.66%	0.87%				
Mar-02	7.76%			Mar-06	5.98%	4.73%	1.25%	Mar-10	5.84%	4.64%	1.20%	Mar-14	4.51%	3.62%	0.89%				
Apr-02	7.57%			Apr-06	6.29%	5.06%	1.23%	Apr-10	5.81%	4.69%	1.12%	Apr-14	4.41%	3.52%	0.89%				
May-02	7.52%			May-06	6.42%	5.20%	1.22%	May-10	5.50%	4.29%	1.21%	May-14	4.26%	3.39%	0.87%				
Jun-02	7.42%			Jun-06	6.40%	5.15%	1.25%	Jun-10	5.46%	4.13%	1.33%	Jun-14	4.29%	3.42%	0.87%				
Jul-02	7.31%			Jul-06	6.37%	5.13%	1.24%	Jul-10	5.26%	3.99%	1.27%	Jul-14	4.23%	3.33%	0.90%				
Aug-02	7.17%			Aug-06	6.20%	5.00%	1.20%	Aug-10	5.01%	3.80%	1.21%	Aug-14	4.13%	3.20%	0.93%				
Sep-02	7.08%			Sep-06	6.00%	4.85%	1.15%	Sep-10	5.01%	3.77%	1.24%	Sep-14	4.24%	3.26%	0.98%				
Oct-02	7.23%			Oct-06	5.98%	4.85%	1.13%	Oct-10	5.10%	3.87%	1.23%	Oct-14	4.06%	3.04%	1.02%				
Nov-02	7.14%			Nov-06	5.80%	4.69%	1.11%	Nov-10	5.37%	4.19%	1.18%	Nov-14	4.09%	3.04%	1.05%				
Dec-02	7.07%			Dec-06	5.81%	4.68%	1.13%	Dec-10	5.56%	4.42%	1.14%	Dec-14	3.95%	2.83%	1.12%				

Common Equity Risk Premiums
Years 1926-2014

	<u>Large Common Stocks</u>	<u>Long- Term Corp. Bonds</u>	<u>Equity Risk Premium</u>	<u>Long- Term Govt. Bonds Yields</u>
Low Interest Rates	12.21%	4.85%	7.36%	3.00%
Average Across All Interest Rates	12.07%	6.38%	5.69%	5.12%
High Interest Rates	11.93%	7.95%	3.98%	7.28%

Source of Information: Stocks, Bonds, Bills, and Inflation (SBBI) 2015 Classic Yearbook

Basic Series
Annual Total Returns (except yields)

Year	Large Common Stocks	Long- Term Corp. Bonds	Long- Term Govt. Bonds Yields
1940	-9.70%	3.39%	1.94%
1945	36.44%	4.08%	1.99%
1941	-11.59%	2.73%	2.04%
1949	18.79%	3.31%	2.09%
1946	-8.07%	1.72%	2.12%
1950	31.71%	2.12%	2.24%
1939	-0.41%	3.97%	2.26%
1948	5.50%	4.14%	2.37%
2014	13.69%	17.28%	2.40%
2012	16.00%	10.68%	2.41%
1947	5.71%	-2.34%	2.43%
1942	20.34%	2.60%	2.46%
1944	19.75%	4.73%	2.46%
1943	25.90%	2.83%	2.48%
2011	2.11%	17.95%	2.48%
1938	31.12%	6.13%	2.52%
1936	33.92%	6.74%	2.55%
1951	24.02%	-2.69%	2.69%
1954	52.62%	5.39%	2.72%
1937	-35.03%	2.75%	2.73%
1953	-0.99%	3.41%	2.74%
1935	47.67%	9.61%	2.76%
1952	18.37%	3.52%	2.79%
1934	-1.44%	13.84%	2.93%
1955	31.56%	0.48%	2.95%
2008	-37.00%	8.78%	3.03%
1932	-8.19%	10.82%	3.15%
1927	37.49%	7.44%	3.17%
1957	-10.78%	8.71%	3.23%
1930	-24.90%	7.98%	3.30%
1933	53.99%	10.38%	3.36%
1928	43.61%	2.84%	3.40%
1929	-8.42%	3.27%	3.40%
1956	6.56%	-6.81%	3.45%
1926	11.62%	7.37%	3.54%
2013	32.39%	-7.07%	3.67%
1960	0.47%	9.07%	3.80%
1958	43.36%	-2.22%	3.82%
1962	-8.73%	7.95%	3.95%
1931	-43.34%	-1.85%	4.07%
2010	15.06%	12.44%	4.14%
1961	26.89%	4.82%	4.15%
1963	22.80%	2.19%	4.17%
1964	16.48%	4.77%	4.23%
1959	11.96%	-0.97%	4.47%
1965	12.45%	-0.46%	4.50%
2007	5.49%	2.60%	4.50%
1966	-10.06%	0.20%	4.55%
2009	26.46%	3.02%	4.58%
2005	4.91%	5.87%	4.61%
2002	-22.10%	16.33%	4.84%
2004	10.88%	8.72%	4.84%
2006	15.79%	3.24%	4.91%
2003	28.68%	5.27%	5.11%
1998	28.58%	10.76%	5.42%
1967	23.98%	-4.95%	5.56%
2000	-9.10%	12.87%	5.58%
2001	-11.89%	10.65%	5.75%
1971	14.30%	11.01%	5.97%
1968	11.06%	2.57%	5.98%
1972	18.99%	7.26%	5.99%
1997	33.36%	12.95%	6.02%
1995	37.58%	27.20%	6.03%
1970	3.86%	18.37%	6.48%
1993	10.08%	13.19%	6.54%
1996	22.96%	1.40%	6.73%
1999	21.04%	-7.45%	6.82%
1969	-8.50%	-8.09%	6.87%
1976	23.93%	18.65%	7.21%
1973	-14.69%	1.14%	7.26%
1992	7.62%	9.39%	7.26%
1991	30.47%	19.89%	7.30%
1974	-26.47%	-3.06%	7.60%
1986	18.67%	19.85%	7.89%
1994	1.32%	-5.76%	7.99%
1977	-7.16%	1.71%	8.03%
1975	37.23%	14.64%	8.05%
1989	31.69%	16.23%	8.16%
1990	-3.10%	6.78%	8.44%
1978	6.57%	-0.07%	8.98%
1988	16.61%	10.70%	9.19%
1987	5.25%	-0.27%	9.20%
1985	31.73%	30.09%	9.56%
1979	18.61%	-4.18%	10.12%
1982	21.55%	42.56%	10.95%
1984	6.27%	16.86%	11.70%
1983	22.56%	6.26%	11.97%
1980	32.50%	-2.76%	11.99%
1981	-4.92%	-1.24%	13.34%

**Yields for Treasury Constant Maturities
Yearly for 2010-2014
and the Twelve Months Ended October 2015**

<u>Years</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>	<u>20-Year</u>	<u>30-Year</u>
2010	0.32%	0.70%	1.11%	1.93%	2.62%	3.21%	4.03%	4.25%
2011	0.18%	0.45%	0.75%	1.52%	2.16%	2.79%	3.62%	3.91%
2012	0.18%	0.28%	0.38%	0.76%	1.22%	1.80%	2.54%	2.92%
2013	0.13%	0.31%	0.54%	1.17%	1.74%	2.35%	3.12%	3.45%
2014	0.12%	0.46%	0.90%	1.64%	2.14%	2.54%	3.07%	3.34%
Five-Year Average	<u>0.19%</u>	<u>0.44%</u>	<u>0.74%</u>	<u>1.40%</u>	<u>1.98%</u>	<u>2.54%</u>	<u>3.28%</u>	<u>3.57%</u>
<u>Months</u>								
Nov-14	0.13%	0.53%	0.96%	1.62%	2.03%	2.33%	2.76%	3.04%
Dec-14	0.21%	0.64%	1.06%	1.64%	1.98%	2.21%	2.55%	2.83%
Jan-15	0.20%	0.55%	0.90%	1.37%	1.67%	1.88%	2.20%	2.46%
Feb-15	0.22%	0.62%	0.99%	1.47%	1.79%	1.98%	2.34%	2.57%
Mar-15	0.25%	0.64%	1.02%	1.52%	1.84%	2.04%	2.41%	2.63%
Apr-15	0.23%	0.54%	0.87%	1.35%	1.69%	1.94%	2.33%	2.59%
May-15	0.24%	0.61%	0.98%	1.54%	1.93%	2.20%	2.69%	2.96%
Jun-15	0.28%	0.69%	1.07%	1.68%	2.10%	2.36%	2.85%	3.11%
Jul-15	0.30%	0.67%	1.03%	1.63%	2.04%	2.32%	2.77%	3.07%
Aug-15	0.38%	0.70%	1.03%	1.54%	1.91%	2.17%	2.55%	2.86%
Sep-15	0.37%	0.71%	1.01%	1.49%	1.88%	2.17%	2.62%	2.95%
Oct-15	0.26%	0.64%	0.93%	1.39%	1.76%	2.07%	2.50%	2.89%
Twelve-Month Average	<u>0.26%</u>	<u>0.63%</u>	<u>0.99%</u>	<u>1.52%</u>	<u>1.89%</u>	<u>2.14%</u>	<u>2.55%</u>	<u>2.83%</u>
Six-Month Average	<u>0.31%</u>	<u>0.67%</u>	<u>1.01%</u>	<u>1.55%</u>	<u>1.94%</u>	<u>2.22%</u>	<u>2.66%</u>	<u>2.97%</u>
Three-Month Average	<u>0.34%</u>	<u>0.68%</u>	<u>0.99%</u>	<u>1.47%</u>	<u>1.85%</u>	<u>2.14%</u>	<u>2.56%</u>	<u>2.90%</u>

Source: Federal Reserve statistical release H.15

Measures of the Risk-Free Rate & Corporate Bond Yields

The forecast of Treasury and Corporate yields
per the consensus of nearly 50 economists
reported in the Blue Chip Financial Forecasts dated November 1, 2015

Year	Quarter	Treasury					Corporate	
		1-Year Bill	2-Year Note	5-Year Note	10-Year Note	30-Year Bond	Aaa Bond	Baa Bond
2015	Fourth	0.4%	0.7%	1.5%	2.2%	2.9%	4.0%	5.2%
2016	First	0.6%	1.0%	1.8%	2.4%	3.1%	4.2%	5.3%
2016	Second	0.9%	1.3%	2.0%	2.6%	3.3%	4.4%	5.4%
2016	Third	1.2%	1.5%	2.2%	2.8%	3.5%	4.6%	5.6%
2016	Fourth	1.5%	1.8%	2.4%	3.0%	3.6%	4.7%	5.7%
2017	First	1.7%	2.0%	2.6%	3.1%	3.8%	4.9%	5.8%

Measures of the Market Premium

Value Line Return

As of:	Dividend Yield	+	Median Appreciation Potential	=	Median Total Return
30-Oct-15	2.3%		9.73%		12.03%

DCF Result for the S&P 500 Composite

D/P	(1+.5g)	+	g	=	k
2.08%	(1.0305)		6.10%		8.24%

where:	Price (P)	at	30-Oct-15	=	2079.36
	Dividend (D)	for	3rd Qtr. '15	=	10.79
	Dividend (D)		annualized	=	43.16
	Growth (g)	by	First Call	=	6.10%

Summary

Value Line		12.03%
S&P 500		8.24%
Average		10.14%
Risk-free Rate of Return (Rf)		3.75%
Forecast Market Premium		6.39%
Historical Market Premium (Rm)	(Rf)	
1926-2014 Arith. mean	12.14%	4.06%
Average - Forecast/Historical		7.24%

This phenomenon can also be viewed graphically, as depicted in the Graph 7-2. The security market line is based on the pure CAPM without adjusting for the size premium. Based on the risk (or beta) of a security, the expected return should fluctuate along the security market line. However, the expected returns for the smaller deciles of the NYSE/AMEX/NASDAQ lie above the line, indicating that these deciles have had returns in excess of those appropriate for their systematic risk.

Table 7-6: Size-Decile Portfolios of the NYSE/AMEX/NASDAQ Long-Term Returns in Excess of CAPM

Decile	Beta*	Arithmetic Mean Return (%)	Actual Return in Excess of Riskless Rate** (%)	CAPM Return in Excess of Riskless Rate' (%)	Size Premium (Return in Excess of CAPM) (%)
1	0.91	11.15	6.08	6.40	-0.32
2	1.04	12.96	7.89	7.24	0.65
3	1.10	13.71	8.64	7.70	0.94
4	1.13	14.01	8.93	7.88	1.05
5	1.16	14.84	9.76	8.11	1.65
6	1.19	15.01	9.94	8.31	1.63
7	1.24	15.53	10.46	8.69	1.77
8	1.30	16.35	11.27	9.10	2.18
9	1.35	17.13	12.06	9.42	2.64
10	1.40	20.62	15.54	9.82	5.72
Mid-Cap, 3-5	1.12	14.00	8.93	7.83	1.10
Low-Cap, 6-8	1.23	15.44	10.36	8.59	1.77
Micro-Cap, 9-10	1.36	18.26	13.18	9.49	3.69

Data from 1926–2014.

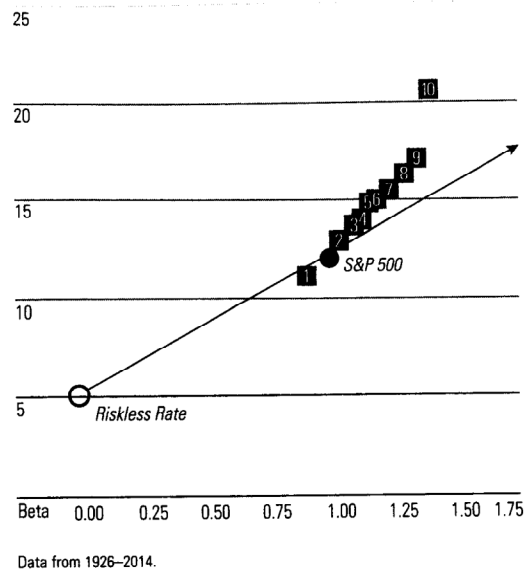
*Betas are estimated from monthly returns in excess of the 30-day U.S. Treasury bill total return, January 1926–December 2014.

**Historical riskless rate measured by the 89-year arithmetic mean income return component of 20-year government bonds (5.07%).

'Calculated in the context of the CAPM by multiplying the equity risk premium by beta. The equity risk premium is estimated by the arithmetic mean total return of the S&P 500 (12.07%) minus the arithmetic mean income return component of 20-year government bonds (5.07%) from 1926–2014.

Source: Morningstar and CRSP. Calculated (or Derived) based on data from CRSP US Stock Database and CRSP US Indices Database ©2015 Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business. Used with permission.

Graph 7-2: Security Market Line Versus Size-Decile Portfolios of the NYSE/AMEX/NASDAQ



Serial Correlation in Small-Cap Stock Returns

In four of the last 10 years, large-capitalization stocks (deciles 1-2 of NYSE/AMEX/NASDAQ) have outperformed small-capitalization stocks (deciles 9-10). This has led some market observers to speculate that there is no size premium. But statistical evidence suggests that periods of underperformance should be expected. For instance, large-cap stocks have outperformed small-cap stocks in nearly half of the years since 1926. It should be noted, however, that large-cap stocks' average historical outperformance has been less than the average historical outperformance of small-cap stocks.

History tells us that small companies are riskier than large companies. Table 7-1 [see page 100] shows the standard deviation (a measure of risk) for each decile of the NYSE/AMEX/NASDAQ. As one moves from larger to smaller deciles, the standard deviation of return grows. Investors are compensated for taking on this additional risk by the higher returns provided by small companies. It is important to note, however, that the risk/return profile is over the long term. If small companies did not provide higher long-term returns, investors would be more inclined to invest in the less-risky stocks of large companies.

Comparable Earnings Approach

Using Non-Utility Companies with
Timeliness of 2, 3 & 4; Safety Rank of 1, 2 & 3; Financial Strength of B++, A & A+;
Price Stability of 85 to 100; Betas of .65 to .85; and Technical Rank of 3, 4 & 5

<u>Company</u>	<u>Industry</u>	<u>Timeliness Rank</u>	<u>Safety Rank</u>	<u>Financial Strength</u>	<u>Price Stability</u>	<u>Beta</u>	<u>Technical Rank</u>
Alleghany Corp.	INSPRPTY	3	1	A	100	0.75	4
Ball Corp.	PACKAGE	3	2	B++	95	0.85	3
Bemis Co.	PACKAGE	3	1	A	95	0.80	4
Berkley (W.R.)	INSPRPTY	3	1	A	100	0.75	3
Brown-Forman 'B'	BEVERAGE	2	1	A+	95	0.85	4
DaVita HealthCare	MEDSERV	3	2	B++	85	0.85	3
Ecolab Inc.	CHEMSPEC	2	1	A	95	0.85	3
Erie Indemnity	INSPRPTY	2	2	B++	95	0.75	3
Gallagher (Arthur J.)	FINSERV	3	1	A	95	0.85	5
Gartner Inc.	INFOSER	2	2	A	85	0.85	3
Gen'l Mills	FOODPROC	3	1	A+	100	0.65	3
Laboratory Corp.	MEDSERV	3	1	A	90	0.80	3
Lancaster Colony	HOUSEPRD	2	1	A+	90	0.80	3
Markel Corp.	INSPRPTY	2	1	A	100	0.70	3
Marsh & McLennan	FINSERV	2	2	A	100	0.85	3
Mercury General	INSPRPTY	4	2	B++	90	0.70	5
Paychex Inc.	ITSERV	2	1	A	95	0.85	3
Philip Morris Int'l	TOBACCO	4	2	B++	95	0.80	5
Progressive (Ohio)	INSPRPTY	3	2	B++	95	0.85	3
Republic Services	ENVIRONM	3	2	B++	95	0.80	3
RLI Corp.	INSPRPTY	3	2	B++	85	0.85	4
Synopsys Inc.	SOFTWARE	2	1	A	90	0.85	3
Tootsie Roll Ind.	FOODPROC	3	1	A+	90	0.85	3
United Parcel Serv.	AIRTRANS	3	1	A	100	0.85	4
Waste Connections	ENVIRONM	3	3	B++	95	0.70	3
Waste Management	ENVIRONM	3	1	A	95	0.85	3
Weis Markets	GROCERY	4	1	A	90	0.70	3
West Pharmac. Svcs.	MEDICNON	2	2	B++	85	0.85	3
Average		<u>3</u>	<u>1</u>	<u>A</u>	<u>94</u>	<u>0.80</u>	<u>3</u>
Gas Group	Average	<u>3</u>	<u>2</u>	<u>A</u>	<u>92</u>	<u>0.78</u>	<u>4</u>

Source of Information: Value Line Investment Survey for Windows, Cotober 2015

Comparable Earnings Approach
Five -Year Average Historical Earned Returns
for Years 2010-2014 and
Projected 3-5 Year Returns

Company	2010	2011	2012	2013	2014	Average	Projected 2018-20
Alleghany Corp.	4.6%	4.9%	11.0%	7.1%	5.8%	6.7%	6.5%
Ball Corp.	35.8%	36.6%	36.5%	33.9%	45.5%	37.7%	20.0%
Bemis Co.	10.8%	13.4%	13.7%	14.1%	16.3%	13.7%	15.5%
Berkley (W.R.)	11.4%	7.7%	8.8%	9.7%	10.6%	9.6%	10.0%
Brown-Forman 'B'	25.4%	24.8%	35.4%	32.4%	35.9%	30.8%	31.0%
DaVita HealthCare	22.8%	22.5%	16.3%	18.4%	15.2%	19.0%	17.0%
Ecolab Inc.	24.9%	10.5%	14.7%	14.7%	17.4%	16.4%	15.5%
Erie Indemnity	17.8%	21.4%	24.9%	22.2%	24.0%	22.1%	29.0%
Gallagher (Arthur J.)	14.8%	11.9%	11.8%	12.9%	9.4%	12.2%	11.5%
Gartner Inc.	59.0%	75.3%	55.9%	49.6%	126.2%	73.2%	36.5%
Gen'l Mills	29.1%	26.0%	26.6%	26.8%	27.9%	27.3%	33.0%
Laboratory Corp.	23.7%	25.9%	24.4%	25.6%	20.4%	24.0%	16.0%
Lancaster Colony	23.7%	20.6%	17.0%	21.8%	19.1%	20.4%	18.5%
Markel Corp.	7.7%	3.7%	6.5%	3.5%	3.6%	5.0%	5.5%
Marsh & McLennan	8.6%	16.2%	17.8%	16.9%	20.2%	15.9%	20.5%
Mercury General	6.4%	8.2%	6.3%	6.6%	6.7%	6.8%	11.0%
Paychex Inc.	34.0%	34.4%	34.2%	32.1%	35.3%	34.0%	44.5%
Philip Morris Int'l	NMF	NMF	NMF	NMF	NMF	-	NMF
Progressive (Ohio)	16.6%	16.5%	11.7%	14.8%	16.5%	15.2%	18.0%
Republic Services	8.4%	9.7%	8.6%	9.0%	9.0%	8.9%	10.0%
RLI Corp.	13.9%	14.7%	10.9%	13.5%	13.6%	13.3%	12.0%
Synopsys Inc.	9.1%	10.2%	12.6%	13.7%	13.1%	11.7%	15.0%
Tootsie Roll Ind.	8.0%	6.6%	8.0%	8.9%	9.2%	8.1%	10.0%
United Parcel Serv.	44.7%	59.6%	94.3%	67.5%	205.0%	94.2%	NMF
Waste Connections	10.5%	12.1%	9.3%	10.0%	10.6%	10.5%	12.5%
Waste Management	16.2%	16.6%	15.2%	17.7%	19.7%	17.1%	24.0%
Weis Markets	9.4%	10.1%	10.4%	9.1%	6.4%	9.1%	7.5%
West Pharmac. Svcs.	11.6%	12.5%	13.3%	12.4%	13.3%	12.6%	15.5%
Average						21.3%	17.9%
Median						15.2%	15.5%
Average (excluding companies with values >20%)						11.2%	12.1%

Comparable Earnings Approach

Screening Parameters

Timeliness Rank

The rank for a stock's probable relative market performance in the year ahead. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the year-ahead market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next 12 months. Stocks ranked 3 (Average) will probably advance or decline with the market in the year ahead. Investors should try to limit purchases to stocks ranked 1 (Highest) or 2 (Above Average) for Timeliness.

Safety Rank

A measure of potential risk associated with individual common stocks rather than large diversified portfolios (for which Beta is good risk measure). Safety is based on the stability of price, which includes sensitivity to the market (see Beta) as well as the stock's inherent volatility, adjusted for trend and other factors including company size, the penetration of its markets, product market volatility, the degree of financial leverage, the earnings quality, and the overall condition of the balance sheet. Safety Ranks range from 1 (Highest) to 5 (Lowest). Conservative investors should try to limit purchases to equities ranked 1 (Highest) or 2 (Above Average) for Safety.

Financial Strength

The financial strength of each of the more than 1,600 companies in the VS II data base is rated relative to all the others. The ratings range from A++ to C in nine steps. (For screening purposes, think of an A rating as "greater than" a B). Companies that have the best relative financial strength are given an A++ rating, indicating ability to weather hard times better than the vast majority of other companies. Those who don't quite merit the top rating are given an A+ grade, and so on. A rating as low as C++ is considered satisfactory. A rating of C+ is well below average, and C is reserved for companies with very serious financial problems. The ratings are based upon a computer analysis of a number of key variables that determine (a) financial leverage, (b) business risk, and (c) company size, plus the judgment of Value Line's analysts and senior editors regarding factors that cannot be quantified across-the-board for companies. The primary variables that are indexed and studied include equity coverage of debt, equity coverage of intangibles, "quick ratio", accounting methods, variability of return, fixed charge coverage, stock price stability, and company size.

Price Stability Index

An index based upon a ranking of the weekly percent changes in the price of the stock over the last five years. The lower the standard deviation of the changes, the more stable the stock. Stocks ranking in the top 5% (lowest standard deviations) carry a Price Stability Index of 100; the next 5%, 95; and so on down to 5. One standard deviation is the range around the average weekly percent change in the price that encompasses about two thirds of all the weekly percent change figures over the last five years. When the range is wide, the standard deviation is high and the stock's Price Stability Index is low.

Beta

A measure of the sensitivity of the stock's price to overall fluctuations in the New York Stock Exchange Composite Average. A Beta of 1.50 indicates that a stock tends to rise (or fall) 50% more than the New York Stock Exchange Composite Average. Use Beta to measure the stock market risk inherent in any diversified portfolio of, say, 15 or more companies. Otherwise, use the Safety Rank, which measures total risk inherent in an equity, including that portion attributable to market fluctuations. Beta is derived from a least squares regression analysis between weekly percent changes in the price of a stock and weekly percent changes in the NYSE Average over a period of five years. In the case of shorter price histories, a smaller time period is used, but two years is the minimum. The Betas are periodically adjusted for their long-term tendency to regress toward 1.00.

Technical Rank

A prediction of relative price movement, primarily over the next three to six months. It is a function of price action relative to all stocks followed by Value Line. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next six months. Stocks ranked 3 (Average) will probably advance or decline with the market. Investors should use the Technical and Timeliness Ranks as complements to one another.

UGI GAS EXHIBIT E – PROOF OF REVENUE

**UGI Utilities, Inc. - Gas Division
Proof of Revenue Summary - Total Revenue**

Rate Class	Customers	Sales	Present Revenue	Proposed Revenue	Revenue Change	Percent Change from Present Revenue	Percent of Total Rate Increase
R/RT	348,120	22,744,148	\$ 190,015,038	\$ 233,347,467	\$ 43,332,429	22.8%	74.0%
N/NT	38,394	14,141,073	\$ 83,820,976	\$ 96,316,755	\$ 12,495,779	14.9%	21.3%
DS	592	3,239,371	\$ 13,873,223	\$ 14,854,703	\$ 981,480	7.1%	1.7%
LFD	464	14,564,585	\$ 25,795,573	\$ 27,549,810	\$ 1,754,237	6.8%	3.0%
Interruptible	322	50,276,404	\$ 4,900,000	\$ 4,900,000	\$ -	0.0%	0.0%
XD - Firm	27	17,418,626	\$ 11,785,496	\$ 11,785,496	\$ -	0.0%	0.0%
Total	387,919	122,384,208	\$ 330,190,307	\$ 388,754,232	\$ 58,563,925	17.7%	100.0%
Other Operating Revenue			\$ 4,480,000	\$ 4,480,000	\$ -		
Total			\$ 334,670,307	\$ 393,234,232	\$ 58,563,925	17.5%	

Notes:
1) Only Rates R and N and former Rate N customers moving to Rates DS and LFD include the PGC cost of gas.

UGI Utilities, Inc. - Gas Division
Residential Service - Rate Schedules R & RT
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2017

Exhibit E
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Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Residential Service & Residential Transportation Service								
Customer Charges								
Rate R	3,605,184		\$ 8.55	\$ 30,824,323	\$ 17.50	\$ 63,090,720	\$ 32,266,397	
Rate RT	572,256		\$ 8.55	\$ 4,892,789	\$ 17.50	\$ 10,014,480	\$ 5,121,691	
	<u>4,177,440</u>			<u>\$ 35,717,112</u>		<u>\$ 73,105,200</u>	<u>\$ 37,388,088</u>	
GET Gas Customer Charge	8,268		\$ 23.96	\$ 198,099	\$ 23.96	\$ 198,099	\$ -	
Distribution Charges								
First 5		12,112,602	\$ 3.3082	\$ 40,070,910	\$ 3.0123	\$ 36,486,791	\$ (3,584,119)	
All over 5		<u>10,631,546</u>	\$ 2.6634	<u>\$ 28,316,060</u>	\$ 3.0123	<u>\$ 32,025,406</u>	<u>\$ 3,709,346</u>	
Subtotal		<u>22,744,148</u>		<u>\$ 68,386,970</u>		<u>\$ 68,512,197</u>	<u>\$ 125,227</u>	
State Tax Adjustment Surcharge (STAS) - Rider A			0.00%	\$ -	0.00%	\$ -	\$ -	
Purchased Gas Costs (PGC) - Rider B	1/	19,067,626	\$ 4.2662	\$ 81,346,305	\$ 4.2662	\$ 81,346,305	\$ -	
Merchant Function Charge (MFC) - Rider D		19,067,626	2.19%	\$ 1,781,484	2.19%	\$ 1,781,484	\$ -	
Low Income Self-Help Program (LISHP)		21,720,661	2/ \$ 0.0839	\$ 1,822,363	\$ -	\$ -	\$ (1,822,363)	
Universal Service Program (USP) - Rider F		21,720,661	\$ -	\$ -	\$ 0.2927	\$ 6,356,605	\$ 6,356,605	
Gas Procurement Charge (GPC) - Rider E		19,067,626	\$ 0.0400	\$ 762,705	\$ 0.0146	\$ 278,387	\$ (484,318)	
Energy Efficiency & Conservation Rider (EEC) - Rider G		<u>22,744,148</u>	\$ -	<u>\$ -</u>	<u>\$ 0.0778</u>	<u>\$ 1,769,189</u>	<u>\$ 1,769,189</u>	
Total Rate R/RT		<u><u>22,744,148</u></u>		<u><u>\$ 190,015,038</u></u>		<u><u>\$ 233,347,467</u></u>	<u><u>\$ 43,332,429</u></u>	<u><u>22.8%</u></u>

Notes:

- 1/ The PGC rate is based on rates effective December 1, 2015.
2/ The LISHP rate is based on rates effective December 1, 2015.

UGI Utilities, Inc. - Gas Division
Non-Residential Service - Rate Schedules N & NT
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2017

Exhibit E
D. Lahoff
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Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Non-Residential Service & Non-Residential Transportation Service								
Customer Charges								
Rate N	335,532		\$ 8.55	\$ 2,868,799	\$ 32.00	\$ 10,737,024	\$ 7,868,225	
Rate NT	121,368		\$ 8.55	\$ 1,037,696	\$ 32.00	\$ 3,883,776	\$ 2,846,080	
Rate DS - NT	<u>3,828</u>		\$ 290.00	<u>\$ 1,110,120</u>	\$ 32.00	<u>\$ 122,496</u>	<u>\$ (987,624)</u>	
	460,728			\$ 5,016,615		\$ 14,743,296	\$ 9,726,681	
Distribution Charges								
N/NT - N/NT								
First 25		4,835,282	\$ 4.0268	\$ 19,470,712	\$ 3.6932	\$ 17,857,662	\$ (1,613,050)	
Next 475		7,135,274	\$ 3.5309	\$ 25,193,938	\$ 3.6932	\$ 26,351,993	\$ 1,158,055	
All ove 500 Winter		1,189,948	\$ 2.4374	\$ 2,900,379	\$ 3.6932	\$ 4,394,715	\$ 1,494,336	
All ove 500 Summer		<u>67,052</u>	\$ 2.2902	<u>\$ 153,562</u>	\$ 3.6932	<u>\$ 247,635</u>	<u>\$ 94,074</u>	
Subtotal		13,227,555		\$ 47,718,590		\$ 48,852,005	\$ 1,133,415	
DS - NT								
First 500		488,011	\$ 2.3000	\$ 1,122,426			\$ (1,122,426)	
All ove 500 Winter		335,222	\$ 2.0700	\$ 693,910			\$ (693,910)	
All ove 500 Summer		<u>90,285</u>	\$ 1.9500	<u>\$ 176,055</u>			<u>\$ (176,055)</u>	
Subtotal		913,518		\$ 1,992,391			\$ (1,992,391)	
DS - NT								
First 25		325,715			\$ 3.6932	\$ 1,202,929	\$ 1,202,929	
Next 475		500,993			\$ 3.6932	\$ 1,850,267	\$ 1,850,267	
All ove 500 Winter		82,180			\$ 3.6932	\$ 303,507	\$ 303,507	
All ove 500 Summer		<u>4,631</u>			\$ 3.6932	<u>\$ 17,102</u>	<u>\$ 17,102</u>	
Subtotal		913,518				\$ 3,373,805	\$ 3,373,805	
State Tax Adjustment Surcharge (STAS) - Rider A								
			0.00%	\$ -	0.00%	\$ -	\$ -	
Purchased Gas Costs (PGC) - Rider B								
	1/	6,732,150	\$ 4.2662	\$ 28,720,699	\$ 4.2662	\$ 28,720,699	\$ -	
Merchant Function Charge (MFC) - Rider D								
		6,732,150	0.36%	\$ 103,395	0.47%	\$ 134,987	\$ 31,593	
Gas Procurement Charge (GPC) - Rider E								
		6,732,150	\$ 0.0400	\$ 269,286	\$ 0.0146	\$ 98,289	\$ (170,997)	
Energy Efficiency & Conservation Rider (EEC) - Rider G								
		<u>14,141,073</u>	\$ -	\$ -	\$ 0.0278	<u>\$ 393,673</u>	<u>\$ 393,673</u>	
Total Rate N/NT		<u>14,141,073</u>		<u>\$ 83,820,976</u>		<u>\$ 96,316,755</u>	<u>\$ 12,495,779</u>	<u>14.9%</u>

Notes:

1/ The PGC rate is based on rates effective December 1, 2015.

UGI Utilities, Inc. - Gas Division
Delivery Service - Rate Schedule DS
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2017

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Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
<u>Delivery Service</u>								
Customer Charge								
N/NT - DS	2,844		\$ 8.55	\$ 24,316	\$ 290.00	\$ 824,760	\$ 800,444	
DS - DS	<u>4,260</u>		\$ 290.00	<u>\$ 1,235,400</u>	\$ 290.00	<u>\$ 1,235,400</u>	<u>\$ -</u>	
	7,104			\$ 1,259,716		\$ 2,060,160	\$ 800,444	
Distribution Charges								
N/NT - DS								
First 25		560,088	\$ 4.0268	\$ 2,255,364	\$ 2.9121	\$ 1,631,033	\$ (624,331)	
Next 475		861,491	\$ 3.5309	\$ 3,041,839	\$ 2.9121	\$ 2,508,748	\$ (533,091)	
All over 500 Winter		141,314	\$ 2.4374	\$ 344,438	\$ 2.9121	\$ 411,520	\$ 67,082	
All over 500 Summer		<u>7,963</u>	\$ 2.2902	<u>\$ 18,236</u>	\$ 2.9121	<u>\$ 23,189</u>	<u>\$ 4,952</u>	
Subtotal		1,570,856		\$ 5,659,878		\$ 4,574,490	\$ (1,085,387)	
DS - DS								
First 500		896,339	\$ 2.3000	\$ 2,061,579	\$ 2.9121	\$ 2,610,228	\$ 548,649	
All over 500 Winter		607,274	\$ 2.0700	\$ 1,257,057	\$ 2.9121	\$ 1,768,443	\$ 511,385	
All over 500 Summer		<u>164,903</u>	\$ 1.9500	<u>\$ 321,560</u>	\$ 2.9121	<u>\$ 480,213</u>	<u>\$ 158,653</u>	
Subtotal		1,668,515		\$ 3,640,196		\$ 4,858,883	\$ 1,218,687	
State Tax Adjustment Surcharge (STAS) - Rider A			0.00%	\$ -	0.00%	\$ -		
Purchased Gas Costs (PGC) (N - DS) - Rider B	1/	766,722	\$ 4.2662	\$ 3,270,989	\$ 4.2662	\$ 3,270,989	\$ -	
Merchant Function Charge (MFC) (N - DS) - Rider D	2/	766,722	0.36%	\$ 11,776	0.00%	\$ -	\$ (11,776)	
Gas Procurement Charge (GPC) (N - DS) - Rider E	3/	766,722	\$ 0.0400	\$ 30,669	\$ -	\$ -	\$ (30,669)	
Energy Efficiency & Conservation Rider (EEC) - Rider G		3,239,371	\$ -	\$ -	\$ 0.0278	\$ 90,181	\$ 90,181	
Total Rate DS		<u>3,239,371</u>		<u>\$ 13,873,223</u>		<u>\$ 14,854,703</u>	<u>\$ 981,480</u>	<u>7.1%</u>

Notes:

1/ There will be no Purchased Gas Costs in the future year under Rate DS for N customers transitioning to Rate DS.

2/ There will be no Merchant Function Charge in the future year under Rate DS for N customers transitioning to Rate DS.

3/ There will be no Gas Procurement Charge in the future year under Rate DS for N customers transitioning to Rate DS.

UGI Utilities, Inc. - Gas Division
Large Firm Delivery Service - Rate Schedule LFD
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2017

Exhibit E
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Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Large Firm Delivery Service								
Customer Charge								
N/NT - LFD	780		\$ 8.55	\$ 6,669	\$ 700.00	\$ 546,000	\$ 539,331	
DS - LFD	1,728		\$ 290.00	\$ 501,120	\$ 700.00	\$ 1,209,600	\$ 708,480	
LFD - LFD	3,060		\$ 700.00	\$ 2,142,000	\$ 700.00	\$ 2,142,000	\$ -	
	<u>5,568</u>			<u>\$ 2,649,789</u>		<u>\$ 3,897,600</u>	<u>\$ 1,247,811</u>	
Distribution Charges								
N/NT - LFD								
First 25		267,999	\$ 4.0268	\$ 1,079,179	\$ 1.2133	\$ 325,163	\$ (754,016)	
Next 475		412,219	\$ 3.5309	\$ 1,455,503	\$ 1.2133	\$ 500,145	\$ (955,358)	
All ove 500 Winter		67,618	\$ 2.4374	\$ 164,812	\$ 1.2133	\$ 82,041	\$ (82,771)	
All ove 500 Summer		3,810	\$ 2.2902	\$ 8,726	\$ 1.2133	\$ 4,623	\$ (4,103)	
Subtotal		<u>751,646</u>		<u>\$ 2,708,220</u>		<u>\$ 911,972</u>	<u>\$ (1,796,248)</u>	
DS - LFD								
First 500		1,211,433	\$ 2.3000	\$ 2,786,297	\$ 1.2133	\$ 1,469,832	\$ (1,316,465)	
All ove 500 Winter		832,152	\$ 2.0700	\$ 1,722,555	\$ 1.2133	\$ 1,009,650	\$ (712,905)	
All ove 500 Summer		224,122	\$ 1.9500	\$ 437,038	\$ 1.2133	\$ 271,927	\$ (165,111)	
Subtotal		<u>2,267,707</u>		<u>\$ 4,945,889</u>		<u>\$ 2,751,409</u>	<u>\$ (2,194,480)</u>	
LFD - LFD								
First 1,000		2,873,187	\$ 1.8430	\$ 5,295,283	\$ 1.2133	\$ 3,486,037	\$ (1,809,246)	
Next 4,000		5,653,932	\$ 1.1530	\$ 6,518,983	\$ 1.2133	\$ 6,859,915	\$ 340,932	
All ove 5,000 Winter		1,784,284	\$ 0.7860	\$ 1,402,447	\$ 1.2133	\$ 2,164,871	\$ 762,424	
All ove 5,000 Summer		1,233,829	\$ 0.5260	\$ 648,994	\$ 1.2133	\$ 1,497,005	\$ 848,011	
Subtotal		<u>11,545,232</u>		<u>\$ 13,865,707</u>		<u>\$ 14,007,830</u>	<u>\$ 142,123</u>	
Demand Charges		878,577	\$ -	\$ -	\$ 5.4500	\$ 4,788,247	\$ 4,788,247	
State Tax Adjustment Surcharge (STAS) - Rider A			0.00%	\$ -	0.00%	\$ -	\$ -	
Purchased Gas Costs (PGC) (N - LFD) - Rider B	1/	184,541	\$ 4.2662	\$ 787,289	\$ 4.2662	\$ 787,289	\$ (0)	
Merchant Function Charge (MFC) (N - LFD) - Rider D	2/	184,541	0.36%	\$ 2,834	0.00%	\$ -	\$ (2,834)	
Gas Procurement Charge (GPC) (N - LFD) - Rider E	3/	184,541	\$ 0.0400	\$ 7,382	\$ -	\$ -	\$ (7,382)	
Energy Efficiency & Conservation Rider (EEC) - Rider G		14,564,585	\$ -	\$ -	\$ 0.0278	\$ 405,463	\$ 405,463	
Pooling/Minimum Bills		-		\$ 828,463	\$ -	\$ -	\$ (828,463)	
Total Rate LFD		<u>14,564,585</u>		<u>\$ 25,795,573</u>		<u>\$ 27,549,810</u>	<u>\$ 1,754,237</u>	<u>6.8%</u>

Notes:

- 1/ There will be no Purchased Gas Costs in the future year under Rate LFD for N customers transitioning to Rate LFD.
- 2/ There will be no Merchant Function Charge in the future year under Rate LFD for N customers transitioning to Rate LFD.
- 3/ There will be no Gas Procurement Charge in the future year under Rate LFD for N customers transitioning to Rate LFD.

UGI Utilities, Inc. - Gas Division
Extended Large Firm Delivery Service - Rate Schedule XD
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2017

Exhibit E
D. Lahoff
Page 6 of 7

Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
<u>Extended Large Firm Delivery Service</u>								
Customer Charge XD	<u>324</u>		\$ 26,702	\$ 8,651,605	\$ 26,702	\$ 8,651,605	\$ -	
Distribution Charges XD		<u>17,418,626</u>	\$ 0.1607	\$ 2,799,158	\$ 0.1607	\$ 2,799,158	\$ -	
Balancing Service/Minimum Bills XD				\$ 334,733		\$ -	\$ (334,733)	
Demand Charges XD		<u>1,239,396</u>	\$ -	\$ -	\$ 0.2701	\$ 334,733	\$ 334,733	
Total Rate XD		<u><u>17,418,626</u></u>		<u><u>\$ 11,785,496</u></u>		<u><u>\$ 11,785,496</u></u>	<u><u>\$ -</u></u>	<u><u>0.0%</u></u>

Notes:

UGI Utilities, Inc. - Gas Division
Interruptible Service - Rate Schedule IS
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2017

Exhibit E
D. Lahoff
Page 7 of 7

Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
<u>Interruptible Service</u>								
Customer Charge	<u>3,864</u>		\$ 124.22	\$ <u>480,000</u>	\$ 124.22	\$ <u>480,000</u>	\$ -	
Distribution Charges		<u>50,276,404</u>	\$ 0.0879	\$ <u>4,420,000</u>	\$ 0.0879	\$ <u>4,420,000</u>	\$ -	
Total Rate IS		<u><u>50,276,404</u></u>		<u><u>\$ 4,900,000</u></u>		<u><u>\$ 4,900,000</u></u>	<u><u>\$ -</u></u>	<u><u>0.0%</u></u>

Notes:

UGI Gas Exhibit C (Fully Projected Future)
Witness: J. F. Wiedmayer

UGI UTILITIES, INC. – GAS DIVISION

DOCKET NO. R-2015-2518438

2017 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION
ACCRUALS RELATED TO GAS PLANT
AS OF SEPTEMBER 30, 2017

Prepared by:



*Excellence Delivered **As Promised***

UGI UTILITIES, INC. - GAS DIVISION
Reading, Pennsylvania

2017 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT
AS OF SEPTEMBER 30, 2017

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
Valley Forge, Pennsylvania



*Excellence Delivered **As Promised***

January 11, 2016

Ms. Ann P. Kelly, Controller
UGI Utilities, Inc. – Gas Division
2525 N. 12th Street, Suite 360
Reading, PA 19605-2771

Ladies and Gentlemen:

Pursuant to your request, we have determined the annual depreciation accruals applicable to gas plant as of September 30, 2017. Summaries of the original cost, annual accruals and the book depreciation reserve are presented in Tables 1 through 4 of the attached report.

A description of the methods and procedures upon which the study was based is set forth in a companion report, "2016 Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant as of September 30, 2016".

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink that reads "John F. Wiedmayer". The signature is written in a cursive, flowing style.

JOHN F. WIEDMAYER
Project Manager – Depreciation Studies

JFW:krm

060799.100

Gannett Fleming Valuation and Rate Consultants, LLC

P.O. Box 80794 • Valley Forge, PA 19484-0794 | 1010 Adams Avenue • Audubon, PA 19403-2402
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PART I. INTRODUCTION

**UGI UTILITIES, INC. - GAS DIVISION
DEPRECIATION STUDY**

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study for UGI Utilities, Inc. – Gas Division, Inc. to determine the annual depreciation accrual rates and amounts for ratemaking purposes applicable to the original cost of gas plant at September 30, 2017.

BASIS

Depreciation

The annual depreciation accruals and accrued depreciation were calculated using the straight line method, the remaining life basis, the average service life (ASL) procedure for plant installed prior to 1982 and the equal life group procedure (ELG) for 1982 and subsequent vintages. The calculations were based on the attained ages and estimated service life characteristics for each depreciable group of gas property.

Service Life Estimates

The service life and survivor curve estimates used for the calculation of depreciation as of September 30, 2017, are set forth in Table 1 and are based on company data through 2011. The company is not proposing any changes to the service life estimates. The service life estimates are the same estimates as submitted to the Pennsylvania Public Utility Commission (PA PUC) in the company's most recent service life study report in March 2012.

Remaining Life Annual Accruals

For the purpose of calculating remaining life accruals as of September 30, 2017, the book reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation for the average service life procedure are presented in Exhibit C (Future). The detailed calculations as of September 30, 2017, are set forth in Part III of this report.

Amortization of Net Salvage

In accordance with Pennsylvania rate regulation practice, under which experienced costs of negative net salvage are amortized after their occurrence, no adjustments for expected net salvage were made to either the annual depreciation accrual or the calculated accrued depreciation for the individual accounts. The annual provision for recovering negative net salvage is based on the amortization of experienced net salvage over a five-year period.

PART II. RESULTS OF STUDY

**UGI UTILITIES, INC. - GAS DIVISION
DEPRECIATION STUDY**

PART II. RESULTS OF STUDY

DESCRIPTION OF SUMMARY TABULATIONS

Tables 1 through 4 presented on pages II-3 through II-10 summarize the results of the depreciation study as of September 30, 2017. Table 1 sets forth, by depreciable group, the estimated survivor curve, original cost, book depreciation reserve as of September 30, 2017, future book accruals, calculated annual accrual amount and rate, and composite remaining life for plant in service. Table 2 presents the bringforward of the book reserve to September 30, 2017. Table 3 sets forth the calculation of the depreciation accruals for the twelve months ended September 30, 2017. Table 4 presents the annual amortization of experienced and estimated net salvage based on the period 2013 through 2017.

DETAILED TABULATIONS OF DEPRECIATION CALCULATIONS

Supporting data for the original cost depreciation calculations in account sequence are presented in Part III of this report. The tables indicate the estimated survivor curves used in the calculations and set forth, for each installation year, the original cost, calculated accrued depreciation, allocated book reserve, future book accruals, and calculated remaining life accrual rate and amount.

Detailed tabulations setting forth the experienced and estimated cost of removal and salvage amounts by year and account are presented in Part IV of this report. The net salvage amounts are carried forward to Table 4 which presents the five-year amortization.



UGI UTILITIES, INC. - GAS DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2017

ACCOUNT (1)	SURVIVOR CURVE (2)	ORIGINAL COST (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	CALCULATED ANNUAL ACCRUAL		
					RATE (6)	AMOUNT (7)	
GAS PLANT							
DISTRIBUTION PLANT							
375	STRUCTURES AND IMPROVEMENTS	55 - S0.5	2,185,833	1,446,653	739,180	1.26	27,612
376.1	MAINS - PRIMARILY STEEL	72 - R2.5	231,294,934	78,311,541	152,983,393	1.52	3,515,475
376.2	MAINS - CAST IRON	70 - R1	2,733,094	788,879	1,944,215	3.40	93,032
376.3	MAINS - PLASTIC	65 - R3	515,422,589	112,315,208	403,107,381	1.68	8,676,463
376.5	MAINS - PRIMARILY WROUGHT IRON	70 - R1	294,940	254,942	39,998	1.07	3,154
378	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	50 - S0.5	34,124,579	5,149,506	28,975,073	2.71	924,573
378.1	MEASURING AND REGULATING STATION EQUIPMENT - SCADA	13 - S2	1,316,613	660,294	656,319	8.14	107,140
379	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	40 - R3	4,794,310	3,093,712	1,700,598	1.60	76,603
380	SERVICES	47 - R2	592,758,055	159,613,547	433,144,508	2.53	14,976,767
381	METERS	36 - R1.5	48,498,754	17,159,112	31,339,642	3.20	1,552,798
381.2	ELECTRONIC METERS	20 - S2	11,046,136	6,264,387	4,781,749	4.03	445,646
382	METER INSTALLATIONS	47 - R2	65,196,088	23,154,952	42,041,136	2.27	1,482,092
383	HOUSE REGULATORS	47 - R2	7,404,361	1,667,308	5,737,053	2.87	212,542
384	HOUSE REGULATOR INSTALLATIONS	47 - R2	11,149,494	4,220,552	6,928,942	2.17	241,651
385	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	42 - R2	6,163,336	3,586,364	2,576,972	1.80	110,869
386	OTHER PROPERTY ON CUSTOMERS PREMISES	47 - R2	337,967	131,585	206,382	2.14	7,217
386.1	OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	47 - R2	946,896	583,957	362,939	1.63	15,431
386.2	OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	25 - R3	24,705	23,592	1,113	1.00	248
386.3	OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STATION			1,036	(1,036)		
387	OTHER EQUIPMENT	32 - L2	2,178,778	848,337	1,330,441	3.57	77,851
387.1	OTHER EQUIPMENT - GRAPHIC DATA BASE	25 - SQ	1,490,664	1,446,389	44,275	0.30	4,539
TOTAL DISTRIBUTION PLANT			1,539,362,126	420,721,853	1,118,640,273	2.11	32,551,703
GENERAL PLANT							
390.1	STRUCTURES AND IMPROVEMENTS	VARIOUS*	32,047,414	15,682,103	16,365,311	3.25	1,042,799
390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	SQUARE	11,241	5,878	5,363	19.71	2,216
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20 - SQ	2,255,193	998,122	1,257,071	4.85	109,370
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5 - SQ	109,246	138,845	(29,599)	0.00	0
392.1	TRANSPORTATION EQUIPMENT - CARS	7 - L2.5	40,643	40,635	8	0.02	7
392.2	TRANSPORTATION EQUIPMENT - TRUCKS	11 - L3	809,748	89,061	720,687	10.34	83,715
392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	14 - L4	12,549	12,549	0	0.00	0
394	TOOLS, SHOP AND GARAGE EQUIPMENT	20 - SQ	9,958,664	3,331,267	6,627,397	5.04	501,958
396	POWER OPERATED EQUIPMENT	14 - L2.5	1,370,792	1,315,394	55,398	0.81	11,139
397	COMMUNICATION EQUIPMENT	10 - SQ	506,885	416,447	90,438	7.92	40,154
398	MISCELLANEOUS EQUIPMENT	10 - SQ	854,715	339,529	515,186	10.01	85,585
TOTAL GENERAL PLANT			47,977,090	22,369,830	25,607,260	3.91	1,876,943
TOTAL DEPRECIABLE GAS PLANT			1,587,339,216	443,091,683	1,144,247,533	2.17	34,428,646
NONDEPRECIABLE PLANT							
302.1	FRANCHISES AND CONSENTS - PERPETUAL		20,149				
302.2	FRANCHISES AND CONSENTS - LIMITED TERM		8,107				
304.1	LAND AND LAND RIGHTS - LAND		375,198				
304.2	LAND AND LAND RIGHTS - LAND RIGHTS		6,454				
374.1	LAND AND LAND RIGHTS - LAND		232,579				
374.2	LAND AND LAND RIGHTS - LAND RIGHTS		2,040,764				
389.1	LAND AND LAND RIGHTS - LAND		1,491,454				
389.2	LAND AND LAND RIGHTS - LAND RIGHTS		1,313				
TOTAL NONDEPRECIABLE PLANT			4,176,018				
TOTAL GAS PLANT			1,591,515,234				



UGI UTILITIES, INC. - GAS DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2017

ACCOUNT (1)	SURVIVOR CURVE (2)	ORIGINAL COST (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	CALCULATED ANNUAL ACCRUAL	
					RATE (6)	AMOUNT (7)
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION						
COMMON PLANT						
301	ORGANIZATION (NONDEPRECIABLE)	138,964				
390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	159,895	139,250	20,645	8.61	13,764
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	840,391	164,240	676,151	7.13	59,936
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	155,038	112,023	43,015	23.42	36,314
392.1	TRANSPORTATION EQUIPMENT - CARS	71,637	61,742	9,895	4.84	3,468
TOTAL COMMON PLANT		1,365,925	477,255	749,706	9.25	113,482
TOTAL COMMON PLANT ALLOCATED TO GAS DIVISION - 15.36%		209,806	73,306	115,155		17,431
INFORMATION SERVICES (IS)						
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	71,395	59,106	12,289	4.23	3,021
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	2,868,843	1,746,659	1,122,184	21.16	606,990
391.3	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS **	18,937,625	4,843,763	14,093,862	9.83	1,862,341
391.4	OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS **	98,801,617	6,654,743	92,146,874	6.66	6,586,242
TOTAL INFORMATION SERVICES		120,679,480	13,304,271	107,375,209	7.51	9,058,594
TOTAL INFORMATION SERVICES ALLOCATED TO GAS DIVISION - 48.83%		58,927,790	6,496,476	52,431,315		4,423,311
LESS READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS						
390.1	STRUCTURES AND IMPROVEMENTS	2,097,073	1,176,645	920,428	3.59	75,268
TOTAL READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS - 51.74%		1,085,026	608,796	476,229		38,944
TOTAL OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION		58,052,570	5,960,986	52,070,241	7.58	4,401,798
TOTAL PLANT IN SERVICE		1,649,567,804	449,052,669	1,196,317,774	2.35	38,830,444
ENVIRONMENTAL EXPENDITURES FOR SITE REMEDIATION - ACCOUNT 305			(316,923)			
AMORTIZATION OF NEGATIVE NET SALVAGE						4,995,504
GRAND TOTAL		1,649,567,804	448,735,746	1,196,317,774		43,825,948

* SURVIVOR CURVES FOR ACCOUNT 390.1 ARE INTERIM SURVIVOR CURVES. INDIVIDUAL BUILDINGS ARE LIFE SPANNED.

** ASSETS IN ACCOUNTS 391.3 AND 391.4 ARE INDIVIDUALLY DEPRECIATED BASED ON THE SERVICE LIVES SHOWN IN THIS REPORT. ALSO, UGI PLANS TO REPLACE THEIR CUSTOMER INFORMATION SYSTEM (CIS) IN ACCOUNT 391.3 IN 2017. UGI PLANS TO AMORTIZE THE UNRECOVERED COSTS RELATED TO CIS PROJECTS OVER THEIR ESTIMATED REMAINING LIVES. CIS IS EXPECTED TO BE RETIRED IN SEPTEMBER 2017.



UGI UTILITIES, INC. - GAS DIVISION

TABLE 2. BOOK RESERVE AT SEPTEMBER 30, 2016 PROJECTED TO SEPTEMBER 30, 2017

ACCOUNT	BOOK RESERVE AT BEGINNING OF YEAR	ANNUAL ACCRUAL	AMORTIZATION OF NET SALVAGE	RETIREMENTS	GROSS SALVAGE	COST OF REMOVAL	TRANSFERS AND ADJUSTMENTS	BOOK RESERVE AT END OF YEAR	BOOK RESERVE AS A PERCENT OF ORIGINAL COST
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
DEPRECIABLE GAS PLANT									
305	MANUFACTURED GAS PLANT SITE REMEDIATION	(612,730)	0	295,807	0	0	0	(316,923)	0.00
375	STRUCTURES AND IMPROVEMENTS	1,418,237	28,416	0	0	0	0	1,446,653	66.18
376.1	MAINS - PRIMARILY STEEL	81,012,984	3,212,349	328,635	(5,304,754)	0	(937,673)	78,311,541	33.86
376.2	MAINS - CAST IRON	948,859	97,284	153,477	(273,310)	0	(137,431)	788,879	28.86
376.3	MAINS - PLASTIC	104,744,900	8,310,618	35,309	(731,708)	0	(43,911)	112,315,208	21.79
376.5	MAINS - PRIMARILY WROUGHT IRON	251,609	3,333	0	0	0	0	254,942	86.44
378	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	5,504,159	840,802	140,330	(936,650)	120,047	(519,182)	5,149,506	15.09
378.1	MEASURING AND REGULATING STATION EQUIPMENT - SCADA	552,033	113,557	0	(5,296)	0	0	660,294	50.15
379	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE SERVICES	3,117,129	67,401	6,112	(67,967)	8,711	(37,674)	3,093,712	64.53
380	METERS	151,746,171	14,457,482	3,005,469	(6,236,195)	3,905	(3,363,285)	159,613,547	26.93
381	ELECTRONIC METERS	16,042,134	1,551,521	1,364	(435,196)	1,317	(2,028)	17,159,112	35.38
381.2	METER INSTALLATIONS	6,153,915	400,976	100	(290,130)	878	(1,352)	6,264,387	56.71
382	HOUSE REGULATORS	22,269,526	1,445,247	54,304	(399,122)	250	(215,253)	23,154,952	35.52
383	HOUSE REGULATOR INSTALLATIONS	1,471,024	229,877	186,045	(129,969)	81	(70,094)	1,667,308	22.52
384	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	4,125,458	229,877	16,990	(98,638)	62	(53,197)	4,220,552	37.85
385	OTHER PROPERTY ON CUSTOMERS PREMISES	3,626,106	96,131	9,144	(101,686)	13,033	(56,364)	3,586,364	58.19
386	OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	124,217	7,368	0	0	0	0	131,585	38.93
386.1	OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	568,144	15,813	0	0	0	0	583,957	61.67
386.2	OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STATIC	23,303	289	0	0	0	0	23,592	95.49
386.3	OTHER EQUIPMENT	518	0	518	0	0	0	1,036	0.00
387	OTHER EQUIPMENT - GRAPHIC DATA BASE	980,326	67,351	14,377	(145,593)	0	(68,124)	848,337	38.94
387.1	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	1,441,917	4,472	0	0	0	0	1,446,389	97.03
390.1	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	14,910,911	913,929	83,761	(205,907)	0	(20,591)	15,682,103	48.93
390.2	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	3,664	2,214	0	0	0	0	5,878	52.29
391	TRANSPORTATION EQUIPMENT - CARS	918,983	107,662	0	(28,523)	0	0	998,122	44.26
391.1	TRANSPORTATION EQUIPMENT - TRUCKS	147,242	0	0	(8,397)	0	0	138,845	127.09
392.1	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	40,602	33	0	0	0	0	40,635	99.98
392.2	TOOLS, SHOP AND GARAGE EQUIPMENT	27,988	64,254	(3,181)	0	0	0	89,061	11.00
392.4	POWER OPERATED EQUIPMENT	12,549	0	0	0	0	0	12,549	100.00
394	COMMUNICATION EQUIPMENT	2,999,217	458,827	(2,603)	(124,174)	0	0	3,331,267	33.45
396	MISCELLANEOUS EQUIPMENT	1,302,234	13,160	0	0	0	0	1,315,394	95.96
397		419,928	52,677	0	(56,158)	0	0	416,447	82.16
398		261,197	78,332	0	0	0	0	339,529	39.72
TOTAL DEPRECIABLE GAS PLANT	426,554,454	32,851,596	4,325,958	(15,579,373)	148,284	(5,526,159)	0	442,774,760	27.89
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION									
COMMON PLANT									
390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	125,499	13,751	0	0	0	0	139,250	87.09
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	113,662	73,784	0	(23,206)	0	0	164,240	19.54
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	55,280	63,179	0	(6,436)	0	0	112,023	72.26
392.1	TRANSPORTATION EQUIPMENT - CARS	57,401	4,341	0	0	0	0	61,742	86.19
TOTAL COMMON PLANT	351,842	155,055	0	(29,642)	0	0	0	477,255	38.90
TOTAL COMMON PLANT ALLOCATED TO GAS DIVISION - 15.36%	54,043	23,816	0	(4,553)	0	0	0	73,306	38.90



UGI UTILITIES, INC. - GAS DIVISION

TABLE 2. BOOK RESERVE AT SEPTEMBER 30, 2016 PROJECTED TO SEPTEMBER 30, 2017

ACCOUNT (1)	BOOK RESERVE AT BEGINNING OF YEAR (2)	ANNUAL ACCRUAL (3)	AMORTIZATION OF NET SALVAGE (4)	RETIREMENTS (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	TRANSFERS AND ADJUSTMENTS (8)	BOOK RESERVE AT END OF YEAR (9)	BOOK RESERVE AS A PERCENT OF ORIGINAL COST (10)
INFORMATION SERVICES (IS)									
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	55,458	3,648	0	0	0	0	0	59,106	82.79
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	2,065,289	647,057	0	(965,687)	0	0	0	1,746,659	60.88
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	9,368,820	1,663,206	0	(6,188,263)	0	0	0	4,843,763	25.58
391.4 OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	5,944,881	709,862	0	0	0	0	0	6,654,743	6.74
TOTAL INFORMATION SERVICES	17,434,448	3,023,773	0	(7,153,950)	0	0	0	13,304,271	11.02
TOTAL INFORMATION SERVICES ALLOCATED TO GAS DIVISION - 48.83%	8,513,241	1,476,508	0	(3,493,274)	0	0	0	6,496,476	11.02
LESS READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS									
390.1 STRUCTURES AND IMPROVEMENTS	1,117,100	68,825	0	(9,280)	0	0	0	1,176,645	56.11
TOTAL READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS - 51.74%	577,988	35,610	0	(4,801)	0	0	0	608,796	
TOTAL OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION	7,989,296	1,464,714	0	(3,493,026)	0	0	0	5,960,986	10.27
TOTAL PLANT IN SERVICE	434,543,750	34,316,310	4,325,958	(19,072,399)	148,284	(5,526,159)	0	448,735,746	27.27



UGI UTILITIES, INC. - GAS DIVISION

TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017

ACCOUNT (1)	BEGINNING OF YEAR BALANCE (2)	ADDITIONS (3)	RETIREMENTS (4)	END OF YEAR BALANCE (5)	COMPOSITE ACCRUAL RATE (6)	ANNUAL ACCRUAL AMOUNT* (7)
DEPRECIABLE GAS PLANT						
305 MANUFACTURED GAS PLANT SITE REMEDIATION	0	0	0	0	0.00	0
375 STRUCTURES AND IMPROVEMENTS	2,185,833	0	0	2,185,833	1.30	28,416
376.1 MAINS - PRIMARILY STEEL	213,286,846	23,312,842	(5,304,754)	231,294,934	1.46	3,212,349
376.2 MAINS - CAST IRON	3,006,404	0	(273,310)	2,733,094	3.39	97,284
376.3 MAINS - PLASTIC	474,738,894	41,415,403	(731,708)	515,422,589	1.68	8,310,618
376.5 MAINS - PRIMARILY WROUGHT IRON	294,940	0	0	294,940	1.13	3,333
378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	30,033,045	5,028,184	(936,650)	34,124,579	2.63	840,802
378.1 MEASURING AND REGULATING STATION EQUIPMENT - SCADA	1,293,478	28,431	(5,296)	1,316,613	8.72	113,557
379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	4,497,412	364,865	(67,967)	4,794,310	1.45	67,401
380 SERVICES	551,461,856	47,532,394	(6,236,195)	592,758,055	2.52	14,457,482
381 METERS	46,943,780	1,990,170	(435,196)	48,498,754	3.26	1,551,521
381.2 ELECTRONIC METERS	10,009,486	1,326,780	(290,130)	11,046,136	3.84	400,976
382 METER INSTALLATIONS	62,553,098	3,042,112	(399,122)	65,196,088	2.26	1,445,247
383 HOUSE REGULATORS	6,543,707	990,623	(129,969)	7,404,361	2.96	210,221
384 HOUSE REGULATOR INSTALLATIONS	10,496,314	751,818	(98,638)	11,149,494	2.12	229,877
385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	5,719,147	545,875	(101,686)	6,163,336	1.62	96,131
386 OTHER PROPERTY ON CUSTOMERS PREMISES	337,967	0	0	337,967	2.18	7,368
386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	946,896	0	0	946,896	1.67	15,813
386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	24,705	0	0	24,705	1.17	289
386.3 OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STAT	0	0	0	0	0.00	0
387 OTHER EQUIPMENT	2,043,852	280,519	(145,593)	2,178,778	3.19	67,351
387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE	1,490,664	0	0	1,490,664	0.30	4,472
390.1 STRUCTURES AND IMPROVEMENTS	30,194,253	2,059,068	(205,907)	32,047,414	2.98	913,929
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	11,241	0	0	11,241	19.70	2,214
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,044,422	239,294	(28,523)	2,255,193	4.98	107,662
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	96,794	20,849	(8,397)	109,246	0.00	0
392.1 TRANSPORTATION EQUIPMENT - CARS	40,643	0	0	40,643	0.08	33
392.2 TRANSPORTATION EQUIPMENT - TRUCKS	430,668	379,080	0	809,748	10.36	64,254
392.4 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	12,549	0	0	12,549	0.00	0
394 TOOLS, SHOP AND GARAGE EQUIPMENT	9,036,677	1,046,161	(124,174)	9,958,664	5.00	458,827
396 POWER OPERATED EQUIPMENT	1,370,792	0	0	1,370,792	0.96	13,160
397 COMMUNICATION EQUIPMENT	563,043	0	(56,158)	506,885	9.89	52,677
398 MISCELLANEOUS EQUIPMENT	724,406	130,309	0	854,715	10.07	78,332
TOTAL DEPRECIABLE GAS PLANT	1,472,433,812	130,484,777	(15,579,373)	1,587,339,216		32,851,596

UGI UTILITIES, INC. - GAS DIVISION
TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017

ACCOUNT (1)	BEGINNING OF YEAR BALANCE (2)	ADDITIONS (3)	RETIREMENTS (4)	END OF YEAR BALANCE (5)	COMPOSITE ACCRUAL RATE (6)	ANNUAL ACCRUAL AMOUNT* (7)
<u>OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION</u>						
COMMON PLANT						
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	159,895	0	0	159,895	8.60	13,751
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	863,597	0	(23,206)	840,391	8.67	73,784
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	161,474	0	(6,436)	155,038	39.99	63,179
392.1 TRANSPORTATION EQUIPMENT - CARS	71,637	0	0	71,637	6.06	4,341
TOTAL COMMON PLANT	1,256,603	0	(29,642)	1,226,961		155,055
TOTAL COMMON PLANT ALLOCATED TO GAS DIVISION - 15.36%	193,014	0	(4,553)	188,461		23,816
INFORMATION SERVICES (IS)						
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	71,395	0	0	71,395	5.11	3,648
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	3,834,530	0	(965,687)	2,868,843	19.54	647,057
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEAR	19,155,378	5,970,510	(6,188,263)	18,937,625	8.21	1,663,206
391.4 OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	10,614,969	88,186,648	0	98,801,617	6.66	709,862
TOTAL INFORMATION SERVICES	33,676,272	94,157,158	(7,153,950)	120,679,480		3,023,773
TOTAL INFORMATION SERVICES ALLOCATED TO GAS DIVISION - 48.83%	16,444,124	45,976,940	(3,493,274)	58,927,790		1,476,508
LESS READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS						
390.1 STRUCTURES AND IMPROVEMENTS	2,013,550	92,803	(9,280)	2,097,073	3.39	68,825
TOTAL READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS - 51.74%	1,041,811	48,016	(4,801)	1,085,026		35,610
TOTAL OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION	15,595,327	45,928,924	(3,493,026)	58,031,225		1,464,714
TOTAL PLANT IN SERVICE	1,488,029,139	176,413,701	(19,072,399)	1,645,370,441		34,316,310

* TOTAL ACCRUALS SHOWN ARE BASED ON MONTHLY AVERAGES



UGI UTILITIES, INC. - GAS DIVISION

TABLE 4. AMORTIZATION OF EXPERIENCED AND ESTIMATED NET SALVAGE

ACCOUNT (1)	2013		2014		2015		2016		2017		NET SALVAGE (12)*	NET SALVAGE ACCRUAL (13)=(12)/5
	GROSS SALVAGE (2)	COST OF REMOVAL (3)	GROSS SALVAGE (4)	COST OF REMOVAL (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	GROSS SALVAGE (8)	COST OF REMOVAL (9)	GROSS SALVAGE (10)	COST OF REMOVAL (11)		
GAS PLANT												
305	0	56,278	0	223,599	0	206,178	0	553,000	0	0	1,039,055	207,811
375	0	0	0	0	0	0	0	0	0	0	0	0
376.1	40,693	350,176	3,004	108,084	0	36,113	0	883,316	0	937,673	2,359,059	471,812
376.2	0	169,031	0	155,935	0	182,638	0	137,431	0	137,431	782,466	156,493
376.3	0	17,575	0	28,517	0	73,057	0	46,335	0	43,911	209,395	41,879
376.5	0	0	0	0	0	0	0	0	0	0	0	0
378	(19,268)	87,047	(27,231)	66,952	(30,924)	125,153	(126,672)	547,834	(120,047)	519,182	1,022,026	204,405
378.1	0	0	0	0	0	0	0	0	0	0	0	0
379	0	0	0	0	0	0	(9,192)	39,753	(8,711)	37,674	59,524	11,905
380	(16,310)	1,861,217	0	4,210,886	0	4,358,882	(4,121)	3,548,892	(3,905)	3,363,285	17,318,826	3,463,765
381	0	3,554	0	0	0	0	(1,390)	2,140	(1,317)	2,028	5,015	1,003
381.2	0	0	0	0	0	0	(927)	1,427	(878)	1,352	974	195
382	0	23,765	0	11,418	0	6,395	(264)	227,132	(250)	215,253	483,449	96,690
383	0	21,364	0	266	0	793,334	(86)	73,962	(81)	70,094	958,853	191,771
384	0	3,620	0	19,227	0	4,676	(65)	56,133	(62)	53,197	136,726	27,345
385	0	0	0	0	0	0	(13,752)	59,474	(13,033)	56,364	89,053	17,811
386	0	0	0	0	0	0	0	0	0	0	0	0
386.1	0	0	0	0	0	0	0	0	0	0	0	0
386.2	0	0	0	0	0	0	0	0	0	0	0	0
386.3	0	0	0	0	0	2,588	0	0	0	0	2,588	518
387	0	0	0	0	0	0	0	71,883	0	68,124	140,007	28,001
387.1	0	0	0	0	0	0	0	0	0	0	0	0
390.1	0	21,204	0	91,839	0	244,059	0	21,727	0	20,591	399,420	79,884
390.2	0	0	0	0	0	0	0	0	0	0	0	0
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
392.1	0	0	0	0	0	0	0	0	0	0	0	0
392.2	(4,509)	10	(8,445)	0	(2,963)	0	0	0	0	0	(15,907)	(3,181)
392.4	0	0	0	0	0	0	0	0	0	0	0	0
393	0	0	0	0	0	0	0	0	0	0	0	0
394	(12,050)	(965)	0	0	0	0	0	0	0	0	(13,015)	(2,603)
396	0	0	0	0	0	0	0	0	0	0	0	0
397	0	0	0	0	0	0	0	0	0	0	0	0
398	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	(11,444)	2,613,876	(32,672)	4,916,723	(33,887)	6,033,073	(156,469)	6,270,439	(148,284)	5,526,159	24,977,514	4,995,504



UGI UTILITIES, INC. - GAS DIVISION

TABLE 4. AMORTIZATION OF EXPERIENCED AND ESTIMATED NET SALVAGE

ACCOUNT (1)	2013		2014		2015		2016		2017		NET SALVAGE (12)*	NET SALVAGE ACCRUAL (13)=(12)/5
	GROSS SALVAGE (2)	COST OF REMOVAL (3)	GROSS SALVAGE (4)	COST OF REMOVAL (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	GROSS SALVAGE (8)	COST OF REMOVAL (9)	GROSS SALVAGE (10)	COST OF REMOVAL (11)		
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION												
COMMON PLANT												
390.2	0	0	0	0	0	0	0	0	0	0	0	0
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
392.1	0	0	0	0	0	0	0	0	0	0	0	0
397	0	0	0	0	0	0	0	0	0	0	0	0
398	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
INFORMATION SERVICES												
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
391.2	0	0	0	0	0	0	0	0	0	0	0	0
391.3	0	0	0	0	0	0	0	0	0	0	0	0
391.4	0	0	0	0	0	0	0	0	0	0	0	0
398	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER UTILITY PLANT	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	(11,444)	2,613,876	(32,672)	4,916,723	(33,887)	6,033,073	(156,469)	6,270,439	(148,284)	5,526,159	24,977,514	4,995,504

* COLUMN (12) EQUALS THE SUMMATION OF COLUMNS (2) THROUGH (11).

**PART III. DETAILED DEPRECIATION
CALCULATIONS**

CUMULATIVE DEPRECIATED ORIGINAL COST

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1850	2,795	2,795				0.0
1858	341	341				0.0
1859	2	2				0.0
1860	148	148				0.0
1867	31	31				0.0
1868	90	90				0.0
1869	5	5				0.0
1870	14	14				0.0
1873	46	46				0.0
1874	25	25				0.0
1875	2	2				0.0
1877	10,334	10,334				0.0
1879	2	2				0.0
1880	911	911				0.0
1881	229	229				0.0
1882	506	506				0.0
1883	81	81				0.0
1886	2	2				0.0
1888	55	55				0.0
1889	4,423	4,421	2		2	0.0
1890	30	29	1		3	0.0
1891	191	187	4		7	0.0
1892	8	7	1		8	0.0
1893	226	220	6		14	0.0
1894	1	1			14	0.0
1895	64	62	2		16	0.0
1896	200	191	9		25	0.0
1897	249	246	3		28	0.0
1898	396	384	12		40	0.0
1899	935	883	52		92	0.0
1900	216	203	13		105	0.0
1901	1,823	1,705	118		223	0.0
1902	3,666	2,952	714		937	0.0
1903	9,532	5,159	4,373		5,310	0.0
1904	16,996	10,177	6,819		12,129	0.0
1905	15,964	9,245	6,719		18,848	0.0
1906	15,420	9,785	5,635		24,483	0.0
1907	15,462	8,263	7,199		31,682	0.0
1908	25,211	13,369	11,842		43,524	0.0
1909	22,035	12,539	9,496		53,020	0.0
1910	29,466	16,137	13,329		66,349	0.0
1911	35,336	23,040	12,296		78,645	0.0
1912	32,472	19,589	12,883		91,528	0.0
1913	27,202	20,116	7,086		98,614	0.0
1914	62,064	49,237	12,827		111,441	0.0

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1915	46,597	29,005		17,592	129,033	0.0
1916	51,406	28,279		23,127	152,160	0.0
1917	33,325	17,141		16,184	168,344	0.0
1918	29,934	20,610		9,324	177,668	0.0
1919	34,806	17,429		17,377	195,045	0.0
1920	41,798	21,566		20,232	215,277	0.0
1921	67,860	42,184		25,676	240,953	0.0
1922	105,560	51,641		53,919	294,872	0.0
1923	100,472	47,405		53,067	347,939	0.0
1924	278,569	156,601	121,968		469,907	0.0
1925	122,137	54,661		67,476	537,383	0.0
1926	114,945	47,303		67,642	605,025	0.1
1927	99,988	48,571		51,417	656,442	0.1
1928	150,837	105,899		44,938	701,380	0.1
1929	163,182	92,856		70,326	771,706	0.1
1930	194,706	142,186		52,520	824,226	0.1
1931	141,706	122,803		18,903	843,129	0.1
1932	28,751	21,534		7,217	850,346	0.1
1933	22,910	16,834		6,076	856,422	0.1
1934	19,435	15,370		4,065	860,487	0.1
1935	19,641	14,225		5,416	865,903	0.1
1936	25,671	17,843		7,828	873,731	0.1
1937	35,466	25,970		9,496	883,227	0.1
1938	30,876	20,734		10,142	893,369	0.1
1939	46,815	29,809		17,006	910,375	0.1
1940	39,831	28,423		11,408	921,783	0.1
1941	70,724	46,535		24,189	945,972	0.1
1942	38,959	32,029		6,930	952,902	0.1
1943	19,018	14,773		4,245	957,147	0.1
1944	28,170	17,716		10,454	967,601	0.1
1945	34,810	28,750		6,060	973,661	0.1
1946	339,861	263,585		76,276	1,049,937	0.1
1947	158,321	103,558		54,763	1,104,700	0.1
1948	221,656	153,068		68,588	1,173,288	0.1
1949	362,101	284,399		77,702	1,250,990	0.1
1950	1,905,925	1,451,086		454,839	1,705,829	0.1
1951	601,336	438,524		162,812	1,868,641	0.2
1952	759,215	542,737		216,478	2,085,119	0.2
1953	943,135	651,388		291,747	2,376,866	0.2
1954	1,764,170	1,335,934		428,236	2,805,102	0.2
1955	2,066,871	1,551,779		515,092	3,320,194	0.3
1956	1,932,165	1,331,583		600,582	3,920,776	0.3
1957	1,699,597	1,149,334		550,263	4,471,039	0.4
1958	2,950,830	2,020,041		930,789	5,401,828	0.5
1959	2,148,825	1,440,723		708,102	6,109,930	0.5

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1960	3,110,977	2,161,386		949,591	7,059,521	0.6
1961	2,623,603	1,900,839		722,764	7,782,285	0.7
1962	2,272,192	1,557,277		714,915	8,497,200	0.7
1963	2,677,000	1,801,671		875,329	9,372,529	0.8
1964	2,671,381	1,778,376		893,005	10,265,534	0.9
1965	4,926,836	3,312,633		1,614,203	11,879,737	1.0
1966	3,804,955	2,485,372		1,319,583	13,199,320	1.2
1967	3,939,287	2,539,288		1,399,999	14,599,319	1.3
1968	4,514,269	2,886,145		1,628,124	16,227,443	1.4
1969	5,023,754	3,152,174		1,871,580	18,099,023	1.6
1970	4,405,808	2,727,785		1,678,023	19,777,046	1.7
1971	4,382,259	2,669,424		1,712,835	21,489,881	1.9
1972	4,375,578	2,652,536		1,723,042	23,212,923	2.0
1973	4,679,350	2,816,938		1,862,412	25,075,335	2.2
1974	6,176,823	3,872,533		2,304,290	27,379,625	2.4
1975	3,820,049	2,222,015		1,598,034	28,977,659	2.5
1976	4,111,766	2,364,197		1,747,569	30,725,228	2.7
1977	5,824,357	3,341,604		2,482,753	33,207,981	2.9
1978	6,075,545	3,408,802		2,666,743	35,874,724	3.1
1979	9,824,956	5,454,024		4,370,932	40,245,656	3.5
1980	19,343,203	10,511,851		8,831,352	49,077,008	4.3
1981	16,738,336	9,120,211		7,618,125	56,695,133	5.0
1982	16,772,360	10,128,796		6,643,564	63,338,697	5.5
1983	9,369,564	5,688,223		3,681,341	67,020,038	5.9
1984	11,497,469	6,818,911		4,678,558	71,698,596	6.3
1985	13,808,404	8,074,892		5,733,512	77,432,108	6.8
1986	16,501,167	9,140,286		7,360,881	84,792,989	7.4
1987	18,597,639	10,409,567		8,188,072	92,981,061	8.1
1988	24,703,057	12,994,725		11,708,332	104,689,393	9.1
1989	30,897,102	16,081,698		14,815,404	119,504,797	10.4
1990	33,855,485	17,239,482		16,616,003	136,120,800	11.9
1991	25,467,250	12,649,438		12,817,812	148,938,612	13.0
1992	25,257,443	12,488,449		12,768,994	161,707,606	14.1
1993	15,147,178	7,172,833		7,974,345	169,681,951	14.8
1994	28,356,805	13,935,558		14,421,247	184,103,198	16.1
1995	38,265,754	16,561,651		21,704,103	205,807,301	18.0
1996	30,979,347	13,109,361		17,869,986	223,677,287	19.5
1997	32,243,659	13,030,440		19,213,219	242,890,506	21.2
1998	26,834,706	10,710,469		16,124,237	259,014,743	22.6
1999	26,609,548	10,489,725		16,119,823	275,134,566	24.0
2000	29,992,876	11,183,100		18,809,776	293,944,342	25.7
2001	29,636,637	10,374,186		19,262,451	313,206,793	27.4
2002	25,928,110	8,728,947		17,199,163	330,405,956	28.9
2003	34,707,475	10,596,647		24,110,828	354,516,784	31.0
2004	32,193,620	9,393,345		22,800,275	377,317,059	33.0

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST	PCT OF
			(2)	(3)	CUMULATIVE AMOUNT (5)	COL 4 TOTAL (6)
2005	32,021,799	8,882,244	23,139,555		400,456,614	35.0
2006	38,677,307	11,669,884	27,007,423		427,464,037	37.4
2007	36,230,772	8,736,372	27,494,400		454,958,437	39.8
2008	38,683,502	8,652,844	30,030,658		484,989,095	42.4
2009	39,238,381	7,742,383	31,495,998		516,485,093	45.1
2010	33,714,139	5,700,628	28,013,511		544,498,604	47.6
2011	49,631,505	7,852,768	41,778,737		586,277,341	51.2
2012	66,441,948	8,628,218	57,813,730		644,091,071	56.3
2013	84,034,764	9,042,533	74,992,231		719,083,302	62.8
2014	88,999,987	7,521,795	81,478,192		800,561,494	70.0
2015	91,152,269	5,672,996	85,479,273		886,040,767	77.4
2016	134,745,207	5,130,342	129,614,865		1,015,655,632	88.8
2017	130,394,576	1,801,639	128,592,937		1,144,248,569	100.0
TOTAL	1,587,339,215	443,090,646	1,144,248,569			

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
2001	25,355	10,000			15,355	2.0
2003	7,183	2,489			20,049	2.7
2004	38,772	30,715			28,106	3.7
2005	39,966	11,942			56,130	7.5
2006	2,469	679			57,920	7.7
2007	878	220			58,578	7.8
2008	23,109	21,726			59,961	8.0
2009	161,661	137,665			83,957	11.2
2010	750,306	136,526			697,737	93.1
2013	126,305	97,159			726,883	97.0
2014	37,350	22,319			741,914	99.0
2015	13,608	5,815			749,707	100.0
TOTAL	1,226,962	477,255			749,707	

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1998	24,630	23,966		664	664	0.0
1999	6,159	5,685		474	1,138	0.0
2001	3,769	3,104		665	1,803	0.0
2002	6,694	5,177		1,517	3,320	0.0
2003	22,684	16,413		6,271	9,591	0.0
2004	5,699	3,839		1,860	11,451	0.0
2005	867,789	723,407		144,382	155,833	0.1
2006	1,660,898	1,273,804		387,094	542,927	0.5
2007	3,044,412	2,131,521		912,891	1,455,818	1.4
2008	3,168,505	2,092,767		1,075,738	2,531,556	2.4
2009	775,538	667,864		107,674	2,639,230	2.5
2010	324,586	246,637		77,949	2,717,179	2.5
2011	481,464	214,166		267,298	2,984,477	2.8
2012	3,424,888	1,806,749		1,618,139	4,602,616	4.3
2013	1,580,779	872,838		707,941	5,310,557	4.9
2014	2,497,719	1,124,930		1,372,789	6,683,346	6.2
2015	2,206,109	815,751		1,390,358	8,073,704	7.5
2016	6,420,000	969,415		5,450,585	13,524,289	12.6
2017	94,157,158	306,237		93,850,921	107,375,210	100.0
TOTAL	120,679,480	13,304,270		107,375,210		

READING SERVICE CENTER - INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES
READING SERVICE CENTER

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
			(4)			
1974	567,662	449,488	118,174		118,174	12.8
1975	7,070	5,569	1,501		119,675	13.0
1976	1,610	1,261	349		120,024	13.0
1977	2,081	1,621	460		120,484	13.1
1978	548	424	124		120,608	13.1
1979	6,630	5,101	1,529		122,137	13.3
1980	27,916	21,338	6,578		128,715	14.0
1981	44,375	33,679	10,696		139,411	15.1
1982	423	327	96		139,507	15.2
1983	1,260	970	290		139,797	15.2
1984	1,902	1,447	455		140,252	15.2
1985	15,385	11,615	3,770		144,022	15.6
1986	1,111	831	280		144,302	15.7
1987	99	74	25		144,327	15.7
1989	39,628	28,783	10,845		155,172	16.9
1990	23,108	16,649	6,459		161,631	17.6
1992	94,139	66,074	28,065		189,696	20.6
1993	1,823	1,264	559		190,255	20.7
1994	26,900	18,430	8,470		198,725	21.6
1995	4,542	3,065	1,477		200,202	21.8
1996	246	163	83		200,285	21.8
1998	678	434	244		200,529	21.8
2000	71,560	43,841	27,719		228,248	24.8
2001	72,755	43,537	29,218		257,466	28.0
2002	5,483	3,189	2,294		259,760	28.2
2003	200	113	87		259,847	28.2
2004	1,497	817	680		260,527	28.3
2005	4,776	2,514	2,262		262,789	28.6
2006	455	229	226		263,015	28.6
2007	376,569	180,993	195,576		458,591	49.8
2008	441,765	200,879	240,886		699,477	76.0
2009	13,918	5,935	7,983		707,460	76.9
2010	2,612	1,034	1,578		709,038	77.0
2011	3,537	1,278	2,259		711,297	77.3
2012	293	95	198		711,495	77.3
2014	5,394	1,257	4,137		715,632	77.7
2015	43,810	7,821	35,989		751,621	81.7
2016	90,650	10,516	80,134		831,755	90.4
2017	92,663	3,990	88,673		920,428	100.0
TOTAL	2,097,073	1,176,645	920,428			

UTILITY PLANT IN SERVICE

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
1850	2,794.87	2,795	2,795			
1868	72.39	72	72			
1889	4,192.87	4,193	4,193			
1897	178.89	179	179			
1898	159.45	159	159			
1902	1,745.39	1,745	1,745			
1905	1,321.50	1,322	1,322			
1906	2,135.22	2,135	2,135			
1908	880.43	876	880			
1909	1,063.58	1,051	1,064			
1910	681.05	669	681			
1912	356.78	346	357			
1916	122.09	115	122			
1917	5,254.50	4,930	5,254			
1918	4,743.98	4,421	4,744			
1919	2,219.29	2,055	2,219			
1920	2,532.43	2,329	2,532			
1921	17,407.66	15,904	17,408			
1922	1,544.59	1,402	1,545			
1923	444.90	401	445			
1924	49,481.98	44,309	49,482			
1925	9,550.78	8,495	9,551			
1926	1,437.54	1,270	1,438			
1927	12,634.65	11,082	12,635			
1928	169.18	147	169			
1929	1,786.94	1,546	1,787			
1930	6,130.68	5,266	6,131			
1931	886.67	756	887			
1932	690.68	585	691			
1933	4,845.58	4,072	4,846			
1934	599.15	500	599			
1937	206.12	168	203	3	10.16	
1939	941.28	755	912	29	10.86	3
1941	1,497.83	1,183	1,429	69	11.57	6
1942	1,321.59	1,035	1,251	71	11.92	6
1943	3,799.03	2,951	3,566	233	12.28	19
1944	480.46	370	447	33	12.64	3
1945	7,388.06	5,640	6,815	573	13.01	44
1946	24,241.93	18,349	22,170	2,072	13.37	155
1947	1,212.46	910	1,100	112	13.74	8
1948	11,813.70	8,783	10,612	1,202	14.11	85
1949	155,416.10	114,472	138,311	17,105	14.49	1,180

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
1950	314,773.72	229,728	277,569	37,205	14.86	2,504
1951	117,565.93	84,990	102,689	14,877	15.24	976
1952	14,011.46	10,030	12,119	1,892	15.63	121
1953	64,035.02	45,395	54,848	9,187	16.01	574
1954	82,747.60	58,074	70,168	12,580	16.40	767
1955	21,708.32	15,078	18,218	3,490	16.80	208
1956	33,265.27	22,868	27,630	5,635	17.19	328
1957	17,019.75	11,573	13,983	3,037	17.60	173
1958	16,398.95	11,032	13,329	3,070	18.00	171
1959	36,119.98	24,030	29,034	7,086	18.41	385
1960	28,812.28	18,953	22,900	5,912	18.82	314
1961	30,404.90	19,769	23,886	6,519	19.24	339
1962	27,753.65	17,833	21,547	6,207	19.66	316
1963	14,913.85	9,469	11,441	3,473	20.08	173
1964	4,880.13	3,060	3,697	1,183	20.51	58
1965	18,536.25	11,476	13,866	4,670	20.95	223
1966	5,038.93	3,080	3,721	1,318	21.38	62
1967	4,718.58	2,846	3,439	1,280	21.83	59
1968	4,278.86	2,546	3,076	1,203	22.28	54
1969	8,771.59	5,147	6,219	2,553	22.73	112
1970	5,741.53	3,321	4,013	1,729	23.19	75
1971	36,049.81	20,542	24,820	11,230	23.66	475
1973	11,871.49	6,560	7,926	3,945	24.61	160
1974	25,525.37	13,881	16,772	8,753	25.09	349
1975	87,663.74	46,892	56,657	31,007	25.58	1,212
1976	4,598.73	2,419	2,923	1,676	26.07	64
1977	8,040.17	4,156	5,021	3,019	26.57	114
1978	13,389.00	6,797	8,212	5,177	27.08	191
1979	6,024.51	3,001	3,626	2,399	27.60	87
1980	2,625.97	1,283	1,550	1,076	28.12	38
1981	3,896.41	1,867	2,256	1,640	28.65	57
1982	4,195.18	2,484	3,001	1,194	24.27	49
1984	107,312.77	61,372	74,153	33,160	24.89	1,332
1985	3,250.91	1,824	2,204	1,047	25.22	42
1987	11,800.00	6,353	7,676	4,124	25.93	159
1989	18,115.32	9,315	11,255	6,860	26.69	257
1990	3,722.71	1,867	2,256	1,467	27.10	54
1993	4,421.64	2,048	2,474	1,948	28.26	69
1995	3,605.96	1,574	1,902	1,704	29.05	59
1996	28,053.64	11,884	14,359	13,695	29.26	468
1998	37,254.30	14,604	17,645	19,609	30.25	648
1999	24,770.91	9,349	11,296	13,475	30.52	442

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
2000	23,959.75	8,637	10,436	13,524	31.04	436
2001	34,304.98	11,828	14,291	20,014	31.35	638
2002	6,262.15	2,058	2,487	3,775	31.67	119
2003	8,507.00	2,640	3,190	5,317	32.23	165
2004	14,150.50	4,146	5,009	9,142	32.58	281
2005	14,063.28	3,867	4,672	9,391	32.95	285
2006	17,523.06	4,493	5,429	12,094	33.35	363
2007	55,195.64	13,098	15,826	39,370	33.75	1,167
2008	20,558.92	4,474	5,406	15,153	34.17	443
2011	27,987.49	4,330	5,232	22,755	35.52	641
2013	103,921.61	11,452	13,836	90,086	36.32	2,480
2014	195,329.76	17,033	20,580	174,750	36.66	4,767
	2,185,833.48	1,208,169	1,446,653	739,180		27,612
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						26.8 1.26

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
1927	221.97	189	195	27	10.69	3
1928	36,268.17	30,742	31,679	4,589	10.97	418
1929	55,957.41	47,214	48,653	7,304	11.25	649
1930	129,899.38	109,079	112,405	17,494	11.54	1,516
1931	95,026.99	79,401	81,822	13,205	11.84	1,115
1932	17,043.02	14,167	14,599	2,444	12.15	201
1933	8,198.25	6,779	6,986	1,212	12.46	97
1934	12,504.42	10,283	10,597	1,907	12.79	149
1935	10,092.85	8,254	8,506	1,587	13.12	121
1936	12,694.41	10,320	10,635	2,059	13.47	153
1937	18,273.99	14,764	15,214	3,060	13.83	221
1938	12,489.64	10,028	10,334	2,156	14.19	152
1939	18,440.31	14,709	15,157	3,283	14.57	225
1940	17,784.90	14,090	14,520	3,265	14.96	218
1941	29,983.68	23,587	24,306	5,678	15.36	370
1942	25,401.86	19,835	20,440	4,962	15.78	314
1943	3,594.32	2,786	2,871	723	16.20	45
1944	4,571.91	3,515	3,622	950	16.64	57
1945	13,257.49	10,111	10,419	2,838	17.09	166
1946	282,695.51	213,788	220,306	62,390	17.55	3,555
1947	67,427.25	50,542	52,083	15,344	18.03	851
1948	120,279.56	89,358	92,082	28,198	18.51	1,523
1949	116,241.66	85,550	88,158	28,084	19.01	1,477
1950	1,389,219.66	1,012,588	1,043,460	345,760	19.52	17,713
1951	308,351.03	222,528	229,312	79,039	20.04	3,944
1952	561,500.22	401,007	413,233	148,267	20.58	7,204
1953	631,930.81	446,567	460,182	171,749	21.12	8,132
1954	1,165,432.36	814,509	839,342	326,090	21.68	15,041
1955	1,012,526.74	699,767	721,102	291,425	22.24	13,104
1956	1,564,274.23	1,068,493	1,101,069	463,205	22.82	20,298
1957	1,314,586.51	887,162	914,210	400,377	23.41	17,103
1958	2,585,653.47	1,723,416	1,775,960	809,693	24.01	33,723
1959	1,574,594.41	1,036,178	1,067,769	506,825	24.62	20,586
1960	2,614,926.61	1,698,238	1,750,014	864,913	25.24	34,268
1961	1,603,123.08	1,027,105	1,058,419	544,704	25.87	21,055
1962	1,729,888.83	1,093,186	1,126,515	603,374	26.50	22,769
1963	2,139,992.71	1,333,044	1,373,686	766,307	27.15	28,225
1964	2,112,419.57	1,296,498	1,336,026	776,394	27.81	27,918
1965	2,680,913.86	1,620,827	1,670,243	1,010,671	28.47	35,500
1966	2,797,048.71	1,664,636	1,715,388	1,081,661	29.15	37,107
1967	2,964,439.84	1,736,243	1,789,178	1,175,262	29.83	39,399
1968	3,340,385.45	1,924,429	1,983,101	1,357,284	30.52	44,472

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
1969	3,769,505.36	2,135,010	2,200,102	1,569,403	31.22	50,269
1970	3,176,712.06	1,768,380	1,822,295	1,354,417	31.92	42,432
1971	3,014,796.44	1,648,099	1,698,346	1,316,450	32.64	40,332
1972	2,927,466.22	1,571,083	1,618,982	1,308,484	33.36	39,223
1973	2,861,499.35	1,506,665	1,552,600	1,308,899	34.09	38,395
1974	3,079,574.97	1,590,262	1,638,746	1,440,829	34.82	41,379
1975	2,237,607.70	1,132,476	1,167,003	1,070,605	35.56	30,107
1976	2,055,426.31	1,018,854	1,049,917	1,005,509	36.31	27,692
1977	2,629,702.00	1,275,774	1,314,670	1,315,032	37.07	35,474
1978	2,734,762.04	1,297,863	1,337,432	1,397,330	37.83	36,937
1979	4,480,866.54	2,078,629	2,142,002	2,338,865	38.60	60,592
1980	9,444,785.48	4,279,055	4,409,515	5,035,270	39.38	127,864
1981	6,649,622.64	2,940,596	3,030,249	3,619,374	40.16	90,124
1982	6,906,680.29	3,432,620	3,537,274	3,369,406	35.67	94,460
1983	1,765,942.71	858,955	885,143	880,800	36.17	24,352
1984	2,284,380.12	1,086,223	1,119,340	1,165,040	36.68	31,762
1985	3,039,387.15	1,401,765	1,444,502	1,594,885	37.68	42,327
1986	4,823,505.31	2,170,577	2,236,754	2,586,751	38.19	67,734
1987	2,025,630.48	888,442	915,529	1,110,101	38.72	28,670
1988	4,142,582.64	1,756,869	1,810,433	2,332,150	39.72	58,715
1989	3,531,739.31	1,456,489	1,500,895	2,030,844	40.25	50,456
1990	3,330,466.76	1,334,185	1,374,862	1,955,605	40.78	47,955
1991	3,117,491.60	1,211,145	1,248,071	1,869,421	41.32	45,243
1992	2,499,517.30	934,070	962,548	1,536,969	42.32	36,318
1993	1,066,983.62	387,528	399,343	667,641	42.74	15,621
1994	975,759.47	343,955	354,442	621,317	43.17	14,392
1995	5,127,881.68	1,742,454	1,795,578	3,332,304	43.72	76,219
1996	4,977,538.31	1,615,709	1,664,969	3,312,569	44.73	74,057
1997	1,952,884.31	608,519	627,072	1,325,812	45.29	29,274
1998	2,325,917.03	694,054	715,214	1,610,703	45.86	35,122
1999	1,167,953.19	332,750	342,895	825,058	46.44	17,766
2000	2,571,363.26	697,354	718,615	1,852,748	47.02	39,403
2001	2,853,401.57	729,900	752,153	2,101,249	48.01	43,767
2002	1,054,782.50	255,046	262,822	791,960	48.60	16,295
2003	3,306,023.35	752,451	775,392	2,530,631	49.20	51,436
2004	1,746,347.99	372,496	383,853	1,362,495	49.79	27,365
2005	1,059,942.48	210,717	217,141	842,801	50.39	16,726
2006	2,689,839.15	494,930	510,019	2,179,820	51.00	42,742
2007	921,037.12	155,655	160,401	760,636	51.61	14,738
2008	2,243,813.20	345,323	355,851	1,887,962	52.23	36,147
2009	2,549,753.75	353,396	364,170	2,185,584	52.85	41,354
2010	2,263,300.61	280,197	288,740	1,974,561	53.10	37,186

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
2011	1,834,418.83	197,934	203,969	1,630,450	53.74	30,340
2012	2,598,683.09	240,118	247,439	2,351,244	54.02	43,525
2013	3,330,518.07	254,785	262,553	3,067,965	54.32	56,479
2014	5,148,849.86	309,961	319,411	4,829,439	54.64	88,387
2015	10,575,798.81	463,220	477,342	10,098,457	54.64	184,818
2016	21,923,164.88	587,541	605,454	21,317,711	54.37	392,086
2017	23,299,769.79	219,018	225,695	23,074,075	52.41	440,261
	231,294,933.75	75,994,609	78,311,541	152,983,393		3,515,475
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						43.5 1.52

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1902	1,062.00	940	408	654	8.04	81
1903	6,748.86	5,944	2,581	4,168	8.35	499
1904	10,137.00	8,883	3,857	6,280	8.66	725
1905	10,431.16	9,093	3,948	6,483	8.98	722
1906	8,378.38	7,265	3,154	5,224	9.30	562
1907	11,056.70	9,537	4,141	6,916	9.62	719
1908	17,860.41	15,322	6,653	11,207	9.95	1,126
1909	14,008.46	11,951	5,189	8,819	10.28	858
1910	19,563.02	16,598	7,207	12,356	10.61	1,165
1911	15,946.50	13,452	5,841	10,106	10.95	923
1912	17,936.76	15,046	6,533	11,404	11.28	1,011
1913	7,249.68	6,045	2,625	4,625	11.63	398
1914	9,526.73	7,898	3,429	6,098	11.97	509
1915	22,349.47	18,416	7,996	14,353	12.32	1,165
1916	31,647.67	25,915	11,252	20,396	12.68	1,609
1917	24,160.52	19,663	8,537	15,624	13.03	1,199
1918	13,420.02	10,853	4,712	8,708	13.39	650
1919	25,427.25	20,429	8,870	16,557	13.76	1,203
1920	30,393.50	24,263	10,535	19,858	14.12	1,406
1921	36,776.43	29,159	12,660	24,116	14.50	1,663
1922	78,217.92	61,602	26,746	51,472	14.87	3,461
1923	76,365.23	59,728	25,933	50,432	15.25	3,307
1924	172,017.90	133,608	58,010	114,008	15.63	7,294
1925	101,438.71	78,223	33,963	67,476	16.02	4,212
1926	101,279.44	77,537	33,665	67,614	16.41	4,120
1927	76,701.13	58,293	25,310	51,391	16.80	3,059
1928	59,998.29	45,256	19,649	40,349	17.20	2,346
1929	93,367.81	69,892	30,346	63,022	17.60	3,581
1930	51,696.89	38,396	16,671	35,026	18.01	1,945
1931	8,325.52	6,135	2,664	5,662	18.42	307
1932	6,992.70	5,111	2,219	4,774	18.84	253
1933	6,886.17	4,992	2,167	4,719	19.25	245
1934	3,135.67	2,254	979	2,157	19.68	110
1935	5,545.49	3,953	1,716	3,829	20.10	190
1936	8,321.73	5,880	2,553	5,769	20.54	281
1937	9,243.40	6,474	2,811	6,432	20.97	307
1938	11,422.01	7,928	3,442	7,980	21.41	373
1939	19,522.42	13,426	5,829	13,693	21.86	626
1940	11,564.85	7,879	3,421	8,144	22.31	365
1941	26,085.39	17,604	7,643	18,442	22.76	810
1942	2,672.73	1,786	775	1,898	23.22	82
1943	4,610.57	3,051	1,325	3,286	23.68	139

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1944	13,200.31	8,646	3,754	9,446	24.15	391
1945	3,544.72	2,297	997	2,548	24.63	103
1946	16,019.23	10,275	4,461	11,558	25.10	460
1947	52,902.24	33,563	14,572	38,330	25.59	1,498
1948	51,803.79	32,511	14,116	37,688	26.07	1,446
1949	41,138.83	25,524	11,082	30,057	26.57	1,131
1950	92,943.16	57,014	24,754	68,189	27.06	2,520
1951	87,060.72	52,784	22,918	64,143	27.56	2,327
1952	82,144.99	49,205	21,364	60,781	28.07	2,165
1953	140,979.99	83,419	36,219	104,761	28.58	3,666
1954	99,146.09	57,930	25,152	73,994	29.10	2,543
1955	115,644.49	66,711	28,965	86,679	29.62	2,926
1956	148,652.94	84,627	36,744	111,909	30.15	3,712
1957	160,082.53	89,920	39,042	121,041	30.68	3,945
1958	111,790.13	61,932	26,890	84,900	31.22	2,719
1959	178,957.03	97,762	42,446	136,511	31.76	4,298
1960	6,074.94	3,271	1,420	4,655	32.31	144
1961	51.19	27	12	39	32.86	1
1962	11,524.52	6,024	2,615	8,910	33.41	267
1963	8,125.93	4,181	1,815	6,311	33.98	186
1968	305.92	145	63	243	36.86	7
2012	5,979.70	684	297	5,683	42.58	133
2014	35,528.37	2,800	1,216	34,312	40.94	838
	2,733,094.25	1,816,932	788,879	1,944,215		93,032

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.9 3.40

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. 0						
1972	22,298.33	13,705	14,369	7,929	25.05	317
1973	51,501.72	31,075	32,579	18,923	25.78	734
1974	15,820.17	9,368	9,822	5,998	26.51	226
1975	61,493.65	35,704	37,433	24,061	27.26	883
1976	531,781.02	302,626	317,278	214,503	28.01	7,658
1977	482,828.03	269,119	282,148	200,680	28.77	6,975
1978	736,917.63	402,018	421,482	315,436	29.54	10,678
1979	607,474.68	324,112	339,804	267,671	30.32	8,828
1980	1,203,021.84	627,232	657,599	545,423	31.11	17,532
1981	1,561,510.14	794,934	833,420	728,090	31.91	22,817
1982	2,137,396.96	1,167,874	1,224,416	912,981	29.26	31,202
1983	2,491,682.17	1,331,306	1,395,761	1,095,921	29.85	36,714
1984	3,497,524.58	1,825,708	1,914,099	1,583,426	30.45	52,001
1985	3,668,657.38	1,857,441	1,947,368	1,721,289	31.45	54,731
1986	4,575,292.86	2,259,280	2,368,662	2,206,631	32.04	68,871
1987	7,900,464.73	3,800,124	3,984,105	3,916,360	32.64	119,987
1988	11,014,805.43	5,154,929	5,404,503	5,610,302	33.25	168,731
1989	13,565,217.04	6,131,478	6,428,331	7,136,886	34.25	208,376
1990	15,153,529.38	6,647,853	6,969,706	8,183,823	34.86	234,763
1991	9,240,171.27	3,928,921	4,119,138	5,121,033	35.48	144,336
1992	7,184,846.17	2,938,602	3,080,873	4,103,973	36.48	112,499
1993	5,370,541.11	2,133,716	2,237,019	3,133,522	36.98	84,736
1994	9,639,917.84	3,715,224	3,895,095	5,744,823	37.48	153,277
1995	15,446,306.88	5,699,687	5,975,635	9,470,672	38.48	246,119
1996	9,580,343.42	3,399,106	3,563,672	6,016,671	39.10	153,879
1997	14,301,322.84	4,836,707	5,070,874	9,230,449	40.11	230,128
1998	10,081,785.00	3,263,474	3,421,474	6,660,311	40.74	163,483
1999	10,701,848.14	3,306,871	3,466,972	7,234,876	41.38	174,840
2000	11,096,390.29	3,242,365	3,399,343	7,697,047	42.38	181,620
2001	11,193,843.69	3,102,933	3,253,160	7,940,684	43.02	184,581
2002	10,328,766.98	2,706,137	2,837,153	7,491,614	43.67	171,551
2003	14,498,521.20	3,552,138	3,724,113	10,774,408	44.67	241,200
2004	13,567,818.62	3,113,814	3,264,568	10,303,251	45.32	227,344
2005	14,488,831.71	3,078,877	3,227,940	11,260,892	46.32	243,111
2006	15,100,309.63	2,968,721	3,112,450	11,987,860	46.98	255,169
2007	14,260,882.04	2,575,515	2,700,208	11,560,674	47.64	242,667
2008	12,193,021.79	1,992,340	2,088,798	10,104,224	48.64	207,735
2009	11,855,902.45	1,742,818	1,827,196	10,028,706	49.31	203,381
2010	12,229,607.33	1,587,403	1,664,256	10,565,351	50.30	210,047
2011	17,050,393.64	1,928,400	2,021,763	15,028,631	50.97	294,852
2012	22,785,960.54	2,192,009	2,298,134	20,487,827	51.65	396,667
2013	30,170,970.76	2,389,541	2,505,230	27,665,741	52.32	528,779

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. 0						
2014	33,631,583.95	2,085,158	2,186,110	31,445,474	52.99	593,423
2015	25,049,459.79	1,114,701	1,168,669	23,880,791	53.68	444,873
2016	43,683,664.49	1,170,722	1,227,402	42,456,262	54.37	780,877
2017	41,410,359.85	376,834	395,078	41,015,282	54.45	753,265
	515,422,589.16	107,128,620	112,315,208	403,107,381		8,676,463
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						46.5 1.68

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1858	340.82	341	341			
1859	2.19	2	2			
1860	148.27	148	148			
1867	31.45	31	31			
1868	17.63	18	18			
1869	5.30	5	5			
1870	14.18	14	14			
1873	45.78	46	46			
1874	24.59	25	25			
1875	1.83	2	2			
1879	2.43	2	2			
1880	910.61	896	911			
1881	229.23	224	229			
1882	506.05	493	506			
1883	81.10	79	81			
1886	2.33	2	2			
1888	54.70	52	55			
1889	230.23	217	228	2	4.13	
1890	30.19	28	29	1	4.44	
1891	191.30	178	187	4	4.74	1
1892	7.56	7	7	1	5.04	
1893	226.47	209	220	6	5.34	1
1894	1.17	1	1			
1895	64.19	59	62	2	5.93	
1896	200.16	182	191	9	6.23	1
1897	70.07	64	67	3	6.52	
1898	236.68	214	225	12	6.82	2
1899	934.80	840	883	52	7.12	7
1900	216.24	193	203	13	7.42	2
1901	1,823.44	1,622	1,705	118	7.73	15
1902	858.12	760	799	59	8.04	7
1903	2,783.58	2,452	2,578	206	8.35	25
1904	6,859.36	6,011	6,320	539	8.66	62
1905	2,828.98	2,466	2,593	236	8.98	26
1906	4,634.90	4,019	4,225	410	9.30	44
1907	3,011.94	2,598	2,731	281	9.62	29
1908	6,470.50	5,551	5,836	634	9.95	64
1909	6,566.28	5,602	5,890	676	10.28	66
1910	9,002.43	7,638	8,030	972	10.61	92
1911	19,368.44	16,339	17,178	2,190	10.95	200
1912	12,488.38	10,476	11,014	1,474	11.28	131
1913	19,952.20	16,637	17,491	2,461	11.63	212

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1914	52,379.23	43,422	45,651	6,728	11.97	562
1915	24,228.79	19,965	20,990	3,239	12.32	263
1916	19,636.02	16,079	16,905	2,731	12.68	215
1917	3,879.82	3,158	3,320	560	13.03	43
1918	4,097.87	3,314	3,484	614	13.39	46
1919	5,274.03	4,237	4,455	819	13.76	60
1920	2,322.08	1,854	1,949	373	14.12	26
1921	9,356.23	7,418	7,799	1,557	14.50	107
1922	14,230.62	11,208	11,783	2,448	14.87	165
1923	14,826.56	11,596	12,192	2,635	15.25	173
1924	43,232.64	33,579	35,303	7,930	15.63	507
	294,939.99	242,573	254,942	39,998		3,154
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						12.7 1.07

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-S0.5						
NET SALVAGE PERCENT.. 0						
1968	102.28	65	52	50	18.29	3
1969	6,696.61	4,189	3,336	3,361	18.72	180
1970	15,273.43	9,424	7,504	7,769	19.15	406
1971	88,616.83	53,897	42,919	45,698	19.59	2,333
1972	29,433.69	17,637	14,044	15,390	20.04	768
1973	7,137.65	4,213	3,355	3,783	20.49	185
1974	39,811.98	23,131	18,419	21,393	20.95	1,021
1975	37,882.40	21,661	17,249	20,633	21.41	964
1976	49,582.64	27,885	22,205	27,378	21.88	1,251
1977	30,176.58	16,682	13,284	16,893	22.36	756
1978	26,484.83	14,387	11,456	15,029	22.84	658
1979	25,352.27	13,523	10,768	14,584	23.33	625
1980	81,553.31	42,685	33,990	47,563	23.83	1,996
1981	144,184.11	74,024	58,946	85,238	24.33	3,503
1982	138,856.56	87,119	69,373	69,484	20.93	3,320
1983	30,308.34	18,685	14,879	15,429	21.31	724
1984	68,802.93	41,640	33,158	35,645	21.69	1,643
1985	153,700.71	91,206	72,628	81,073	22.10	3,668
1986	168,828.81	98,664	78,567	90,262	22.22	4,062
1987	127,308.05	72,782	57,957	69,351	22.66	3,061
1988	135,543.38	75,728	60,303	75,240	23.10	3,257
1989	295,715.02	162,052	129,043	166,672	23.30	7,153
1990	165,553.15	88,422	70,411	95,142	23.77	4,003
1991	177,216.12	92,117	73,353	103,863	24.25	4,283
1992	255,434.56	129,633	103,228	152,207	24.50	6,213
1993	78,676.06	38,929	30,999	47,677	24.89	1,916
1994	155,209.25	74,780	59,548	95,661	25.28	3,784
1995	368,758.14	172,579	137,426	231,332	25.58	9,043
1996	830,134.87	376,549	299,848	530,287	25.90	20,474
1997	274,060.85	119,655	95,282	178,779	26.45	6,759
1998	459,690.17	193,621	154,182	305,508	26.80	11,400
1999	140,135.38	56,783	45,217	94,918	27.16	3,495
2000	624,906.15	242,776	193,324	431,582	27.55	15,665
2001	403,353.60	149,725	119,227	284,127	27.95	10,166
2002	248,321.27	87,757	69,881	178,440	28.36	6,292
2003	2,107,236.12	705,924	562,132	1,545,104	28.79	53,668
2004	1,133,299.37	359,483	286,259	847,040	29.06	29,148
2005	853,737.16	253,987	202,252	651,485	29.52	22,069
2006	838,986.59	232,567	185,195	653,792	29.99	21,800
2007	717,595.52	184,566	146,971	570,625	30.32	18,820
2008	1,425,435.61	335,833	267,426	1,158,010	30.82	37,573
2009	532,133.49	113,983	90,765	441,368	31.18	14,155

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-S0.5						
NET SALVAGE PERCENT.. 0						
2010	544,137.40	104,474	83,193	460,944	31.56	14,605
2011	1,576,389.75	266,410	212,144	1,364,246	31.96	42,686
2012	2,242,143.60	325,559	259,245	1,982,899	32.38	61,238
2013	843,404.36	101,715	80,996	762,408	32.81	23,237
2014	1,371,740.76	131,138	104,426	1,267,315	33.13	38,253
2015	3,737,198.45	259,735	206,829	3,530,369	33.47	105,479
2016	5,292,009.87	224,381	178,676	5,113,334	33.84	151,103
2017	5,026,329.15	72,379	57,636	4,968,693	34.10	145,709
	34,124,579.18	6,466,739	5,149,506	28,975,073		924,573
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					31.3	2.71

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.1 MEASURING AND REGULATING STATION EQUIPMENT - SCADA

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 13-S2						
NET SALVAGE PERCENT.. 0						
1994	9,754.54	9,628	9,448	307	0.31	307
1996	11,951.92	11,563	11,347	605	0.72	605
1998	10,972.73	10,334	10,141	832	1.20	693
2004	25,286.90	20,927	20,537	4,750	2.81	1,690
2005	9,594.50	7,664	7,521	2,074	3.15	658
2008	44,009.17	30,225	29,661	14,348	4.33	3,314
2010	28,509.96	16,656	16,345	12,165	5.34	2,278
2011	891,346.35	466,352	457,657	433,689	5.92	73,258
2012	138,326.69	62,994	61,819	76,508	6.58	11,627
2013	73,899.05	28,170	27,645	46,254	7.31	6,327
2015	14,530.10	3,156	3,097	11,433	9.01	1,269
2016	29,999.83	3,930	3,857	26,143	9.95	2,627
2017	28,431.00	1,242	1,219	27,212	10.94	2,487
	1,316,612.74	672,841	660,294	656,319		107,140
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						6.1 8.14

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
1954	805.72	785	806			
1956	14,047.04	13,513	14,047			
1957	3,646.53	3,485	3,647			
1958	5,935.98	5,635	5,936			
1959	3,134.04	2,955	3,134			
1960	19,759.95	18,505	19,760			
1961	1,427.20	1,328	1,427			
1962	1,017.88	940	1,018			
1963	23.78	22	24			
1965	33,391.75	30,194	33,392			
1966	15,980.72	14,343	15,981			
1967	11,921.76	10,619	11,922			
1968	688.93	609	689			
1969	13,605.20	11,922	13,605			
1970	478.61	416	479			
1972	32,527.15	27,713	32,527			
1973	34,226.16	28,853	34,226			
1974	17,213.74	14,343	17,214			
1975	23,135.32	19,046	23,135			
1976	11,805.41	9,592	11,675	130	7.50	17
1977	137.36	110	134	3	7.95	
1978	3,964.63	3,129	3,809	156	8.43	19
1979	1,450.38	1,127	1,372	78	8.93	9
1980	4,386.08	3,350	4,078	308	9.45	33
1981	76,213.21	57,160	69,574	6,639	10.00	664
1982	135,550.60	106,556	129,699	5,852	9.59	610
1983	6,521.53	5,025	6,116	406	10.20	40
1984	192,454.75	145,265	176,815	15,640	10.80	1,448
1985	418,689.16	310,584	378,039	40,650	11.23	3,620
1986	257,468.31	186,665	227,207	30,261	11.85	2,554
1987	769,136.71	544,395	662,631	106,506	12.49	8,527
1988	18,280.19	12,619	15,360	2,920	13.12	223
1989	36,915.90	24,926	30,340	6,576	13.59	484
1990	125,722.50	82,562	100,493	25,230	14.24	1,772
1991	252,698.20	161,196	196,206	56,492	14.90	3,791
1992	194,721.76	120,455	146,616	48,106	15.57	3,090
1993	32,452.48	19,540	23,784	8,668	16.11	538
1994	6,106.73	3,574	4,350	1,757	16.66	105
1995	261,768.39	147,847	179,958	81,810	17.34	4,718
1996	385,377.54	209,645	255,178	130,200	18.02	7,225
1998	8,320.09	4,170	5,076	3,244	19.41	167
2003	276,738.19	106,738	129,920	146,818	23.09	6,359

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
2008	143,831.32	37,439	45,570	98,261	27.00	3,639
2009	23,221.74	5,448	6,631	16,591	27.73	598
2013	86,895.66	11,027	13,422	73,474	30.96	2,373
2014	80,934.94	8,045	9,792	71,143	31.71	2,244
2016	384,777.03	16,699	20,326	364,451	33.10	11,011
2017	364,801.40	5,399	6,572	358,229	33.40	10,725
	4,794,309.65	2,555,513	3,093,712	1,700,598		76,603
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.2 1.60

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1947	2,419.38	2,177	2,127	292	4.70	62
1948	5,655.22	5,055	4,940	715	4.99	143
1949	9,097.30	8,075	7,891	1,206	5.28	228
1950	12,859.50	11,333	11,075	1,784	5.58	320
1951	14,056.26	12,301	12,021	2,035	5.87	347
1952	15,829.88	13,752	13,439	2,391	6.17	388
1953	15,474.29	13,344	13,040	2,434	6.47	376
1954	26,161.07	22,387	21,877	4,284	6.78	632
1955	41,680.43	35,393	34,587	7,093	7.09	1,000
1956	70,769.45	59,612	58,255	12,514	7.41	1,689
1957	87,636.07	73,204	71,538	16,098	7.74	2,080
1958	127,286.80	105,432	103,032	24,255	8.07	3,006
1959	227,467.86	186,765	182,513	44,955	8.41	5,345
1960	305,000.31	248,154	242,505	62,495	8.76	7,134
1961	336,776.21	271,354	265,177	71,599	9.13	7,842
1962	333,310.34	265,938	259,884	73,426	9.50	7,729
1963	377,498.89	298,145	291,358	86,141	9.88	8,719
1964	397,314.39	310,497	303,429	93,885	10.27	9,142
1965	504,453.60	389,827	380,953	123,501	10.68	11,564
1966	590,304.07	451,016	440,749	149,555	11.09	13,486
1967	586,178.61	442,500	432,427	153,752	11.52	13,347
1968	667,799.79	497,865	486,531	181,269	11.96	15,156
1969	718,410.52	528,563	516,530	201,881	12.42	16,255
1970	754,695.13	547,878	535,406	219,289	12.88	17,026
1971	858,353.65	614,358	600,372	257,982	13.36	19,310
1972	1,060,737.36	748,159	731,127	329,610	13.85	23,799
1973	1,413,510.47	981,641	959,294	454,216	14.36	31,631
1974	1,497,763.59	1,023,901	1,000,592	497,172	14.87	33,435
1975	1,109,192.57	745,755	728,778	380,415	15.40	24,702
1976	1,271,027.42	839,692	820,577	450,450	15.95	28,241
1977	2,406,196.22	1,561,477	1,525,930	880,266	16.50	53,349
1978	2,208,269.72	1,406,248	1,374,235	834,035	17.07	48,860
1979	3,815,684.29	2,382,780	2,328,536	1,487,148	17.65	84,258
1980	6,184,950.49	3,784,633	3,698,476	2,486,474	18.24	136,320
1981	6,351,315.93	3,805,391	3,718,762	2,632,554	18.84	139,732
1982	5,646,351.05	3,801,688	3,715,143	1,931,208	17.10	112,936
1983	4,106,727.80	2,714,547	2,652,751	1,453,977	17.56	82,801
1984	4,253,352.52	2,743,412	2,680,959	1,572,394	18.30	85,923
1985	4,791,704.25	3,028,836	2,959,885	1,831,819	18.77	97,593
1986	4,943,832.48	3,059,244	2,989,601	1,954,231	19.25	101,518
1987	5,809,207.94	3,514,571	3,434,562	2,374,646	19.75	120,235
1988	7,054,238.60	4,167,644	4,072,768	2,981,471	20.26	147,160

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1989	9,900,420.26	5,705,612	5,575,724	4,324,696	20.77	208,218
1990	10,932,582.50	6,137,552	5,997,831	4,934,752	21.29	231,787
1991	9,804,785.13	5,353,413	5,231,543	4,573,242	21.83	209,493
1992	9,994,853.65	5,299,271	5,178,634	4,816,220	22.37	215,298
1993	6,426,226.09	3,305,008	3,229,770	3,196,456	23.02	138,856
1994	12,430,815.50	6,222,866	6,081,203	6,349,612	23.45	270,772
1995	13,518,112.45	6,540,063	6,391,179	7,126,933	24.01	296,832
1996	11,575,780.61	5,401,259	5,278,300	6,297,481	24.58	256,203
1997	12,159,274.24	5,459,514	5,335,229	6,824,045	25.16	271,226
1998	9,811,715.61	4,228,849	4,132,580	5,679,136	25.75	220,549
1999	9,975,524.55	4,115,901	4,022,203	5,953,322	26.34	226,018
2000	10,239,309.68	4,049,647	3,957,457	6,281,853	26.75	234,836
2001	10,401,795.66	3,913,156	3,824,074	6,577,722	27.36	240,414
2002	10,769,828.76	3,839,444	3,752,040	7,017,789	27.98	250,814
2003	9,986,790.86	3,373,538	3,296,740	6,690,051	28.42	235,399
2004	11,524,823.11	3,655,674	3,572,453	7,952,370	29.06	273,653
2005	10,289,345.64	3,061,080	2,991,395	7,297,951	29.52	247,221
2006	10,777,082.88	2,987,407	2,919,399	7,857,684	29.99	262,010
2007	10,661,309.56	2,720,766	2,658,828	8,002,482	30.65	261,092
2008	13,927,047.46	3,254,751	3,180,657	10,746,390	31.15	344,988
2009	14,205,942.85	3,018,763	2,950,041	11,255,902	31.50	357,330
2010	14,430,754.56	2,738,957	2,676,605	11,754,150	32.02	367,088
2011	22,115,442.95	3,693,279	3,609,202	18,506,241	32.41	571,004
2012	32,272,465.96	4,634,326	4,528,826	27,743,640	32.81	845,585
2013	41,972,910.15	5,024,157	4,909,782	37,063,128	33.09	1,120,070
2014	40,904,982.95	3,894,154	3,805,504	37,099,479	33.26	1,115,438
2015	43,295,387.40	3,030,677	2,961,684	40,333,703	33.21	1,214,505
2016	49,966,574.37	2,188,536	2,138,714	47,827,860	32.75	1,460,393
2017	47,475,617.98	759,610	742,318	46,733,300	30.85	1,514,856
	592,758,055.09	163,331,774	159,613,547	433,144,508		14,976,767

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.9 2.53

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
1935	337.64	338	338			
1936	602.92	603	603			
1937	1,103.40	1,103	1,103			
1938	1,146.14	1,146	1,146			
1939	1,536.47	1,536	1,536			
1940	1,813.12	1,813	1,813			
1941	2,694.85	2,695	2,695			
1942	1,061.42	1,061	1,061			
1943	318.01	318	318			
1944	910.79	911	911			
1945	1,030.42	1,029	1,009	21	0.05	21
1946	2,072.66	2,051	2,012	61	0.38	61
1947	2,670.91	2,619	2,569	102	0.70	102
1948	1,799.34	1,748	1,715	84	1.03	82
1949	3,853.99	3,708	3,637	217	1.36	160
1950	3,535.68	3,369	3,305	231	1.70	136
1951	4,246.51	4,007	3,931	316	2.03	156
1952	6,010.66	5,623	5,516	495	2.32	213
1953	4,743.71	4,405	4,321	423	2.57	165
1954	1,745.23	1,609	1,578	167	2.81	59
1955	3,183.22	2,914	2,858	325	3.04	107
1956	3,443.59	3,132	3,072	372	3.26	114
1957	3,399.89	3,070	3,011	389	3.49	111
1958	4,132.85	3,705	3,634	499	3.73	134
1959	8,813.87	7,842	7,692	1,122	3.97	283
1960	4,981.94	4,397	4,313	669	4.23	158
1961	6,404.08	5,605	5,498	906	4.49	202
1962	8,973.23	7,787	7,638	1,335	4.76	280
1963	8,033.93	6,909	6,777	1,257	5.04	249
1964	10,156.53	8,656	8,491	1,666	5.32	313
1965	37,030.95	31,260	30,664	6,367	5.61	1,135
1966	87,223.68	72,904	71,514	15,710	5.91	2,658
1967	156,311.31	129,348	126,881	29,430	6.21	4,739
1968	235,834.21	193,188	189,503	46,331	6.51	7,117
1969	225,015.61	182,326	178,849	46,167	6.83	6,759
1970	199,226.38	159,658	156,613	42,613	7.15	5,960
1971	106,013.91	83,986	82,384	23,630	7.48	3,159
1972	57,205.85	44,780	43,926	13,280	7.82	1,698
1973	94,735.92	73,210	71,814	22,922	8.18	2,802
1974	97,268.89	74,195	72,780	24,489	8.54	2,868
1975	72,324.05	54,404	53,366	18,958	8.92	2,125
1976	38,991.48	28,908	28,357	10,634	9.31	1,142

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
1977	57,919.64	42,298	41,491	16,429	9.71	1,692
1978	149,135.44	107,212	105,167	43,968	10.12	4,345
1979	162,423.88	114,824	112,634	49,790	10.55	4,719
1980	759,981.52	527,762	517,696	242,286	11.00	22,026
1981	437,479.39	298,217	292,529	144,950	11.46	12,648
1982	250,597.82	192,559	188,886	61,712	10.62	5,811
1983	35,035.50	26,518	26,012	9,024	11.00	820
1984	133,064.75	99,107	97,217	35,848	11.39	3,147
1985	405,674.27	295,655	290,016	115,658	12.00	9,638
1986	342,674.88	245,218	240,541	102,134	12.42	8,223
1987	493,940.27	346,647	340,035	153,905	12.85	11,977
1988	428,250.23	294,379	288,764	139,486	13.30	10,488
1989	639,780.09	431,980	423,741	216,039	13.59	15,897
1990	1,056,266.47	696,502	683,218	373,048	14.07	26,514
1991	1,021,875.63	657,168	644,634	377,242	14.57	25,892
1992	968,946.07	606,754	595,181	373,765	15.07	24,802
1993	754,072.73	461,342	452,543	301,530	15.47	19,491
1994	1,034,995.50	617,789	606,006	428,990	15.87	27,032
1995	1,076,429.03	622,391	610,520	465,909	16.41	28,392
1996	745,100.73	418,151	410,176	334,925	16.81	19,924
1997	1,040,199.68	562,956	552,219	487,981	17.38	28,077
1998	898,796.74	469,711	460,752	438,045	17.81	24,595
1999	1,096,593.01	551,806	541,281	555,312	18.26	30,411
2000	1,007,973.57	485,037	475,786	532,188	18.87	28,203
2001	1,277,228.37	588,036	576,820	700,408	19.34	36,216
2002	913,053.17	400,465	392,827	520,226	19.84	26,221
2003	998,595.70	417,014	409,060	589,536	20.22	29,156
2004	911,267.62	359,222	352,371	558,897	20.75	26,935
2005	1,076,334.76	399,535	391,915	684,420	21.17	32,330
2006	1,497,470.10	520,071	510,152	987,318	21.61	45,688
2007	766,719.48	247,957	243,228	523,491	21.97	23,828
2008	3,005,608.23	896,573	879,473	2,126,135	22.35	95,129
2009	1,470,646.93	400,016	392,386	1,078,261	22.75	47,396
2010	1,676,275.46	411,023	403,184	1,273,091	23.08	55,160
2011	2,969,484.82	646,754	634,418	2,335,067	23.35	100,003
2012	2,542,606.97	481,061	471,886	2,070,721	23.57	87,854
2013	3,130,140.95	500,197	490,657	2,639,484	23.67	111,512
2014	3,209,856.24	413,429	405,543	2,804,313	23.67	118,475

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
2015	2,470,863.41	238,438	233,890	2,236,973	23.41	95,556
2016	2,087,187.56	129,406	126,938	1,960,250	22.71	86,317
2017	1,986,268.45	47,472	46,567	1,939,701	20.42	94,990
	48,498,754.30	17,492,528	17,159,112	31,339,642		1,552,798
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						20.2 3.20

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381.2 ELECTRONIC METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S2						
NET SALVAGE PERCENT.. 0						
1995	178,779.41	152,856	174,158	4,621	3.82	1,210
1996	141,247.30	118,732	135,278	5,969	4.08	1,463
1997	144,490.38	118,771	135,323	9,167	4.44	2,065
1998	156,944.58	126,089	143,660	13,285	4.77	2,785
1999	297,834.85	233,622	266,179	31,656	5.08	6,231
2000	423,253.13	322,180	367,078	56,175	5.49	10,232
2001	494,946.22	365,072	415,947	78,999	5.87	13,458
2002	612,886.37	436,007	496,767	116,119	6.29	18,461
2003	233,963.47	160,125	182,439	51,524	6.69	7,702
2004	229,134.33	149,716	170,580	58,554	7.16	8,178
2005	206,380.64	127,956	145,788	60,593	7.66	7,910
2006	5,184,316.77	3,022,457	3,443,656	1,740,661	8.22	211,759
2008	15,192.44	7,636	8,700	6,492	9.40	691
2016	1,399,985.75	119,279	135,902	1,264,084	16.11	78,466
2017	1,326,779.92	37,681	42,932	1,283,848	17.11	75,035
	11,046,135.56	5,498,179	6,264,387	4,781,749		445,646
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						10.7 4.03

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1917	30.00	30	30			
1918	206.22	206	206			
1919	1,885.29	1,885	1,885			
1920	3,700.58	3,701	3,701			
1921	3,903.26	3,903	3,903			
1922	5,028.27	5,028	5,028			
1923	6,498.87	6,499	6,499			
1924	8,815.96	8,816	8,816			
1925	10,006.66	10,007	10,007			
1926	7,137.64	7,138	7,138			
1927	8,732.55	8,733	8,733			
1928	8,056.44	8,056	8,056			
1929	8,743.93	8,744	8,744			
1930	5,496.92	5,486	5,497			
1931	4,316.21	4,291	4,316			
1932	3,116.00	3,082	3,116			
1933	1,716.67	1,688	1,717			
1934	2,144.08	2,097	2,144			
1935	2,852.13	2,773	2,852			
1936	2,976.98	2,878	2,977			
1937	5,195.96	4,993	5,196			
1938	4,268.28	4,076	4,268			
1939	5,216.21	4,950	5,216			
1940	7,245.82	6,833	7,246			
1941	8,811.61	8,257	8,812			
1942	7,044.65	6,558	7,045			
1943	5,179.03	4,789	5,179			
1944	6,876.50	6,316	6,851	26	3.83	7
1945	7,224.68	6,591	7,149	76	4.12	18
1946	11,523.89	10,443	11,328	196	4.41	44
1947	24,460.88	22,015	23,880	581	4.70	124
1948	23,057.63	20,610	22,356	702	4.99	141
1949	27,777.88	24,657	26,745	1,033	5.28	196
1950	33,356.89	29,397	31,887	1,470	5.58	263
1951	38,941.55	34,078	36,964	1,978	5.87	337
1952	43,371.38	37,678	40,869	2,502	6.17	406
1953	37,677.12	32,490	35,242	2,435	6.47	376
1954	51,913.71	44,425	48,188	3,726	6.78	550
1955	64,493.40	54,765	59,403	5,090	7.09	718
1956	70,465.40	59,356	64,383	6,082	7.41	821
1957	73,331.51	61,255	66,443	6,889	7.74	890
1958	68,916.40	57,083	61,918	6,998	8.07	867

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1959	75,220.79	61,761	66,992	8,229	8.41	978
1960	72,725.64	59,171	64,183	8,543	8.76	975
1961	63,095.84	50,839	55,145	7,951	9.13	871
1962	56,059.85	44,728	48,516	7,544	9.50	794
1963	65,029.96	51,360	55,710	9,320	9.88	943
1964	73,978.20	57,813	62,710	11,268	10.27	1,097
1965	91,147.37	70,436	76,402	14,745	10.68	1,381
1966	94,994.01	72,579	78,726	16,268	11.09	1,467
1967	104,825.79	79,132	85,834	18,992	11.52	1,649
1968	121,059.74	90,254	97,898	23,162	11.96	1,937
1969	124,406.61	91,531	99,284	25,123	12.42	2,023
1970	110,501.86	80,220	87,014	23,488	12.88	1,824
1971	97,416.60	69,725	75,631	21,786	13.36	1,631
1972	89,694.13	63,263	68,621	21,073	13.85	1,522
1973	122,279.47	84,919	92,111	30,168	14.36	2,101
1974	130,179.19	88,993	96,531	33,648	14.87	2,263
1975	89,739.24	60,335	65,445	24,294	15.40	1,578
1976	46,786.40	30,909	33,527	13,259	15.95	831
1977	80,955.81	52,535	56,985	23,971	16.50	1,453
1978	94,765.35	60,348	65,459	29,306	17.07	1,717
1979	297,976.99	186,078	201,838	96,139	17.65	5,447
1980	563,482.19	344,800	374,004	189,478	18.24	10,388
1981	636,818.74	381,550	413,867	222,952	18.84	11,834
1982	511,912.00	344,670	373,863	138,049	17.10	8,073
1983	532,188.52	351,777	381,572	150,617	17.56	8,577
1984	466,244.62	300,728	326,199	140,046	18.30	7,653
1985	655,126.90	414,106	449,180	205,947	18.77	10,972
1986	670,849.28	415,122	450,282	220,567	19.25	11,458
1987	751,416.30	454,607	493,111	258,305	19.75	13,079
1988	968,793.51	572,363	620,841	347,953	20.26	17,174
1989	1,052,524.04	606,570	657,945	394,579	20.77	18,998
1990	1,313,807.52	737,572	800,043	513,765	21.29	24,132
1991	1,308,501.70	714,442	774,954	533,548	21.83	24,441
1992	1,227,494.01	650,817	705,940	521,554	22.37	23,315
1993	954,155.77	490,722	532,285	421,871	23.02	18,326
1994	1,354,597.23	678,111	735,546	619,051	23.45	26,399
1995	1,498,178.08	724,819	786,210	711,968	24.01	29,653
1996	1,395,091.76	650,950	706,084	689,008	24.58	28,031
1997	1,643,453.41	737,911	800,411	843,042	25.16	33,507
1998	1,817,407.11	783,302	849,646	967,761	25.75	37,583
1999	1,784,603.83	736,328	798,694	985,910	26.34	37,430
2000	1,818,603.47	719,258	780,178	1,038,425	26.75	38,820

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
2001	1,765,230.32	664,080	720,326	1,044,904	27.36	38,191
2002	1,021,041.84	364,001	394,831	626,211	27.98	22,381
2003	1,420,081.53	479,704	520,334	899,748	28.42	31,659
2004	1,115,392.96	353,803	383,770	731,623	29.06	25,176
2005	1,289,069.15	383,498	415,980	873,089	29.52	29,576
2006	1,353,095.99	375,078	406,846	946,250	29.99	31,552
2007	7,147,679.03	1,824,088	1,978,585	5,169,094	30.65	168,649
2008	3,007,535.26	702,861	762,392	2,245,143	31.15	72,075
2009	2,205,672.00	468,705	508,404	1,697,268	31.50	53,882
2010	1,431,034.04	271,610	294,615	1,136,419	32.02	35,491
2011	1,792,011.21	299,266	324,613	1,467,398	32.41	45,276
2012	2,211,226.66	317,532	344,427	1,866,800	32.81	56,897
2013	2,725,670.34	326,263	353,897	2,371,773	33.09	71,676
2014	2,022,973.60	192,587	208,899	1,814,075	33.26	54,542
2015	2,697,750.00	188,842	204,837	2,492,913	33.21	75,065
2016	3,201,350.32	140,219	152,095	3,049,255	32.75	93,107
2017	3,039,470.20	48,632	52,751	2,986,719	30.85	96,814

65,196,088.32 21,354,879 23,154,952 42,041,136 1,482,092

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.4 2.27

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1962	1,399.54	1,117	815	585	9.50	62
1964	12,565.04	9,819	7,160	5,405	10.27	526
1965	15,041.63	11,624	8,476	6,566	10.68	615
1966	21,890.58	16,725	12,196	9,695	11.09	874
1967	25,450.23	19,212	14,009	11,441	11.52	993
1968	21,367.80	15,930	11,616	9,752	11.96	815
1969	22,860.21	16,819	12,264	10,596	12.42	853
1970	36,838.12	26,743	19,501	17,337	12.88	1,346
1971	34,191.19	24,472	17,845	16,346	13.36	1,224
1972	25,029.30	17,654	12,873	12,156	13.85	878
1973	17,858.88	12,402	9,043	8,816	14.36	614
1974	20,423.64	13,962	10,181	10,243	14.87	689
1975	28,470.84	19,142	13,958	14,513	15.40	942
1976	6,104.48	4,033	2,941	3,163	15.95	198
1977	15,485.81	10,049	7,328	8,158	16.50	494
1978	20,458.11	13,028	9,500	10,958	17.07	642
1979	75,615.61	47,220	34,432	41,184	17.65	2,333
1980	156,956.28	96,043	70,034	86,922	18.24	4,765
1981	77,028.55	46,152	33,654	43,375	18.84	2,302
1982	117,892.66	79,377	57,881	60,012	17.10	3,509
1983	57,925.30	38,289	27,920	30,005	17.56	1,709
1984	54,375.22	35,072	25,574	28,801	18.30	1,574
1985	114,659.40	72,476	52,849	61,810	18.77	3,293
1986	131,193.17	81,182	59,197	71,996	19.25	3,740
1987	128,556.13	77,776	56,713	71,843	19.75	3,638
1988	165,678.68	97,883	71,375	94,304	20.26	4,655
1989	202,471.02	116,684	85,085	117,386	20.77	5,652
1990	203,900.53	114,470	83,470	120,431	21.29	5,657
1991	74,814.38	40,849	29,787	45,027	21.83	2,063
1992	92,746.06	49,174	35,857	56,889	22.37	2,543
1993	140,213.06	72,112	52,583	87,630	23.02	3,807
1994	153,409.21	76,797	56,000	97,409	23.45	4,154
1995	43,291.23	20,944	15,272	28,019	24.01	1,167
1996	87,704.70	40,923	29,841	57,864	24.58	2,354
1997	54,369.78	24,412	17,801	36,569	25.16	1,453
1998	101,824.94	43,887	32,002	69,823	25.75	2,712
1999	90,698.87	37,422	27,288	63,411	26.34	2,407
2000	166,655.59	65,912	48,062	118,594	26.75	4,433
2001	53,720.23	20,210	14,737	38,983	27.36	1,425
2002	130,737.09	46,608	33,986	96,751	27.98	3,458
2003	225,880.84	76,303	55,639	170,242	28.42	5,990
2004	201,555.82	63,934	46,620	154,936	29.06	5,332

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
2005	193,256.91	57,494	41,924	151,333	29.52	5,126
2008	536,821.08	125,455	91,481	445,340	31.15	14,297
2009	430,986.45	91,585	66,783	364,203	31.50	11,562
2010	535,060.57	101,554	74,052	461,009	32.02	14,398
2012	184,223.26	26,454	19,290	164,933	32.81	5,027
2013	64,424.73	7,712	5,624	58,801	33.09	1,777
2016	1,040,954.77	45,594	33,247	1,007,708	32.75	30,770
2017	989,323.80	15,829	11,542	977,782	30.85	31,695
	7,404,361.32	2,286,519	1,667,308	5,737,053		212,542
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						27.0 2.87

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1923	67.84	68	68			
1924	595.75	596	596			
1925	1,140.49	1,140	1,140			
1926	1,419.14	1,419	1,419			
1927	1,698.08	1,698	1,698			
1928	1,553.76	1,554	1,554			
1929	1,958.11	1,958	1,958			
1930	1,481.93	1,479	1,482			
1931	1,266.62	1,259	1,267			
1932	671.28	664	671			
1933	605.66	596	606			
1934	742.12	726	742			
1935	813.30	791	813			
1936	1,074.69	1,039	1,075			
1937	1,442.90	1,386	1,443			
1938	1,160.28	1,108	1,160			
1939	1,158.80	1,100	1,159			
1940	1,326.78	1,251	1,327			
1941	1,650.31	1,546	1,650			
1942	1,456.57	1,356	1,457			
1943	966.54	894	967			
1944	1,899.65	1,745	1,900			
1945	2,132.08	1,945	2,132			
1946	3,307.61	2,997	3,308			
1947	7,173.35	6,456	7,173			
1948	6,962.33	6,223	6,962			
1949	8,088.00	7,179	8,088			
1950	8,519.68	7,508	8,520			
1951	11,213.64	9,813	11,214			
1952	11,754.19	10,211	11,754			
1953	9,572.60	8,255	9,573			
1954	8,124.16	6,952	8,062	62	6.78	9
1955	13,291.33	11,286	13,087	204	7.09	29
1956	17,151.56	14,447	16,753	399	7.41	54
1957	18,927.19	15,810	18,333	594	7.74	77
1958	18,104.16	14,996	17,390	714	8.07	88
1959	25,845.22	21,220	24,607	1,238	8.41	147
1960	19,524.50	15,886	18,422	1,102	8.76	126
1961	13,003.74	10,478	12,150	854	9.13	94
1962	13,469.00	10,747	12,462	1,007	9.50	106
1963	16,535.99	13,060	15,145	1,391	9.88	141
1964	18,856.81	14,736	17,088	1,769	10.27	172

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1965	19,892.47	15,372	17,826	2,066	10.68	193
1966	21,260.50	16,244	18,837	2,424	11.09	219
1967	22,964.09	17,335	20,102	2,862	11.52	248
1968	27,475.88	20,484	23,753	3,723	11.96	311
1969	28,469.62	20,946	24,289	4,181	12.42	337
1970	23,395.69	16,984	19,695	3,701	12.88	287
1971	30,482.68	21,818	25,300	5,183	13.36	388
1972	36,318.81	25,616	29,705	6,614	13.85	478
1973	44,592.12	30,968	35,911	8,681	14.36	605
1974	39,524.63	27,020	31,333	8,192	14.87	551
1975	27,373.26	18,404	21,341	6,032	15.40	392
1976	19,918.30	13,159	15,259	4,659	15.95	292
1977	29,296.97	19,012	22,047	7,250	16.50	439
1978	39,373.23	25,073	29,075	10,298	17.07	603
1979	66,602.66	41,591	48,229	18,374	17.65	1,041
1980	127,379.86	77,945	90,386	36,994	18.24	2,028
1981	107,421.27	64,361	74,634	32,787	18.84	1,740
1982	185,109.50	124,634	144,527	40,582	17.10	2,373
1983	137,856.94	91,123	105,667	32,190	17.56	1,833
1984	94,215.07	60,769	70,468	23,747	18.30	1,298
1985	153,681.78	97,142	112,647	41,035	18.77	2,186
1986	139,806.49	86,512	100,320	39,486	19.25	2,051
1987	164,809.77	99,710	115,625	49,185	19.75	2,490
1988	173,371.52	102,428	118,777	54,595	20.26	2,695
1989	241,228.95	139,020	161,209	80,020	20.77	3,853
1990	196,709.53	110,433	128,059	68,651	21.29	3,225
1991	125,781.39	68,677	79,639	46,142	21.83	2,114
1992	191,160.72	101,353	117,530	73,631	22.37	3,292
1993	108,727.54	55,919	64,844	43,884	23.02	1,906
1994	156,997.08	78,593	91,137	65,860	23.45	2,809
1995	222,550.77	107,670	124,856	97,695	24.01	4,069
1996	144,323.24	67,341	78,089	66,234	24.58	2,695
1997	181,485.03	81,487	94,493	86,992	25.16	3,458
1998	240,265.81	103,555	120,084	120,182	25.75	4,667
1999	161,278.89	66,544	77,165	84,114	26.34	3,193
2000	128,407.98	50,785	58,891	69,517	26.75	2,599
2001	173,696.25	65,345	75,775	97,921	27.36	3,579
2002	176,547.92	62,939	72,985	103,563	27.98	3,701
2003	459,751.22	155,304	180,093	279,658	28.42	9,840
2004	578,304.52	183,438	212,717	365,588	29.06	12,580
2005	458,164.80	136,304	158,060	300,105	29.52	10,166
2006	269,311.61	74,653	86,569	182,743	29.99	6,093

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
2008	796,376.44	186,113	215,819	580,557	31.15	18,637
2009	188,235.35	40,000	46,384	141,851	31.50	4,503
2010	212,523.92	40,337	46,775	165,749	32.02	5,176
2011	309,216.81	51,639	59,881	249,336	32.41	7,693
2012	511,747.05	73,487	85,217	426,530	32.81	13,000
2013	416,162.87	49,815	57,766	358,397	33.09	10,831
2014	464,932.43	44,262	51,327	413,605	33.26	12,436
2015	455,138.64	31,860	36,945	418,194	33.21	12,592
2016	791,045.11	34,648	40,179	750,866	32.75	22,927
2017	751,120.81	12,018	13,936	737,185	30.85	23,896
	11,149,493.53	3,643,767	4,220,552	6,928,942		241,651
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						28.7 2.17

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R2						
NET SALVAGE PERCENT.. 0						
1953	459.73	418	460			
1956	1,699.39	1,512	1,699			
1957	3,691.24	3,257	3,691			
1960	13,478.32	11,607	13,478			
1961	10,430.28	8,905	10,430			
1962	18,167.71	15,373	18,168			
1963	20,168.80	16,913	20,169			
1964	18,492.41	15,362	18,492			
1965	12,215.87	10,049	12,216			
1966	19,621.40	15,978	19,621			
1967	29,181.47	23,512	29,181			
1968	68,484.03	54,575	68,384	100	8.53	12
1969	70,353.14	55,412	69,433	920	8.92	103
1970	50,382.10	39,214	49,136	1,246	9.31	134
1971	45,250.90	34,778	43,578	1,673	9.72	172
1972	67,233.75	50,985	63,886	3,348	10.15	330
1973	5,321.24	3,981	4,988	333	10.58	31
1974	2,226.85	1,642	2,057	170	11.03	15
1975	3,170.73	2,303	2,886	285	11.50	25
1976	1,780.78	1,273	1,595	186	11.98	16
1979	121,584.04	82,503	103,379	18,205	13.50	1,349
1980	258,103.91	171,822	215,298	42,806	14.04	3,049
1981	265,597.17	173,334	217,193	48,404	14.59	3,318
1982	220,338.62	159,217	199,504	20,835	13.53	1,540
1983	84,991.17	60,259	75,506	9,485	14.06	675
1984	45,158.13	31,529	39,507	5,651	14.37	393
1985	96,871.99	66,231	82,990	13,882	14.92	930
1986	75,546.00	50,525	63,309	12,237	15.48	791
1987	151,869.54	99,232	124,341	27,529	16.05	1,715
1988	274,025.62	175,541	219,958	54,068	16.41	3,295
1989	177,618.66	110,887	138,945	38,674	17.00	2,275
1990	197,942.97	120,290	150,727	47,216	17.59	2,684
1991	215,453.44	127,807	160,146	55,307	18.00	3,073
1992	118,567.21	68,259	85,531	33,036	18.61	1,775
1993	66,190.67	37,106	46,495	19,696	19.10	1,031
1994	210,866.52	114,964	144,054	66,813	19.60	3,409
1995	277,684.52	146,840	183,995	93,690	20.05	4,673
1996	625,742.11	318,878	399,564	226,178	20.69	10,932
1997	112,870.92	55,532	69,583	43,288	21.17	2,045
1998	87,600.50	41,339	51,799	35,802	21.82	1,641
1999	208,497.66	94,491	118,401	90,097	22.32	4,037
2000	60,193.78	26,016	32,599	27,595	22.99	1,200

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R2						
NET SALVAGE PERCENT.. 0						
2001	5,609.09	2,314	2,900	2,709	23.50	115
2002	122,626.18	48,094	60,263	62,363	24.02	2,596
2005	16,797.27	5,501	6,893	9,904	25.67	386
2007	35,908.89	10,105	12,662	23,247	26.81	867
2008	122,226.22	31,583	39,574	82,652	27.26	3,032
2012	13,017.88	2,070	2,594	10,424	29.10	358
2014	216,494.04	22,883	28,673	187,821	29.61	6,343
2015	96,266.39	7,490	9,385	86,881	29.65	2,930
2016	573,993.39	27,896	34,955	539,038	29.36	18,360
2017	545,271.19	9,651	12,093	533,178	27.75	19,214
	6,163,335.83	2,867,238	3,586,364	2,576,972		110,869
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					23.2	1.80

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.0 OTHER PROPERTY ON CUSTOMERS PREMISES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1966	1,968.69	1,504	1,738	231	11.09	21
1967	207.34	157	181	26	11.52	2
1968	820.82	612	707	114	11.96	10
1969	4,348.68	3,199	3,697	652	12.42	52
1970	585.40	425	491	94	12.88	7
1971	1,925.29	1,378	1,593	332	13.36	25
1972	16,780.77	11,836	13,679	3,102	13.85	224
1999	15,161.48	6,256	7,230	7,931	26.34	301
2004	19,260.94	6,110	7,061	12,200	29.06	420
2005	276,907.83	82,380	95,208	181,700	29.52	6,155
	337,967.24	113,857	131,585	206,382		7,217

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.6 2.14

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1929	141.00	141	141			
1955	2,275.45	1,932	2,275			
1956	989.22	833	989			
1957	545.83	456	543	3	7.74	
1958	236.59	196	233	4	8.07	
1959	739.15	607	723	16	8.41	2
1960	6,231.82	5,070	6,035	197	8.76	22
1961	5,465.73	4,404	5,243	223	9.13	24
1962	1,776.66	1,418	1,688	89	9.50	9
1963	1,519.13	1,200	1,429	90	9.88	9
1964	1,895.48	1,481	1,763	132	10.27	13
1965	611.14	472	562	49	10.68	5
1966	1,500.19	1,146	1,364	136	11.09	12
1967	7,810.50	5,896	7,019	792	11.52	69
1968	5,156.86	3,845	4,577	580	11.96	48
1969	2,743.23	2,018	2,402	341	12.42	27
1970	1,104.82	802	955	150	12.88	12
1971	31,924.90	22,850	27,201	4,724	13.36	354
1972	2,029.09	1,431	1,703	326	13.85	24
1973	5,741.28	3,987	4,746	995	14.36	69
1974	677.56	463	551	127	14.87	9
1975	501.75	337	401	101	15.40	7
1976	3,733.18	2,466	2,936	797	15.95	50
1977	1,421.54	922	1,098	324	16.50	20
1978	182.88	116	138	45	17.07	3
1979	5,235.99	3,270	3,893	1,343	17.65	76
1980	17,091.10	10,458	12,449	4,642	18.24	254
1981	121,509.06	72,802	86,665	34,844	18.84	1,849
1982	95,200.74	64,099	76,305	18,896	17.10	1,105
1983	6,768.10	4,474	5,326	1,442	17.56	82
1984	6,649.28	4,289	5,106	1,543	18.30	84
1985	25,257.56	15,965	19,005	6,253	18.77	333
1986	23,743.92	14,693	17,491	6,253	19.25	325
1987	25,830.88	15,628	18,604	7,227	19.75	366
1988	26,270.40	15,521	18,476	7,794	20.26	385
1989	52,802.47	30,430	36,224	16,578	20.77	798
1990	55,497.04	31,156	37,089	18,408	21.29	865
1991	30,826.21	16,831	20,036	10,790	21.83	494
1992	56,752.96	30,090	35,820	20,933	22.37	936
1993	45,455.69	23,378	27,829	17,627	23.02	766
1994	30,338.27	15,187	18,079	12,259	23.45	523
1995	22,678.63	10,972	13,061	9,618	24.01	401

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1996	22,335.06	10,422	12,406	9,929	24.58	404
1997	8,544.26	3,836	4,566	3,978	25.16	158
1998	8,784.27	3,786	4,507	4,277	25.75	166
1999	13,041.26	5,381	6,406	6,635	26.34	252
2000	2,551.99	1,009	1,201	1,351	26.75	51
2004	347.18	110	131	216	29.06	7
2005	3,317.00	987	1,175	2,142	29.52	73
2006	3,670.43	1,017	1,211	2,459	29.99	82
2010	54.74	10	12	43	32.02	1
2012	115,202.00	16,543	19,693	95,509	32.81	2,911
2013	22,348.33	2,675	3,184	19,164	33.09	579
2014	10,178.04	969	1,154	9,024	33.26	271
2015	1,657.77	116	138	1,520	33.21	46
	946,895.61	490,593	583,957	362,939		15,431
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						23.5 1.63

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R3						
NET SALVAGE PERCENT.. 0						
1989	290.57	259	288	3	3.50	1
1990	10,556.06	9,262	10,299	257	3.81	67
1991	4,510.10	3,895	4,331	179	4.15	43
1992	3,050.56	2,580	2,869	182	4.60	40
1993	5,858.48	4,870	5,415	443	4.95	89
1994	335.37	273	303	32	5.32	6
1997	104.02	78	87	17	6.90	2
	24,705.16	21,217	23,592	1,113		248
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						4.5 1.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-L2						
NET SALVAGE PERCENT.. 0						
1956	1,286.23	1,064	1,007	279	5.52	51
1957	422.93	347	329	94	5.73	16
1958	181.91	148	140	42	5.94	7
1959	5,211.80	4,210	3,986	1,226	6.15	199
1960	694.25	556	526	168	6.37	26
1961	820.11	651	616	204	6.58	31
1962	130.57	103	98	33	6.81	5
1963	505.46	394	373	132	7.03	19
1964	2,972.41	2,298	2,176	796	7.26	110
1965	875.65	671	635	241	7.49	32
1966	2,229.09	1,691	1,601	628	7.72	81
1967	2,875.53	2,160	2,045	831	7.96	104
1968	4,932.62	3,669	3,474	1,459	8.20	178
1969	996.74	734	695	302	8.44	36
1970	1,480.37	1,078	1,021	459	8.69	53
1971	7,287.52	5,254	4,974	2,314	8.93	259
1972	2,747.86	1,960	1,856	892	9.18	97
1974	1,167.26	814	771	396	9.69	41
1975	6,099.47	4,205	3,981	2,118	9.94	213
1976	5,811.87	3,961	3,750	2,062	10.19	202
1977	1,825.30	1,230	1,165	660	10.44	63
1978	953.04	635	601	352	10.69	33
1979	574.33	378	358	216	10.94	20
1980	1,327.38	863	817	510	11.19	46
1981	7,939.64	5,104	4,832	3,108	11.43	272
1982	9,496.01	7,397	7,003	2,493	10.00	249
1983	1,399.58	1,079	1,022	378	10.20	37
1984	24,793.08	18,877	17,873	6,920	10.42	664
1985	10,594.15	7,994	7,569	3,025	10.49	288
1986	15,978.23	11,885	11,253	4,725	10.76	439
1987	19,383.92	14,249	13,491	5,893	10.90	541
1988	10,974.47	7,993	7,568	3,406	10.91	312
1989	13,270.34	9,523	9,016	4,254	11.12	383
1990	27,830.64	19,718	18,669	9,162	11.21	817
1991	21,826.73	15,239	14,428	7,399	11.35	652
1992	12,682.90	8,711	8,248	4,435	11.51	385
1993	20,301.03	13,707	12,978	7,323	11.73	624
1994	43,502.80	28,929	27,390	16,113	11.84	1,361
1995	59,920.70	38,960	36,887	23,034	12.10	1,904
1996	39,126.28	24,900	23,575	15,551	12.28	1,266
1997	73,320.33	45,393	42,978	30,342	12.61	2,406
1998	65,957.66	39,746	37,632	28,326	12.86	2,203

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-L2						
NET SALVAGE PERCENT.. 0						
1999	105,628.87	61,751	58,466	47,163	13.15	3,587
2000	178,312.42	100,479	95,134	83,178	13.56	6,134
2001	104,615.05	56,785	53,764	50,851	13.90	3,658
2002	38,729.90	20,109	19,039	19,691	14.35	1,372
2003	205,009.28	101,357	95,965	109,044	14.83	7,353
2004	102,571.35	47,911	45,362	57,209	15.40	3,715
2005	66,621.71	29,234	27,679	38,943	15.99	2,435
2006	81,380.62	33,317	31,545	49,836	16.59	3,004
2007	36,042.99	13,660	12,933	23,110	17.20	1,344
2008	95,329.70	33,146	31,383	63,947	17.82	3,588
2009	41,619.47	13,089	12,393	29,226	18.53	1,577
2011	14,793.95	3,645	3,451	11,343	19.88	571
2016	295,900.36	17,488	16,558	279,342	23.88	11,698
2017	280,514.54	5,554	5,258	275,257	24.82	11,090
	2,178,778.40	896,003	848,337	1,330,441		77,851
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						17.1 3.57

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1980	53,900.00	53,900	53,900			
1981	184,018.30	184,018	184,018			
1982	328,563.00	328,563	328,563			
1983	92,573.18	92,573	92,573			
1984	103,914.03	103,914	103,914			
1985	109,975.52	109,976	109,976			
1986	113,888.51	113,889	113,889			
1987	112,021.79	112,022	112,022			
1988	167,324.21	167,324	167,324			
1989	77,363.35	77,363	77,363			
1990	11,534.69	11,535	11,535			
1991	1,588.30	1,588	1,588			
1992	3,540.35	3,540	3,540			
1993	514.88	502	515			
1995	4,074.64	3,667	3,915	160	2.50	64
1998	10,727.14	8,367	8,933	1,794	5.50	326
2001	13,978.74	9,226	9,851	4,128	8.50	486
2002	7,564.41	4,690	5,008	2,556	9.50	269
2003	93,599.07	54,287	57,962	35,637	10.50	3,394
	1,490,664.11	1,440,944	1,446,389	44,275		4,539
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						9.8 0.30

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LANCASTER BUILDING NO. 8						
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1877	10,334.49	10,334	10,334			
1905	1,382.43	1,382	1,382			
1918	6,964.78	6,965	6,965			
1920	2,849.28	2,849	2,849			
1922	6,205.34	6,205	6,205			
1923	1,971.44	1,971	1,971			
1931	27,998.18	27,998	27,998			
1944	230.75	231	231			
1945	27.52	28	28			
1949	486.95	487	487			
1950	40,677.28	40,677	40,677			
1951	8,990.41	8,990	8,990			
1952	13,587.20	13,587	13,587			
1953	10,839.39	10,839	10,839			
1954	3,441.34	3,441	3,441			
1955	836.25	836	836			
1957	3,161.96	3,162	3,162			
1958	258.36	258	258			
1959	1,265.61	1,266	1,266			
1960	1,818.24	1,818	1,818			
1961	1,773.80	1,774	1,774			
1963	2,738.31	2,738	2,738			
1964	4,461.66	4,462	4,462			
1965	5,035.99	5,036	5,036			
1967	125.74	126	126			
1968	799.24	799	799			
1969	92.87	93	93			
1980	321.52	322	322			
1996	2,259.68	2,260	2,260			
2000	8,328.00	8,328	8,328			
2001	5,102.05	5,102	5,102			
2004	21,968.00	21,968	21,968			
2005	27,391.56	27,392	27,392			
	223,725.62	223,724	223,726			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HAZLETON PLANT						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2026						
NET SALVAGE PERCENT.. 0						
1953	892.08	774	806	86	8.47	10
1957	875.91	754	785	91	8.49	11
1958	1,670.26	1,434	1,493	177	8.50	21
1960	168.07	144	150	18	8.51	2
1961	485.31	414	431	54	8.51	6
1962	7,207.40	6,133	6,385	822	8.52	96
1963	5,673.77	4,817	5,015	659	8.52	77
1964	2,325.09	1,969	2,050	275	8.52	32
1967	1,062.33	892	929	134	8.54	16
1971	1,342.81	1,114	1,160	183	8.55	21
1972	955.69	790	823	133	8.55	16
1976	3,112.62	2,534	2,638	474	8.56	55
1977	3,117.74	2,527	2,631	487	8.57	57
1978	5,673.00	4,577	4,765	908	8.57	106
1979	2,848.41	2,288	2,382	466	8.57	54
1980	2,859.99	2,285	2,379	481	8.58	56
1983	344.97	276	287	58	8.49	7
1988	321.37	248	258	63	8.63	7
1991	3,000.72	2,261	2,354	647	8.59	75
1994	16,740.37	12,274	12,779	3,961	8.55	463
1995	4,896.86	3,548	3,694	1,203	8.56	141
1997	19,426.96	13,700	14,264	5,163	8.57	602
1998	19,672.78	13,657	14,219	5,454	8.59	635
1999	8,981.67	6,131	6,383	2,598	8.60	302
2001	13,909.28	9,158	9,535	4,375	8.56	511
2002	35,321.34	22,719	23,654	11,668	8.60	1,357
2003	17,776.19	11,160	11,619	6,157	8.60	716
2005	44,787.34	26,536	27,628	17,160	8.60	1,995
2007	2,124.57	1,169	1,217	907	8.58	106
2012	1,902.40	745	776	1,127	8.54	132
2013	5,179.24	1,788	1,862	3,318	8.54	389
2014	20,555.12	5,986	6,232	14,323	8.52	1,681
2015	3,298.50	749	780	2,519	8.50	296
2016	215,333.45	32,472	33,808	181,526	8.45	21,482
2017	238,510.95	13,595	14,154	224,357	8.27	27,129
	712,354.56	211,618	220,324	492,031		58,662

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ALLENTOWN PLANT						
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1922	250.95	251	251			
1923	297.04	297	297			
1928	44,791.52	44,792	44,792			
1929	1,227.11	1,227	1,227			
1932	237.64	238	238			
1934	309.40	309	309			
1940	95.93	96	96			
1943	273.84	274	274			
1947	54.16	54	54			
1951	233.36	233	233			
1953	21.18	21	21			
1958	3,297.09	3,297	3,297			
1959	1,512.13	1,512	1,512			
1960	3,343.71	3,344	3,344			
1963	5,682.26	5,682	5,682			
1964	134.45	134	134			
1966	2,516.15	2,516	2,516			
1968	419.83	420	420			
1970	80.61	81	81			
1980	1,953.60	1,954	1,954			
1986	5,526.05	5,526	5,526			
	72,258.01	72,258	72,258			
HARRISBURG SERVICE BUILDING						
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1989	11,535.55	11,536	11,536			
1997	18,828.66	18,829	18,829			
	30,364.21	30,365	30,364			
LANCASTER SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2021						
NET SALVAGE PERCENT.. 0						
1906	271.33	260	271	1	3.63	
1907	1,393.67	1,336	1,391	2	3.63	1

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LANCASTER SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2021						
NET SALVAGE PERCENT.. 0						
1909	396.24	380	396			
1910	219.00	210	219			
1911	20.69	20	21			
1912	1,689.89	1,618	1,685	5	3.64	1
1914	157.97	151	157	1	3.64	
1915	19.16	18	19			
1918	501.09	479	499	2	3.65	1
1921	416.86	398	414	2	3.66	1
1922	82.50	79	82			
1924	4,424.40	4,219	4,394	31	3.66	8
1926	3,670.91	3,498	3,643	28	3.67	8
1931	3,885.95	3,696	3,849	37	3.67	10
1938	389.60	369	384	5	3.68	1
1943	277.13	262	273	4	3.69	1
1945	204.68	193	201	4	3.69	1
1950	9,875.97	9,290	9,675	201	3.70	54
1951	7,108.20	6,681	6,958	150	3.70	41
1952	6,815.45	6,401	6,666	149	3.70	40
1953	11,192.00	10,504	10,939	253	3.70	68
1954	293,340.91	275,072	286,468	6,873	3.70	1,858
1955	319.80	300	312	7	3.70	2
1956	991.64	928	966	25	3.70	7
1957	750.13	702	731	19	3.70	5
1958	1,707.85	1,596	1,662	46	3.70	12
1959	1,388.14	1,296	1,350	38	3.71	10
1960	3,905.26	3,641	3,792	113	3.71	30
1961	16,091.30	14,987	15,608	483	3.71	130
1962	12,759.34	11,871	12,363	397	3.71	107
1963	6,220.95	5,781	6,021	200	3.71	54
1964	6,923.14	6,427	6,693	230	3.71	62
1965	861.22	798	831	30	3.71	8
1966	352.87	327	341	12	3.71	3
1967	365.77	338	352	14	3.71	4
1968	1,003.86	927	965	38	3.71	10
1969	7,417.44	6,840	7,123	294	3.71	79
1970	2,982.62	2,747	2,861	122	3.71	33
1971	1,457.45	1,340	1,396	62	3.71	17
1972	588.82	541	563	25	3.71	7
1973	3,163.42	2,899	3,019	144	3.71	39
1978	1,687.91	1,532	1,595	92	3.72	25

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LANCASTER SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2021						
NET SALVAGE PERCENT.. 0						
1980	5,833.12	5,268	5,486	347	3.72	93
1983	15,157.75	13,654	14,220	938	3.77	249
1985	12,498.92	11,207	11,671	828	3.72	223
1988	52,233.06	46,294	48,212	4,021	3.75	1,072
1989	8,342.20	7,376	7,682	661	3.70	179
1990	122,339.97	107,684	112,145	10,195	3.71	2,748
1992	47,407.40	41,297	43,008	4,399	3.74	1,176
1994	1,709,933.83	1,474,647	1,535,741	174,192	3.75	46,451
1995	21,977.63	18,839	19,619	2,358	3.75	629
1998	25,582.66	21,500	22,391	3,192	3.70	863
2001	26,527.58	21,623	22,519	4,009	3.74	1,072
2002	46,584.48	37,547	39,103	7,482	3.73	2,006
2003	135,596.49	107,935	112,407	23,190	3.72	6,234
2004	124,376.62	97,561	101,603	22,774	3.71	6,139
2005	59,548.02	45,852	47,752	11,796	3.73	3,162
2006	2,586.55	1,954	2,035	552	3.72	148
2014	122,600.82	59,437	61,899	60,701	3.72	16,317
2015	9,280.56	3,733	3,888	5,393	3.72	1,450
2016	161,260.43	46,443	48,367	112,893	3.71	30,429
2017	156,723.15	18,744	19,521	137,203	3.68	37,283
	3,283,683.77	2,579,547	2,686,417	597,267		160,661

READING SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2030
NET SALVAGE PERCENT.. 0

1951	802.99	660	687	116	12.13	10
1955	787,678.05	640,461	666,995	120,683	12.18	9,908
1956	1,029.89	835	870	160	12.19	13
1957	10,081.62	8,153	8,491	1,591	12.20	130
1958	2,442.77	1,970	2,052	391	12.21	32
1959	5,102.24	4,102	4,272	830	12.22	68
1960	4,871.80	3,905	4,067	805	12.23	66
1961	531,268.48	424,457	442,042	89,226	12.24	7,290
1962	334.02	266	277	57	12.24	5
1963	273.91	217	226	48	12.25	4
1966	3,807.31	2,989	3,113	694	12.28	57
1967	2,753.66	2,154	2,243	510	12.29	41

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
READING SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1969	855.47	664	692	164	12.30	13
1970	7,931.47	6,126	6,380	1,552	12.31	126
1971	8,019.10	6,166	6,421	1,598	12.32	130
1972	3,347.28	2,562	2,668	679	12.32	55
1973	2,827.09	2,153	2,242	585	12.33	47
1974	1,198,773.32	908,263	945,892	252,881	12.34	20,493
1975	22,490.97	16,953	17,655	4,836	12.34	392
1976	32,419.47	24,301	25,308	7,112	12.35	576
1977	34,837.72	25,961	27,037	7,801	12.36	631
1978	14,114.09	10,456	10,889	3,225	12.36	261
1979	146,638.81	107,938	112,410	34,229	12.37	2,767
1980	455,400.33	333,071	346,870	108,530	12.37	8,774
1981	56,821.35	41,265	42,975	13,847	12.38	1,118
1982	38,207.77	28,281	29,453	8,755	12.37	708
1983	2,885.72	2,125	2,213	673	12.26	55
1984	88,869.60	64,715	67,396	21,473	12.41	1,730
1985	30,351.70	21,926	22,834	7,517	12.39	607
1986	138,747.95	99,288	103,401	35,346	12.42	2,846
1987	3,299.12	2,345	2,442	857	12.30	70
1988	2,073.01	1,455	1,515	558	12.42	45
1989	955,412.20	664,011	691,521	263,891	12.40	21,282
1990	703,968.60	485,316	505,423	198,546	12.28	16,168
1991	54,836.59	37,283	38,828	16,009	12.36	1,295
1992	342,020.90	229,701	239,217	102,803	12.35	8,324
1993	36,697.96	24,331	25,339	11,359	12.39	917
1994	333,157.33	218,418	227,467	105,690	12.34	8,565
1995	34,280.04	22,138	23,055	11,225	12.34	910
1996	43,001.36	27,271	28,401	14,601	12.40	1,178
1997	10,138.74	6,318	6,580	3,559	12.39	287
1998	245,950.40	150,595	156,834	89,116	12.35	7,216
2000	1,448,120.23	848,888	884,057	564,063	12.35	45,673
2001	373,212.02	213,701	222,555	150,657	12.32	12,229
2002	172,396.38	95,921	99,895	72,501	12.36	5,866
2003	198,901.81	107,288	111,733	87,169	12.38	7,041
2004	198,955.57	103,934	108,240	90,716	12.34	7,351
2005	504,551.44	254,193	264,724	239,827	12.31	19,482
2006	72,213.50	34,792	36,233	35,980	12.37	2,909
2007	740,651.04	340,625	354,737	385,914	12.33	31,299
2008	544,089.42	236,733	246,541	297,549	12.33	24,132
2009	131,441.53	53,628	55,850	75,592	12.33	6,131

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
READING SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
2010	91,631.75	34,710	36,148	55,484	12.30	4,511
2011	74,609.97	25,800	26,869	47,741	12.30	3,881
2012	247,922.83	76,757	79,937	167,986	12.26	13,702
2013	35,775.11	9,609	10,007	25,768	12.25	2,104
2014	371,922.55	82,939	86,375	285,547	12.20	23,405
2015	373,261.65	63,753	66,394	306,867	12.14	25,277
2016	567,504.86	62,993	65,603	501,902	12.01	41,790
2017	580,031.29	23,897	24,887	555,144	11.65	47,652
	13,126,015.15	7,331,726	7,635,478	5,490,537		449,645

BETHLEHEM SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2040
NET SALVAGE PERCENT.. 0

1951	636.64	459	478	159	20.71	8
1957	154.69	109	114	41	20.92	2
1962	39,052.50	26,810	27,921	11,132	21.08	528
1965	1,500,772.21	1,013,486	1,055,475	445,297	21.16	21,044
1966	137,110.38	92,045	95,858	41,252	21.19	1,947
1967	15,325.11	10,228	10,652	4,673	21.21	220
1968	9,099.82	6,034	6,284	2,816	21.24	133
1969	17,979.87	11,845	12,336	5,644	21.27	265
1970	12,444.77	8,144	8,481	3,963	21.29	186
1971	6,973.67	4,531	4,719	2,255	21.32	106
1975	419.18	264	275	144	21.41	7
1976	3,553.07	2,221	2,313	1,240	21.43	58
1977	2,693.13	1,669	1,738	955	21.45	45
1981	852.18	508	529	323	21.53	15
1982	6,013.68	3,752	3,907	2,106	21.25	99
1984	25,423.71	15,554	16,198	9,225	21.10	437
1987	82,903.94	48,648	50,663	32,240	21.30	1,514
1990	144,245.09	80,979	84,334	59,911	21.29	2,814
1991	1,806.74	1,001	1,042	764	21.14	36
1992	57,550.71	31,244	32,538	25,012	21.26	1,176
1996	311,350.85	156,641	163,131	148,220	21.24	6,978
1997	205,881.53	101,294	105,491	100,391	21.17	4,742
1998	99,879.93	47,723	49,700	50,180	21.31	2,355
1999	76,548.76	35,687	37,166	39,383	21.18	1,859

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BETHLEHEM SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2040						
NET SALVAGE PERCENT.. 0						
2000	1,452.51	656	683	769	21.26	36
2001	98,408.05	43,024	44,806	53,602	21.24	2,524
2002	57,705.22	24,329	25,337	32,368	21.26	1,522
2003	66,786.50	27,115	28,238	38,548	21.21	1,817
2004	163,828.46	63,697	66,336	97,492	21.22	4,594
2005	179,518.69	66,637	69,398	110,121	21.17	5,202
2006	25,042.37	8,812	9,177	15,865	21.18	749
2007	25,940.48	8,607	8,964	16,977	21.15	803
2008	2,090.17	649	676	1,414	21.08	67
2009	1,641.25	472	492	1,150	21.09	55
2010	11,458.76	3,016	3,141	8,318	20.99	396
2011	101,893.98	24,108	25,107	76,787	20.97	3,662
2013	45,865.80	8,173	8,512	37,354	20.75	1,800
2014	310,325.60	44,966	46,829	263,497	20.65	12,760
2015	313,513.73	34,236	35,654	277,859	20.38	13,634
2016	597,820.74	41,728	43,457	554,364	20.00	27,718
2017	546,644.96	14,103	14,687	531,958	18.92	28,116
	5,308,609.43	2,115,204	2,202,837	3,105,772		152,029
OTHER BUILDINGS						
SURVIVOR CURVE.. IOWA 40-R2						
NET SALVAGE PERCENT.. 0						
1953	14,515.48	13,536	14,097	419	2.70	155
1954	12,633.07	11,689	12,173	460	2.99	154
1955	2,122.94	1,949	2,030	93	3.28	28
1959	324.40	288	300	24	4.45	5
1970	556.74	445	463	93	8.00	12
1971	7,868.35	6,220	6,478	1,391	8.38	166
1975	147.17	110	115	33	10.03	3
1976	18,729.99	13,823	14,396	4,334	10.48	414
1977	3,388.78	2,461	2,563	826	10.95	75
1978	1,671.35	1,194	1,243	428	11.43	37
1979	897.54	630	656	241	11.92	20
1980	7,939.61	5,472	5,699	2,241	12.43	180
1985	25,696.88	18,150	18,902	6,795	13.41	507
1989	33,049.02	21,379	22,265	10,784	15.42	699
1990	1,151.85	725	755	397	16.04	25
1991	1,957.83	1,202	1,252	706	16.49	43

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER BUILDINGS						
SURVIVOR CURVE.. IOWA 40-R2						
NET SALVAGE PERCENT.. 0						
1992	7,436.74	4,432	4,616	2,821	17.12	165
1994	30,803.52	17,447	18,170	12,634	17.99	702
1995	22,876.01	12,509	13,027	9,849	18.65	528
1997	7,778.11	3,970	4,134	3,644	19.66	185
1998	18,744.33	9,211	9,593	9,152	20.18	454
1999	62,223.87	29,357	30,573	31,651	20.71	1,528
2000	38,282.22	17,219	17,932	20,350	21.41	950
2001	95,056.27	40,779	42,468	52,588	21.96	2,395
2002	7,108.67	2,897	3,017	4,092	22.52	182
2003	16,693.15	6,439	6,706	9,987	23.09	433
2004	51,999.37	18,954	19,739	32,260	23.54	1,370
2005	253,752.65	86,580	90,167	163,586	24.13	6,779
2006	137,493.55	43,640	45,448	92,046	24.73	3,722
2007	75,050.11	22,065	22,979	52,071	25.21	2,065
2011	147,833.09	28,532	29,714	118,119	27.17	4,347
2014	71,186.06	7,873	8,199	62,987	28.15	2,238
2016	195,157.80	9,914	10,325	184,833	28.00	6,601
2017	219,731.14	4,087	4,256	215,475	26.45	8,147
	1,591,857.66	465,178	484,450	1,107,408		45,314
LEBANON SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1933	657.93	492	512	146	21.39	7
1992	1,969,044.37	1,034,142	1,076,986	892,058	22.83	39,074
1993	15,226.14	7,831	8,155	7,071	23.02	307
1994	10,056.65	5,081	5,292	4,765	23.01	207
2000	1,880.00	813	847	1,033	22.99	45
2001	34,203.52	14,335	14,929	19,275	22.87	843
	2,031,068.61	1,062,694	1,106,721	924,348		40,483

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
STONE RIDGE SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2059						
NET SALVAGE PERCENT.. 0						
2009	4,730,724.17	924,857	963,174	3,767,550	34.98	107,706
2011	172,090.75	27,294	28,425	143,666	34.48	4,167
2014	13,427.17	1,273	1,326	12,101	33.40	362
2015	16,423.65	1,163	1,211	15,212	32.83	463
2016	421,627.15	19,058	19,848	401,780	31.72	12,666
2017	313,182.95	5,324	5,545	307,638	28.91	10,641
	5,667,475.84	978,969	1,019,528	4,647,948		136,005
	32,047,412.86	15,071,283	15,682,103	16,365,311		1,042,799
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						15.7 3.25

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 2-2020						
NET SALVAGE PERCENT.. 0						
2015	11,241.26	5,716	5,878	5,363	2.42	2,216
	11,241.26	5,716	5,878	5,363		2,216
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 2.4						19.71

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1998	152,564.09	148,750	148,615	3,949	0.50	3,949
1999	431,825.70	399,439	399,076	32,750	1.50	21,833
2000	17,374.10	15,202	15,188	2,186	2.50	874
2001	28,832.75	23,787	23,765	5,068	3.50	1,448
2002	10,131.48	7,852	7,845	2,286	4.50	508
2003	58,882.74	42,690	42,651	16,232	5.50	2,951
2004	19,545.79	13,193	13,181	6,365	6.50	979
2005	12,973.40	8,108	8,101	4,872	7.50	650
2006	15,741.19	9,051	9,043	6,698	8.50	788
2007	98,862.25	51,903	51,856	47,006	9.50	4,948
2008	10,904.48	5,180	5,175	5,729	10.50	546
2009	366,901.89	155,933	155,792	211,110	11.50	18,357
2010	51,285.03	19,232	19,215	32,070	12.50	2,566
2013	49,177.44	11,065	11,055	38,122	15.50	2,459
2014	158,472.16	27,733	27,708	130,764	16.50	7,925
2015	279,924.16	34,991	34,959	244,965	17.50	13,998
2016	252,500.00	18,938	18,921	233,579	18.50	12,626
2017	239,294.00	5,982	5,976	233,318	19.50	11,965
	2,255,192.65	999,029	998,122	1,257,071		109,370
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						11.5 4.85

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2013	66,396.58	59,757	66,397			
2016	22,000.00	6,600	22,000			
2017	20,849.00	2,085	50,448	29,599-		
	109,245.58	68,442	138,845	29,599-		
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L2.5						
NET SALVAGE PERCENT.. 0						
2002	3,600.00	3,460	3,600			
2005	37,042.80	34,079	37,035	8	1.09	7
	40,642.80	37,539	40,635	8		7
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					1.1	0.02

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 11-L3						
NET SALVAGE PERCENT.. 0						
1978	14,177.75	14,178	14,178			
2012	16,490.72	8,780	7,300	9,191	4.83	1,903
2016	400,000.00	61,760	51,351	348,649	8.22	42,415
2017	379,080.00	19,523	16,232	362,848	9.21	39,397
	809,748.47	104,241	89,061	720,687		83,715
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					8.6	10.34

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L4						
NET SALVAGE PERCENT.. 0						
1988	12,549.34	12,549	12,549			
	12,549.34	12,549	12,549			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1998	125,968.97	122,820	121,481	4,488	0.50	4,488
1999	224,987.76	208,114	205,845	19,143	1.50	12,762
2000	129,059.40	112,927	111,696	17,363	2.50	6,945
2001	155,343.66	128,159	126,762	28,582	3.50	8,166
2002	160,394.15	124,305	122,950	37,444	4.50	8,321
2003	344,961.13	250,097	247,370	97,591	5.50	17,744
2004	376,497.34	254,136	251,365	125,132	6.50	19,251
2005	585,131.98	365,707	361,719	223,413	7.50	29,788
2006	582,434.35	334,900	331,248	251,186	8.50	29,551
2007	647,841.19	340,117	336,408	311,433	9.50	32,782
2008	251,796.92	119,604	118,300	133,497	10.50	12,714
2009	269,695.20	114,620	113,370	156,325	11.50	13,593
2010	162,964.81	61,112	60,446	102,519	12.50	8,202
2011	453,581.01	147,414	145,806	307,775	13.50	22,798
2012	368,654.37	101,380	100,275	268,379	14.50	18,509
2013	792,113.30	178,225	176,281	615,832	15.50	39,731
2014	465,207.03	81,411	80,523	384,684	16.50	23,314
2015	1,711,974.99	213,997	211,664	1,500,311	17.50	85,732
2016	1,103,895.00	82,792	81,889	1,022,006	18.50	55,244
2017	1,046,161.00	26,154	25,869	1,020,292	19.50	52,323
	9,958,663.56	3,367,991	3,331,267	6,627,397		501,958
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.2 5.04

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L2.5						
NET SALVAGE PERCENT.. 0						
1948	284.76	285	285			
1950	163.89	164	164			
1951	2,128.37	2,128	2,128			
1952	4,189.81	4,190	4,190			
1953	801.30	801	801			
1954	18,678.25	18,678	18,678			
1955	1,110.31	1,110	1,110			
1956	4,099.12	4,099	4,099			
1957	1,282.34	1,282	1,282			
1958	2,816.60	2,817	2,817			
1959	3,128.28	3,128	3,128			
1960	4,659.72	4,660	4,660			
1961	2,981.33	2,981	2,981			
1962	9,367.11	9,367	9,367			
1963	4,062.29	4,062	4,062			
1964	4,005.49	4,005	4,005			
1965	6,056.27	6,056	6,056			
1966	2,108.18	2,108	2,108			
1967	2,768.86	2,769	2,769			
1968	4,253.21	4,253	4,253			
1969	1,224.82	1,225	1,225			
1970	5,396.21	5,396	5,396			
1971	4,287.65	4,288	4,288			
1972	1,183.75	1,184	1,184			
1973	3,084.10	3,084	3,084			
1974	10,871.60	10,872	10,872			
1975	12,337.16	12,337	12,337			
1976	6,602.41	6,602	6,602			
1977	36,334.50	36,334	36,334			
1978	9,564.97	9,531	9,565			
1979	7,705.05	7,518	7,705			
1980	9,349.56	9,022	9,350			
1981	56,108.25	53,463	56,108			
1982	39,997.86	39,198	39,998			
1983	1,254.54	1,225	1,255			
1984	50,934.31	49,284	50,934			
1985	92,625.70	89,319	92,626			
1986	74,284.84	71,031	74,285			
1987	20,058.95	19,052	20,059			
1988	55,741.09	52,664	55,741			
1989	83,290.65	78,352	83,291			
1990	98,157.25	91,483	98,157			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L2.5						
NET SALVAGE PERCENT.. 0						
1991	8,107.66	7,513	8,108			
1992	29,668.19	27,268	29,668			
1993	20,462.77	18,654	20,463			
1994	53,507.60	48,285	53,508			
1995	71,703.19	64,045	71,703			
1996	32,883.58	28,987	32,884			
1997	35,224.58	30,617	35,225			
1998	22,379.15	19,157	22,310	69	3.28	21
1999	21,409.68	18,023	20,989	421	3.48	121
2000	6,498.36	5,379	6,264	234	3.64	64
2001	30,317.91	24,661	28,720	1,598	3.78	423
2002	3,719.59	2,969	3,458	262	3.92	67
2003	47,178.73	36,875	42,944	4,235	4.05	1,046
2004	66,887.60	51,196	59,622	7,266	4.14	1,755
2005	14,736.28	10,979	12,786	1,950	4.28	456
2006	28,808.32	20,805	24,229	4,579	4.42	1,036
2007	37,931.66	26,249	30,569	7,363	4.67	1,577
2009	64,652.45	39,567	46,079	18,573	5.39	3,446
2013	15,373.86	5,604	6,526	8,848	7.85	1,127
	1,370,791.87	1,218,240	1,315,394	55,398		11,139
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						5.0 0.81

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2008	283,427.93	269,257	266,396	17,032	0.50	17,032
2009	105,386.95	89,579	88,627	16,760	1.50	11,173
2011	3,293.70	2,141	2,118	1,176	3.50	336
2012	82,937.84	45,616	45,131	37,807	4.50	8,402
2013	31,838.36	14,327	14,175	17,663	5.50	3,211
	506,884.78	420,920	416,447	90,438		40,154
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						2.3 7.92

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2008	14,386.49	13,667	13,565	821	0.50	821
2009	63,823.07	54,250	53,847	9,976	1.50	6,651
2010	45,540.21	34,155	33,901	11,639	2.50	4,656
2011	96,716.37	62,866	62,399	34,317	3.50	9,805
2012	102,456.20	56,351	55,932	46,524	4.50	10,339
2013	51,777.87	23,300	23,127	28,651	5.50	5,209
2014	172,905.94	60,517	60,068	112,838	6.50	17,360
2015	39,299.63	9,825	9,752	29,548	7.50	3,940
2016	137,500.00	20,625	20,471	117,029	8.50	13,768
2017	130,309.00	6,515	6,467	123,842	9.50	13,036
	854,714.78	342,071	339,529	515,186		85,585

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.0 10.01

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 3-2019						
NET SALVAGE PERCENT.. 0						
2009	156,908.12	133,372	136,699	20,209	1.50	13,473
2010	2,987.32	2,489	2,551	436	1.50	291
	159,895.44	135,861	139,250	20,645		13,764
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						1.5 8.61

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2001	25,355.20	20,918	10,000	15,355	3.50	4,387
2003	7,182.75	5,207	2,489	4,694	5.50	853
2004	11,896.38	8,030	3,839	8,057	6.50	1,240
2005	39,965.68	24,979	11,942	28,024	7.50	3,737
2006	2,468.81	1,420	679	1,790	8.50	211
2007	878.14	461	220	658	9.50	69
2008	572.40	272	130	442	10.50	42
2009	4,753.12	2,020	966	3,787	11.50	329
2010	747,318.56	280,244	133,975	613,344	12.50	49,068
	840,391.04	343,551	164,240	676,151		59,936
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					11.3	7.13

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2013	126,304.80	113,674	97,159	29,146	0.50	29,146
2014	15,124.84	10,587	9,049	6,076	1.50	4,051
2015	13,608.38	6,804	5,815	7,793	2.50	3,117
	155,038.02	131,065	112,023	43,015		36,314
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 1.2						23.42

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 392 TRANSPORTATION EQUIPMENT - CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L2.5						
NET SALVAGE PERCENT.. 0						
2004	26,875.84	25,180	26,876			
2008	22,536.44	19,206	21,596	940	1.65	570
2014	22,224.80	11,801	13,270	8,955	3.09	2,898
	71,637.08	56,187	61,742	9,895		3,468
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						2.9 4.84

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1998	24,630.46	24,015	23,966	664	0.50	664
1999	6,158.53	5,697	5,685	474	1.50	316
2001	3,769.21	3,110	3,104	665	3.50	190
2002	6,694.08	5,188	5,177	1,517	4.50	337
2003	22,684.22	16,446	16,413	6,271	5.50	1,140
2004	5,698.56	3,847	3,839	1,860	6.50	286
2007	1,760.05	924	922	838	9.50	88
	71,395.11	59,227	59,106	12,289		3,021
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						4.1 4.23

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2013	621,616.37	559,455	517,799	103,817	0.50	103,817
2014	1,020,522.82	714,366	661,176	359,347	1.50	239,565
2015	1,226,704.17	613,352	567,684	659,020	2.50	263,608
	2,868,843.36	1,887,173	1,746,659	1,122,184		606,990
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 1.8						21.16

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2008	259,506.50	246,531	249,769	9,738	0.50	9,738
2009	775,538.10	659,207	667,864	107,674	1.50	71,783
2010	324,586.33	243,440	246,637	77,949	2.50	31,180
2011	24,265.04	15,772	15,979	8,286	3.50	2,367
2012	2,890,937.57	1,590,016	1,610,898	1,280,040	4.50	284,453
2013	431,236.80	194,057	196,606	234,631	5.50	42,660
2014	981,639.65	343,574	348,086	633,554	6.50	97,470
2015	979,404.89	244,851	248,067	731,338	7.50	97,512
2016	6,300,000.00	945,000	957,411	5,342,589	8.50	628,540
2017	5,970,510.00	298,526	302,446	5,668,064	9.50	596,638
	18,937,624.88	4,780,974	4,843,763	14,093,862		1,862,341

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.6 9.83

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CIS SOFTWARE						
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2017	88,072,924.00			88,072,924	15.00	5,871,528
	88,072,924.00			88,072,924		5,871,528
ALL OTHER						
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2005	867,789.26	723,155	723,407	144,382	2.50	57,753
2006	1,660,897.57	1,273,360	1,273,804	387,094	3.50	110,598
2007	3,042,652.35	2,129,857	2,130,599	912,053	4.50	202,678
2008	2,908,998.47	1,842,356	1,842,998	1,066,001	5.50	193,818
2011	457,198.79	198,118	198,187	259,012	8.50	30,472
2012	533,950.04	195,783	195,851	338,099	9.50	35,589
2013	527,925.94	158,378	158,433	369,493	10.50	35,190
2014	495,556.48	115,628	115,668	379,888	11.50	33,034
2016	120,000.00	12,000	12,004	107,996	13.50	8,000
2017	113,724.00	3,790	3,791	109,933	14.50	7,582
	10,728,692.90	6,652,425	6,654,743	4,073,950		714,714
	98,801,616.90	6,652,425	6,654,743	92,146,874		6,586,242
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						14.0 6.67

READING SERVICE CENTER - INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES
READING SERVICE CENTER

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1974	567,661.87	430,095	449,488	118,174	12.34	9,576
1975	7,070.17	5,329	5,569	1,501	12.34	122
1976	1,609.86	1,207	1,261	349	12.35	28
1977	2,081.00	1,551	1,621	460	12.36	37
1978	547.74	406	424	124	12.36	10
1979	6,630.49	4,881	5,101	1,529	12.37	124
1980	27,916.21	20,417	21,338	6,578	12.37	532
1981	44,374.99	32,226	33,679	10,696	12.38	864
1982	423.24	313	327	96	12.37	8
1983	1,259.63	928	970	290	12.26	24
1984	1,902.33	1,385	1,447	455	12.41	37
1985	15,384.97	11,114	11,615	3,770	12.39	304
1986	1,111.40	795	831	280	12.42	23
1987	99.24	71	74	25	12.30	2
1989	39,627.68	27,541	28,783	10,845	12.40	875
1990	23,108.45	15,931	16,649	6,459	12.28	526
1992	94,138.52	63,223	66,074	28,065	12.35	2,272
1993	1,822.98	1,209	1,264	559	12.39	45
1994	26,899.74	17,635	18,430	8,470	12.34	686
1995	4,541.75	2,933	3,065	1,477	12.34	120
1996	246.35	156	163	83	12.40	7
1998	677.79	415	434	244	12.35	20
2000	71,560.44	41,949	43,841	27,719	12.35	2,244
2001	72,754.65	41,659	43,537	29,218	12.32	2,372
2002	5,483.49	3,051	3,189	2,294	12.36	186
2003	199.87	108	113	87	12.38	7
2004	1,497.24	782	817	680	12.34	55
2005	4,776.28	2,406	2,514	2,262	12.31	184
2006	454.78	219	229	226	12.37	18
2007	376,569.06	173,184	180,993	195,576	12.33	15,862
2008	441,764.64	192,212	200,879	240,886	12.33	19,537
2009	13,917.94	5,679	5,935	7,983	12.33	647
2010	2,611.51	989	1,034	1,578	12.30	128
2011	3,536.56	1,223	1,278	2,259	12.30	184
2012	292.80	91	95	198	12.26	16
2014	5,394.25	1,203	1,257	4,137	12.20	339

UGI UTILITIES, INC. - INFORMATION SERVICES
READING SERVICE CENTER

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2017

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
2015	43,809.78	7,483	7,821	35,989	12.14	2,964
2016	90,650.36	10,062	10,516	80,134	12.01	6,672
2017	92,663.43	3,818	3,990	88,673	11.65	7,611
	2,097,073.48	1,125,879	1,176,645	920,428		75,268
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						12.2 3.59

PART IV. EXPERIENCED AND ESTIMATED NET SALVAGE

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2013 TRANSACTION YEAR				
305.00		56,278.00		56,278.00-
376.10	1,114,460.00	350,176.00	40,693.00-	390,869.00-
376.20	347,588.00	169,031.00		169,031.00-
376.30	461,810.00	17,575.00		17,575.00-
378.00	94,284.00	87,047.00	19,268.00	67,779.00-
380.00	5,752,899.00	1,861,217.00	16,310.00	1,844,907.00-
381.00	783,644.00	3,554.00		3,554.00-
382.00	1,697.00	23,765.00		23,765.00-
383.00		21,364.00		21,364.00-
384.00	287.00	3,620.00		3,620.00-
390.10		21,204.00		21,204.00-
391.00	51,861.00			
391.10	142,175.00			
392.20		10.00	4,509.00	4,499.00
394.00	30,020.00	965.00-	12,050.00	13,015.00
398.00	111,923.00			
	8,892,648.00	2,613,876.00	11,444.00	2,602,432.00-
2014 TRANSACTION YEAR				
305.00		223,599.00		223,599.00-
376.10	775,573.00	108,084.00	3,004.00-	111,088.00-
376.20	281,809.00	155,935.00		155,935.00-
376.30	630,903.00	28,517.00		28,517.00-
378.00	82,900.00	66,952.00	27,231.00	39,721.00-
380.00	7,425,348.00	4,210,886.00		4,210,886.00-
381.00	800,494.00			
382.00	287.00	11,418.00		11,418.00-
383.00		266.00		266.00-
384.00	55.00	19,227.00		19,227.00-
390.10		91,839.00		91,839.00-
391.00	297,873.00			
391.10	90,547.00			
392.20			8,445.00	8,445.00
394.00	101,885.00			
396.00	6,152.00			
397.00	1,044.00			
	10,494,870.00	4,916,723.00	32,672.00	4,884,051.00-

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2015 TRANSACTION YEAR				
305.00		206,178.00		206,178.00-
376.10	1,330,604.00	36,113.00		36,113.00-
376.20	205,693.00	182,638.00		182,638.00-
376.30	428,255.00	73,057.00		73,057.00-
378.00	136,104.00	125,153.00	30,924.00	94,229.00-
380.00	6,048,284.00	4,358,882.00		4,358,882.00-
381.00	839,723.00			
382.00	290.00	6,395.00		6,395.00-
383.00		793,334.00		793,334.00-
384.00	45.00	4,676.00		4,676.00-
386.30		2,588.00		2,588.00-
390.10		244,059.00		244,059.00-
390.20	229,762.00			
391.00	247,136.00			
392.20	14,163.00		2,963.00	2,963.00
394.00	163,099.00			
396.00	14,278.00			
398.00	2,080.00			
	9,659,516.00	6,033,073.00	33,887.00	5,999,186.00-
2016 TRANSACTION YEAR				
305.00		553,000.00		553,000.00-
376.10	4,997,244.00	883,316.00		883,316.00-
376.20	273,310.00	137,431.00		137,431.00-
376.30	772,088.00	46,335.00		46,335.00-
378.00	988,340.00	547,834.00	126,672.00	421,162.00-
378.10	5,588.00			
379.00	71,718.00	39,753.00	9,192.00	30,561.00-
380.00	6,580,347.00	3,548,892.00	4,121.00	3,544,771.00-
381.00	459,212.00	2,140.00	1,390.00	750.00-
381.20	306,142.00	1,427.00	927.00	500.00-
382.00	421,148.00	227,132.00	264.00	226,868.00-
383.00	137,141.00	73,962.00	86.00	73,876.00-
384.00	104,081.00	56,133.00	65.00	56,068.00-
385.00	107,297.00	59,474.00	13,752.00	45,722.00-
387.00	153,628.00	71,883.00		71,883.00-
390.10	217,270.00	21,727.00		21,727.00-
391.00	34,367.00			
391.10	2,726.00			
394.00	111,608.00			
398.00	53,248.00			
	15,796,503.00	6,270,439.00	156,469.00	6,113,970.00-

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2017 TRANSACTION YEAR				
376.10	5,304,754.00	937,673.00		937,673.00-
376.20	273,310.00	137,431.00		137,431.00-
376.30	731,708.00	43,911.00		43,911.00-
378.00	936,650.00	519,182.00	120,047.00	399,135.00-
378.10	5,296.00			
379.00	67,967.00	37,674.00	8,711.00	28,963.00-
380.00	6,236,195.00	3,363,285.00	3,905.00	3,359,380.00-
381.00	435,196.00	2,028.00	1,317.00	711.00-
381.20	290,130.00	1,352.00	878.00	474.00-
382.00	399,122.00	215,253.00	250.00	215,003.00-
383.00	129,969.00	70,094.00	81.00	70,013.00-
384.00	98,638.00	53,197.00	62.00	53,135.00-
385.00	101,686.00	56,364.00	13,033.00	43,331.00-
387.00	145,593.00	68,124.00		68,124.00-
390.10	205,907.00	20,591.00		20,591.00-
391.00	28,523.00			
391.10	8,397.00			
394.00	124,174.00			
397.00	56,158.00			
	15,579,373.00	5,526,159.00	148,284.00	5,377,875.00-
TOTAL	60,422,910.00	25,360,270.00	382,756.00	24,977,514.00-

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2013 TRANSACTION YEAR				
391.10	23,992.00			
	23,992.00			
2014 TRANSACTION YEAR				
391.00	4,540.00			
391.10	12,429.00			
	16,969.00			
2015 TRANSACTION YEAR				
390.20	1,448,677.00			
391.00	812,862.00			
391.10	93,647.00			
	2,355,186.00			
2016 TRANSACTION YEAR				
391.00	22,768.00			
391.10	653,875.00			
	676,643.00			
2017 TRANSACTION YEAR				
391.00	23,206.00			
391.10	6,436.00			
	29,642.00			
TOTAL	3,102,432.00			

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2013 TRANSACTION YEAR				
391.00	22,224.00			
391.10	1,692,864.00			
	1,715,088.00			
2014 TRANSACTION YEAR				
391.00	4,810.00			
391.10	781,032.00			
	785,842.00			
2015 TRANSACTION YEAR				
391.00	36,527.00			
391.10	925,747.00			
	962,274.00			
2016 TRANSACTION YEAR				
391.00	13,272.00			
391.10	1,428,497.00			
391.30	10,262,832.00			
	11,704,601.00			
2017 TRANSACTION YEAR				
391.10	965,687.00			
391.30	6,188,263.00			
	7,153,950.00			
TOTAL	22,321,755.00			

UGI UTILITIES, INC. – GAS DIVISION

DOCKET NO. R-2015-2518438

2016 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION
ACCRUALS RELATED TO GAS PLANT
AS OF SEPTEMBER 30, 2016

Prepared by:



*Excellence Delivered **As Promised***

UGI UTILITIES, INC. - GAS DIVISION
Reading, Pennsylvania

2016 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT
AS OF SEPTEMBER 30, 2016

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
Valley Forge, Pennsylvania



*Excellence Delivered **As Promised***

January 11, 2016

Ann P. Kelly, Controller
UGI Utilities, Inc. - Gas Division
2525 N. 12th Street, Suite 360
Reading, PA 19605-2771

Ladies and Gentlemen:

Pursuant to your request, we have determined the annual depreciation accruals applicable to gas plant in service. The results of our study as of September 30, 2016 are presented in the attached report.

The results of our study as of September 30, 2015 are presented in our report titled "2015 Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant as of September 30, 2015". This report is identified for purposes of this filing as Exhibit C (Historic). The results of our study as of September 30, 2017 are presented in our report titled "2017 Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant as of September 30, 2017". This report is identified for purposes of this filing as Exhibit C (Fully Projected Future). The same methods, procedures and estimates are used in all three studies.

The attached report sets forth a description of the methods and procedures upon which the studies were based, the estimates of survivor curves and the calculated annual depreciation rates as of September 30, 2016.

Respectfully submitted,

**GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC**

A handwritten signature in black ink that reads "John F. Wiedmayer".

JOHN F. WIEDMAYER, C.D.P.
Project Manager, Depreciation Studies

JFW:krm

060799.100

Gannett Fleming Valuation and Rate Consultants, LLC

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PART I. INTRODUCTION

**UGI UTILITIES, INC. - GAS DIVISION
DEPRECIATION STUDY**

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study conducted for UGI Utilities, Inc. - Gas Division to determine the annual depreciation accrual rates and amounts for ratemaking purposes applicable to the original cost of gas plant as of September 30, 2016.

The depreciation accrual rates and amounts presented herein are based on estimated survivor curves and on methods and procedures set forth in previous orders approved by the Pennsylvania Public Utility Commission. The estimated survivor curves presented herein were based on the results of a service life study incorporating statistical analyses of data through 2011.

BASIS OF STUDY

Depreciation and Amortization

Depreciation, as defined in the Uniform System of Accounts, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs over a period of time by allocating annual amounts to expense. Each annual

amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. These subjects are discussed in the sections which follow. For most plant accounts, depreciation accruals and accrued depreciation were calculated using the straight line method, the remaining life basis, the average service life (ASL) procedure for plant installed prior to 1982 and the equal life group (ELG) procedure for 1982 and subsequent vintages. The calculations were based on the attained ages and estimated service life characteristics for each depreciable group of gas property. For certain general plant accounts, the amortization amounts, annual and accrued, were based on the age of the vintage and the selected amortization period.

Survivor curves were used to reflect the expected dispersion of retirements, thus providing a consistent method of estimating service lives and depreciation for mass property. Iowa type curves were used to depict the estimated survivor curves. For life span groups, the estimate of life characteristics is consistent because the calculated lives of the units within a group are obtained by employing a single probable retirement date for the entire group.

Service Life Estimates

The method of estimating service life consisted of compiling the service life history of the plant accounts, subaccounts or depreciable groups, reducing this history to trends through the use of acceptable actuarial techniques, and forecasting the trend of survivors for each depreciable group on the basis of interpretations of past trends and consideration of Company plans for the future. The combination of the historical trend and the estimated future trend yielded a complete pattern of life characteristics from which the average service life was derived.

The Company's service life estimates used in the depreciation calculation incorporated historical data compiled through 2011 from the property records of the Company. Such data included plant additions, retirements, transfers and other activity. Generally, retirement data for the years 1960 through 2011 were used in the actuarial life table computations which were the primary statistical support of the service life estimates.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through field trips conducted during the course of the service life study. Discussions with operating and management personnel also provided information regarding plans for the future which was incorporated in the interpretation and extrapolation of the statistical analyses.

AMORTIZATION OF NET SALVAGE

Inasmuch as this report relates primarily to Pennsylvania rate regulation practices, under which experienced costs of negative net salvage are amortized after their occurrence, no adjustments for expected salvage were made to either the annual

depreciation accrual or the calculated accrued depreciation for the individual accounts. The annual provision for recovering negative net salvage is based on the amortization of experienced and estimated net salvage recorded October 1, 2011 through September 30, 2016 over a five-year period.

PART II. ESTIMATION OF SURVIVOR CURVES

PART II. ESTIMATION OF SURVIVOR CURVES

Survivor Curves

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. The use of survivor curves, which reflect experienced and expected dispersion of service lives, is a systematic and rational means of estimating average service lives to be used to calculate depreciation for utility property. A discussion of the general concept of survivor curves and the Iowa type survivor curves is presented.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1 the remaining life at age 30 years is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units

retired in each age interval and is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

Iowa Type Curves

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numerical subscripts represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the

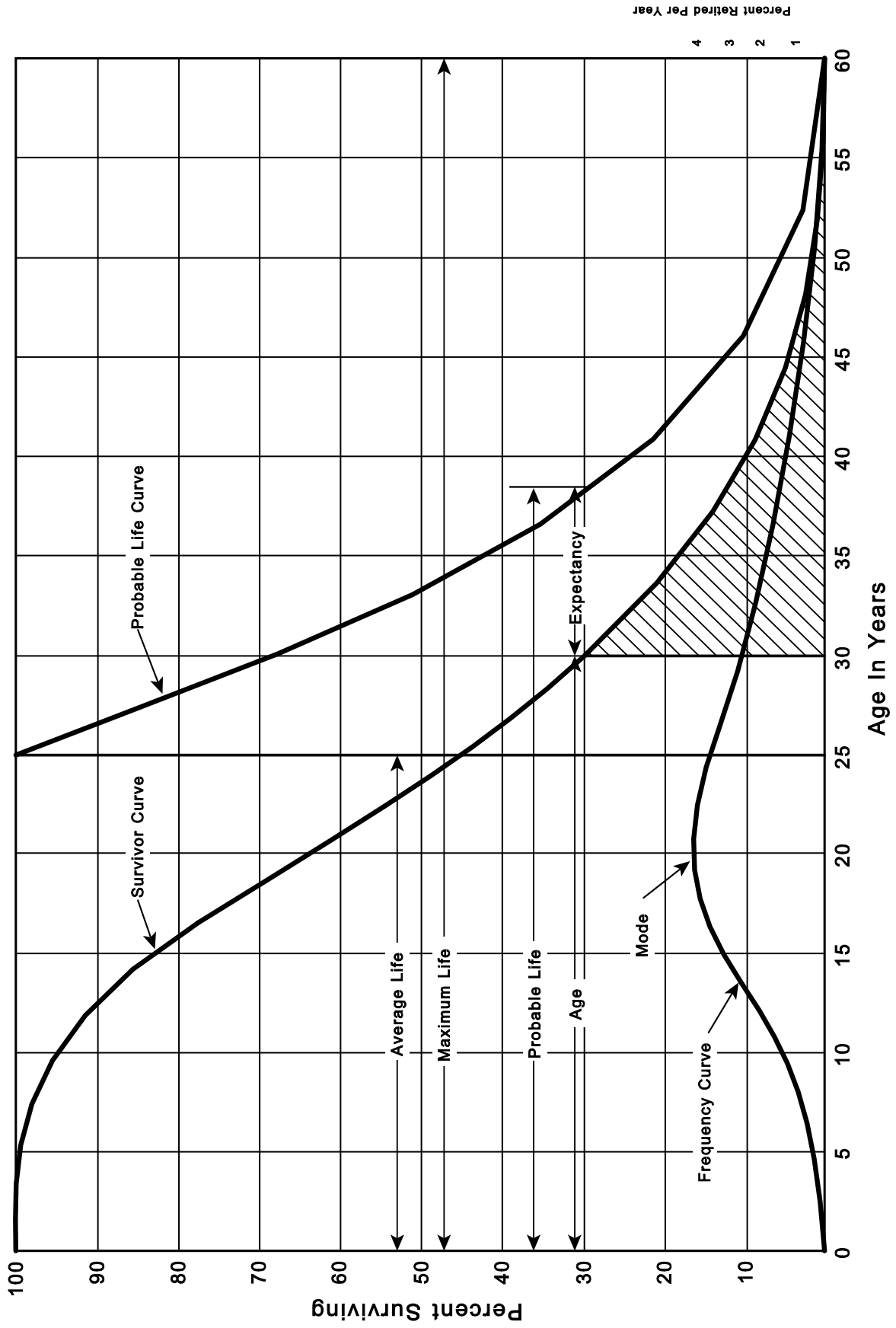


Figure 1. A Typical Survivor Curve and Derived Curves

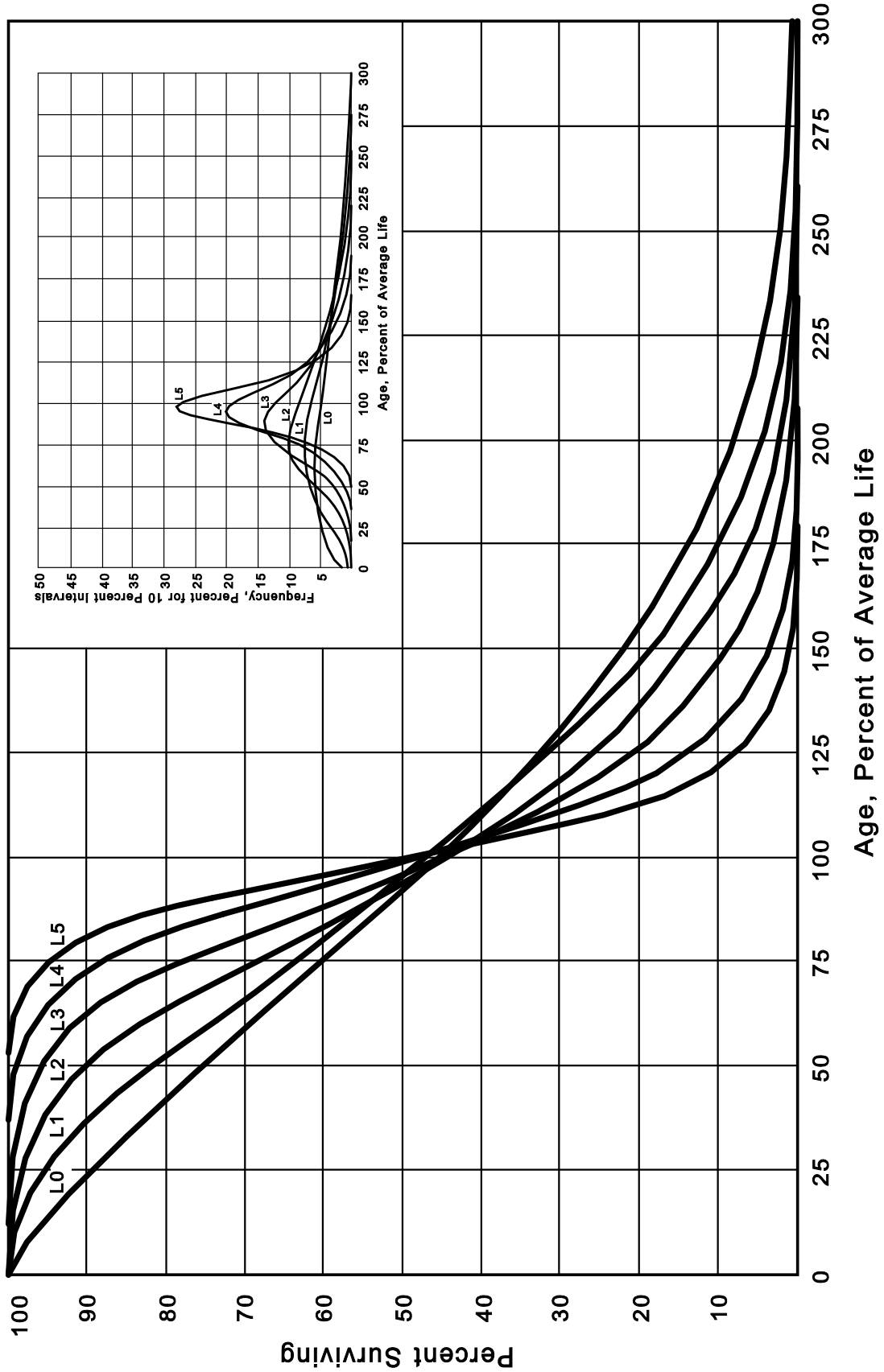


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

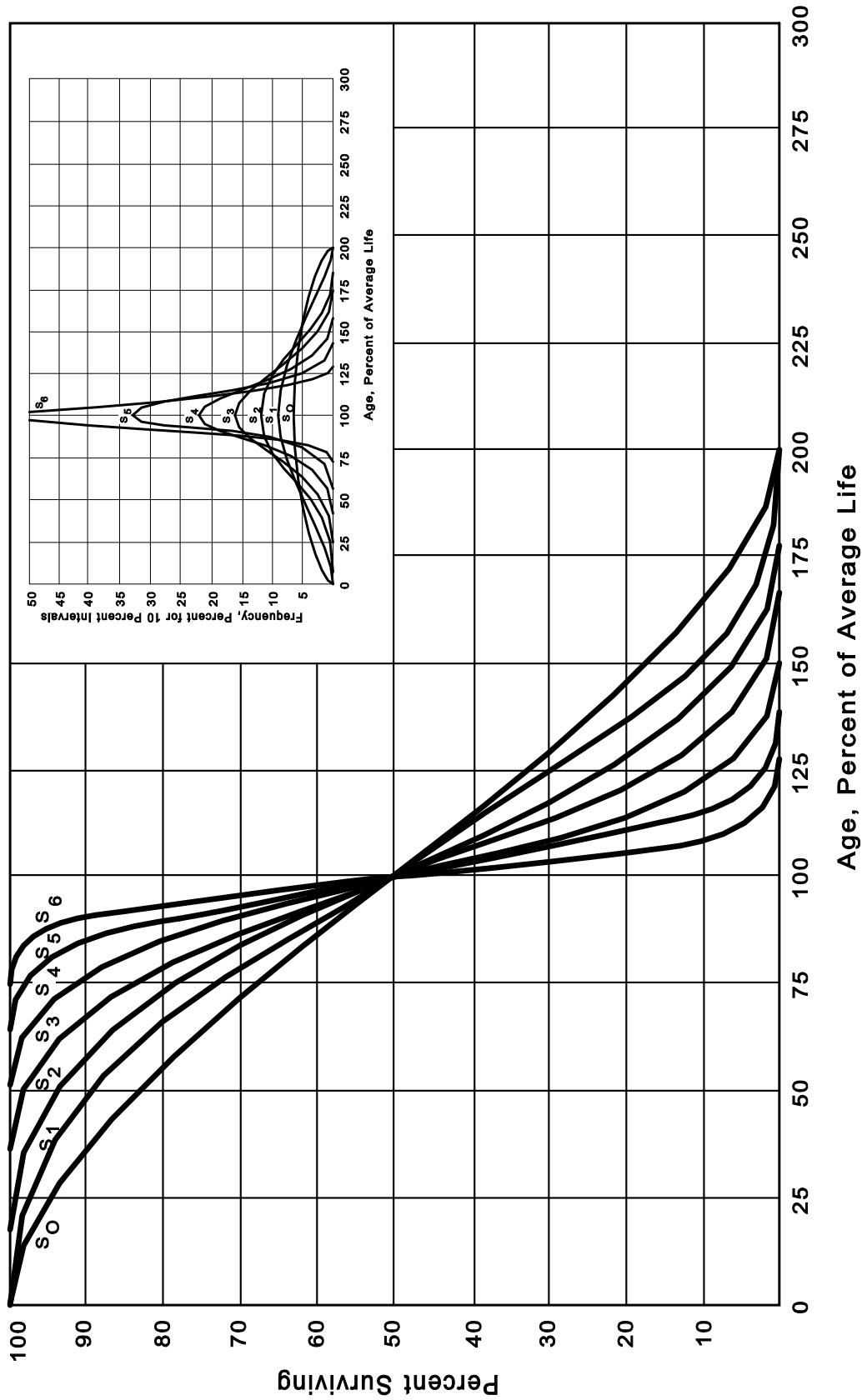


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

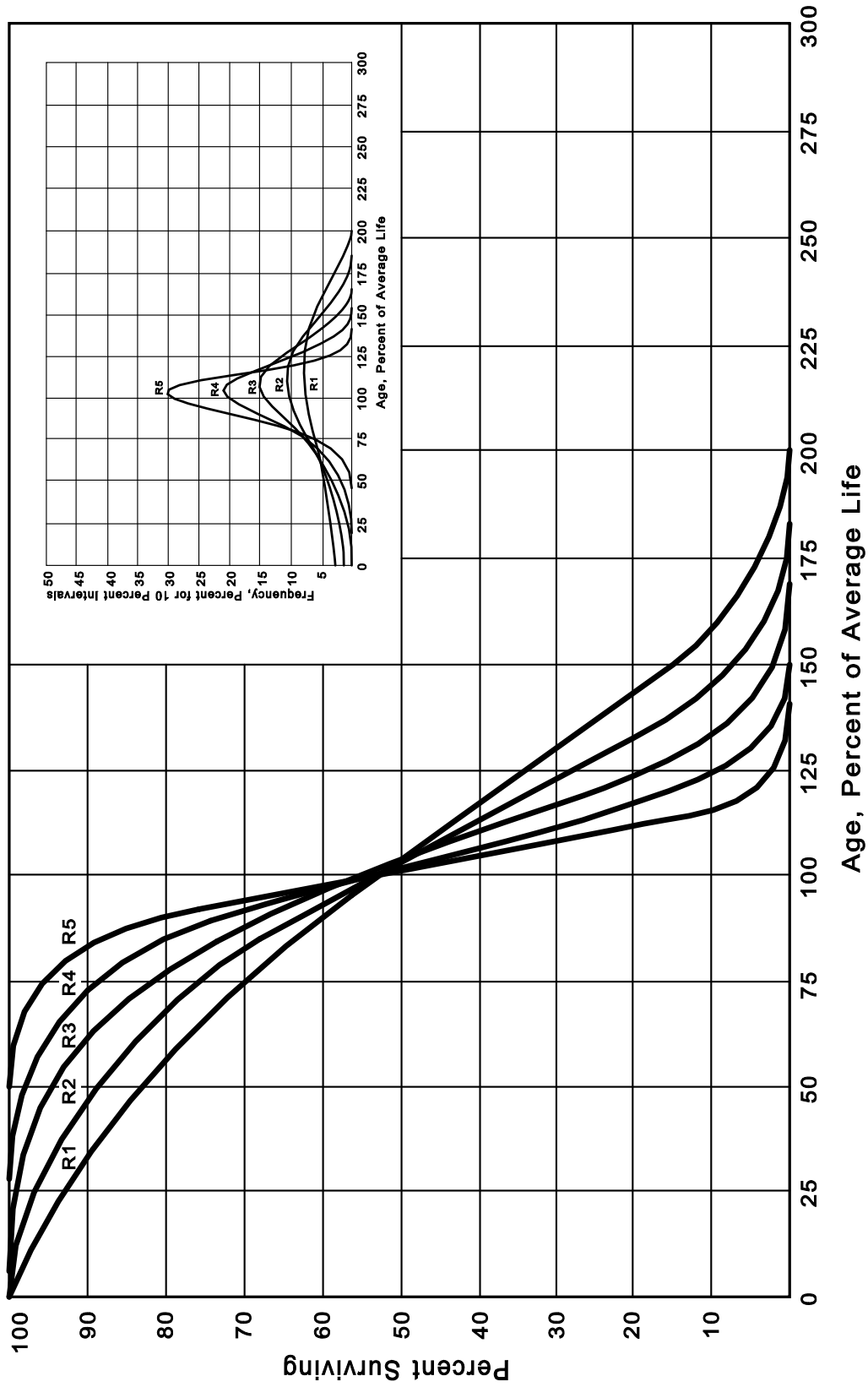


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

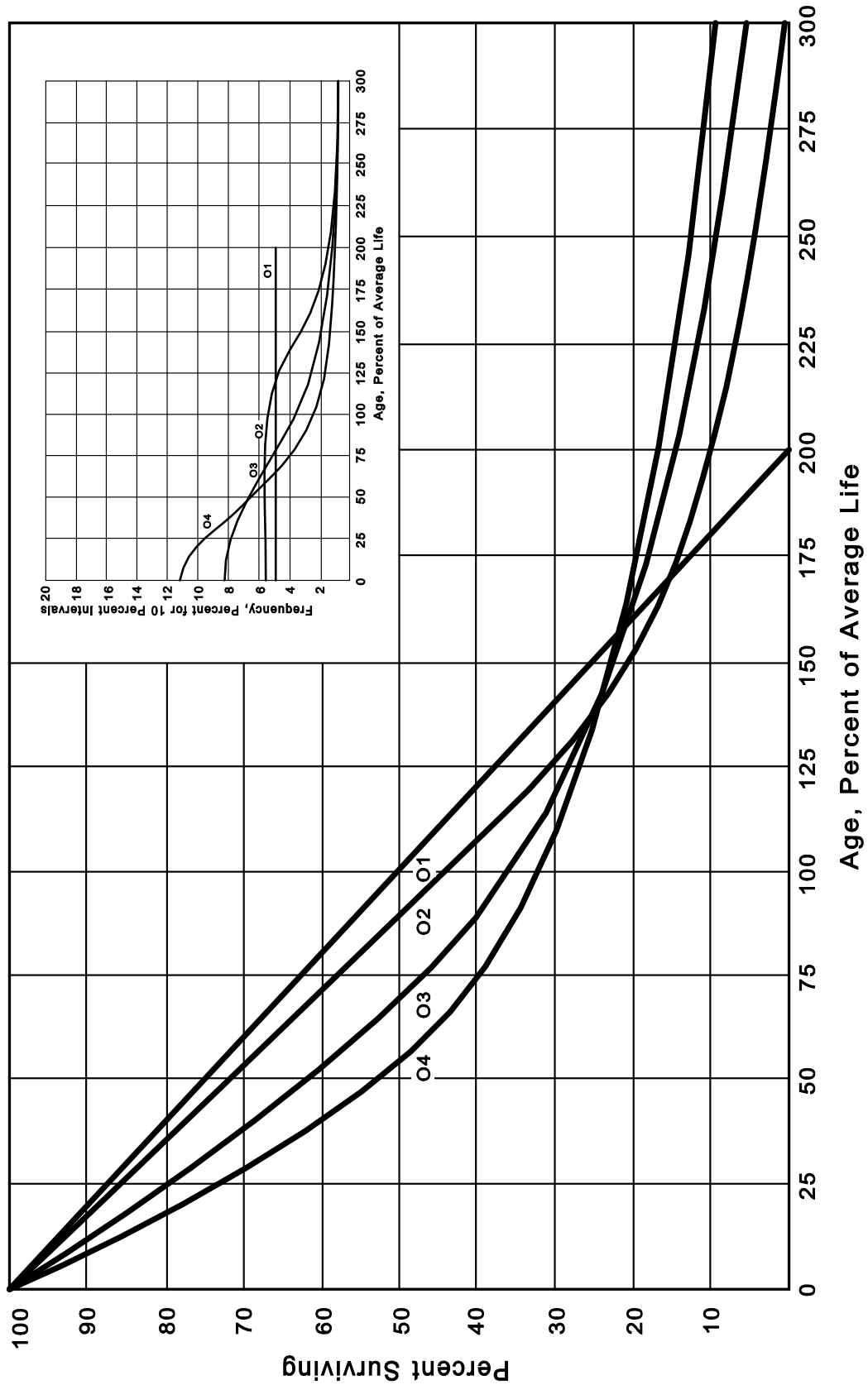


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

Experiment Station's Bulletin 125.¹ These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."² In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student submitted a thesis presenting his development of the fourth family consisting of the four O type survivor curves.

Survivor curves for groups in which all property is expected to be retired concurrently, such as power plants, are obtained by truncating smooth survivor curves at an age before zero percent surviving is reached. Such groups to which truncated survivor curves are applicable are designated as life span groups. In life span groups of one or more vintages, future retirements of all property included in the group are anticipated to occur at a specific date or over a restricted range of future dates which are represented by an estimated probable retirement date. Survivor curves for life span groups can be developed using both available historical experience and known or forecasted retirement dates. The life span of both the original installation and a subsequent addition is the number of years which elapse between its installation and the final retirement of the group. During the life of the group as a whole, interim retirements normally occur between age zero and the maximum age to produce a survivor pattern which is referred to as an "interim survivor curve".

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available or for

¹ Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

²Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

which aged accounting experience is developed by statistically aging unaged amounts and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"³ "Engineering Valuation and Depreciation,"⁴ and "Depreciation Systems."⁵

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records.

The property group used to illustrate the retirement rate method is observed for the experience band 2006-2015 during which there were placements during the years 2001-2015. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Schedules 1 and 2 on pages II-12 and II-13. In Schedule 1, the year of installation (year placed) and the year of retirement

³Winfrey, Robley, Supra Note 1.

⁴Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁵Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994.

are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 2001 were retired in 2006. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Schedule 1 immediately above the staircase line drawn on the table beginning with the 2006 retirements of 2001 installations and ending with the 2015 retirements of the 2010 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Schedule 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements but are used in developing the exposures at the beginning of each age interval.



SCHEDULE 1. RETIREMENTS FOR EACH YEAR 2006-2015
SUMMARIZED BY AGE INTERVAL

Experience Band 2006-2015

Placement Band 2001-2015

Year Placed	Retirements, Thousands of Dollars										Total During Age Interval	Age Interval
	During Year											
(1)	2006 (2)	2007 (3)	2008 (4)	2009 (5)	2010 (6)	2011 (7)	2012 (8)	2013 (9)	2014 (10)	2015 (11)	(12)	(13)
2001	10	11	12	13	14	16	23	24	25	26	26	13½-14½
2002	11	12	13	15	16	18	20	21	22	19	44	12½-13½
2003	11	12	13	14	16	17	19	21	22	18	64	11½-12½
2004	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2005	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2006	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2007		5	11	12	13	14	15	16	18	20	113	7½-8½
2008			6	12	13	15	16	17	19	19	124	6½-7½
2009				6	13	15	16	17	19	19	131	5½-6½
2010					7	14	16	17	19	20	143	4½-5½
2011						8	18	20	22	23	146	3½-4½
2012							9	20	22	25	150	2½-3½
2013								11	23	25	151	1½-2½
2014									11	24	153	½-1½
2015										13	80	0-½
Total	53	68	86	106	128	157	196	231	273	308	1,606	



SCHEDULE 2. OTHER TRANSACTIONS FOR EACH YEAR 2006-2015
SUMMARIZED BY AGE INTERVAL

Experience Band 2006-2015

Placement Band 2001-2015

Year Placed	Acquisitions, Transfers and Sales, Thousands of Dollars										Total During Age Interval	Age Interval
	During Year											
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2001	-	-	-	-	-	-	60 ^a	-	-	-	-	13½-14½
2002	-	-	-	-	-	-	-	-	-	-	-	12½-13½
2003	-	-	-	-	-	-	-	-	-	-	-	11½-12½
2004	-	-	-	-	-	-	-	(5) ^b	-	-	60	10½-11½
2005	-	-	-	-	-	-	-	6 ^a	-	-	-	9½-10½
2006	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
2007	-	-	-	-	-	-	-	-	-	-	6	7½-8½
2008	-	-	-	-	-	-	-	-	-	-	-	6½-7½
2009	-	-	-	-	-	-	-	(12) ^b	-	-	-	5½-6½
2010	-	-	-	-	-	-	-	-	22 ^a	-	-	4½-5½
2011	-	-	-	-	-	-	-	(19) ^b	-	-	10	3½-4½
2012	-	-	-	-	-	-	-	-	-	-	-	2½-3½
2013	-	-	-	-	-	-	-	-	-	(102) ^c	(121)	1½-2½
2014	-	-	-	-	-	-	-	-	-	-	-	½-1½
2015	-	-	-	-	-	-	-	-	-	-	-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

^a Transfer Affecting Exposures at Beginning of Year^b Transfer Affecting Exposures at End of Year^c Sale with Continued Use

Parentheses Denote Credit Amount.

Schedule of Plant Exposed to Retirement.

The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Schedule 3 on page II-15.

The surviving plant at the beginning of each year from 2006 through 2015 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year". The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Schedule 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Schedules 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2010 are calculated in the following manner:

Exposures at age 0	=	amount of addition	=	\$750,000
Exposures at age ½	=	\$750,000- \$ 8,000	=	\$742,000
Exposures at age 1½	=	\$742,000- \$18,000	=	\$724,000
Exposures at age 2½	=	\$724,000- \$20,000 - \$19,000	=	\$685,000
Exposures at age 3½	=	\$685,000- \$22,000	=	\$663,000

For the entire experience band 2006-2015 the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Schedule 1). For example, the figure of 3,789,

SCHEDULE 3. PLANT EXPOSED TO RETIREMENT
JANUARY 1 OF EACH YEAR 2006-2015
SUMMARIZED BY AGE INTERVAL

Experience Band 2006-2015

Placement Band 2001-2015

Year Placed	Exposures, Thousands of Dollars										Total at Beginning of Age Interval	Age Interval
	Annual Survivors at the Beginning of the Year											
(1)	2006 (2)	2007 (3)	2008 (4)	2009 (5)	2010 (6)	2011 (7)	2012 (8)	2013 (9)	2014 (10)	2015 (11)	(12)	(13)
2001	255	245	234	222	209	195	239	216	192	167	167	13½-14½
2002	279	268	256	243	228	212	194	174	153	131	323	12½-13½
2003	307	296	284	271	257	241	224	205	184	162	531	11½-12½
2004	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2005	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2006	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2007		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½
2008			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½
2009				580 ^a	574	561	546	530	501	482	3,057	5½-6½
2010					660 ^a	653	639	623	628	609	3,789	4½-5½
2011						750 ^a	742	724	685	663	4,332	3½-4½
2012							850 ^a	841	821	799	4,955	2½-3½
2013								960 ^a	949	926	5,719	1½-2½
2014									1,080 ^a	1,069	6,579	½-1½
2015										1,220 ^a	7,490	0-½
Total	<u>1,975</u>	<u>2,382</u>	<u>2,824</u>	<u>3,318</u>	<u>3,872</u>	<u>4,494</u>	<u>5,247</u>	<u>6,017</u>	<u>6,852</u>	<u>7,799</u>	<u>44,780</u>	

shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table

The original life table, illustrated in Schedule 4 on page II-17, is developed from the totals shown on the schedules of retirements and exposures, Schedules 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval.

The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15	
Exposures at age 4½	=	3,789,000	
Retirements from age 4½ to 5½	=	143,000	
Retirement Ratio	=	$143,000 \div 3,789,000$	= 0.0377
Survivor Ratio	=	$1.000 - 0.0377$	= 0.9623
Percent surviving at age 5½	=	$(88.15) \times (0.9623)$	= 84.83

SCHEDULE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2006-2015

Placement Band 2001-2015

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of <u>Interval</u> (1)	Exposures at Beginning of <u>Age Interval</u> (2)	Retirements During Age <u>Interval</u> (3)	Retirement <u>Ratio</u> (4)	Survivor <u>Ratio</u> (5)	Percent Surviving at Beginning of <u>Age Interval</u> (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	167	26	0.1557	0.8443	42.24
14.5					35.66
Total	<u>44,780</u>	<u>1,606</u>			

Column 2 from Schedule 3, Column 12, Plant Exposed to Retirement.

Column 3 from Schedule 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 divided by Column 2.

Column 5 = 1.0000 minus Column 4.

Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

The totals of the exposures and retirements (Columns 2 and 3) are shown for the purpose of checking with the respective totals in Schedules 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (Column 6, Schedule 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve

The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Schedule 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the SO type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life

appears to be the best fit and appears to be better than either the L1 or the SO. In Figure 9, the three fittings, 12-L1, 12-SO, and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 lowa curve would be selected as the most representative of the plotted survivor characteristics of the group, assuming no contrary relevant factors external to the analysis of historical data.



FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE ORIGINAL AND SMOOTH SURVIVOR CURVES

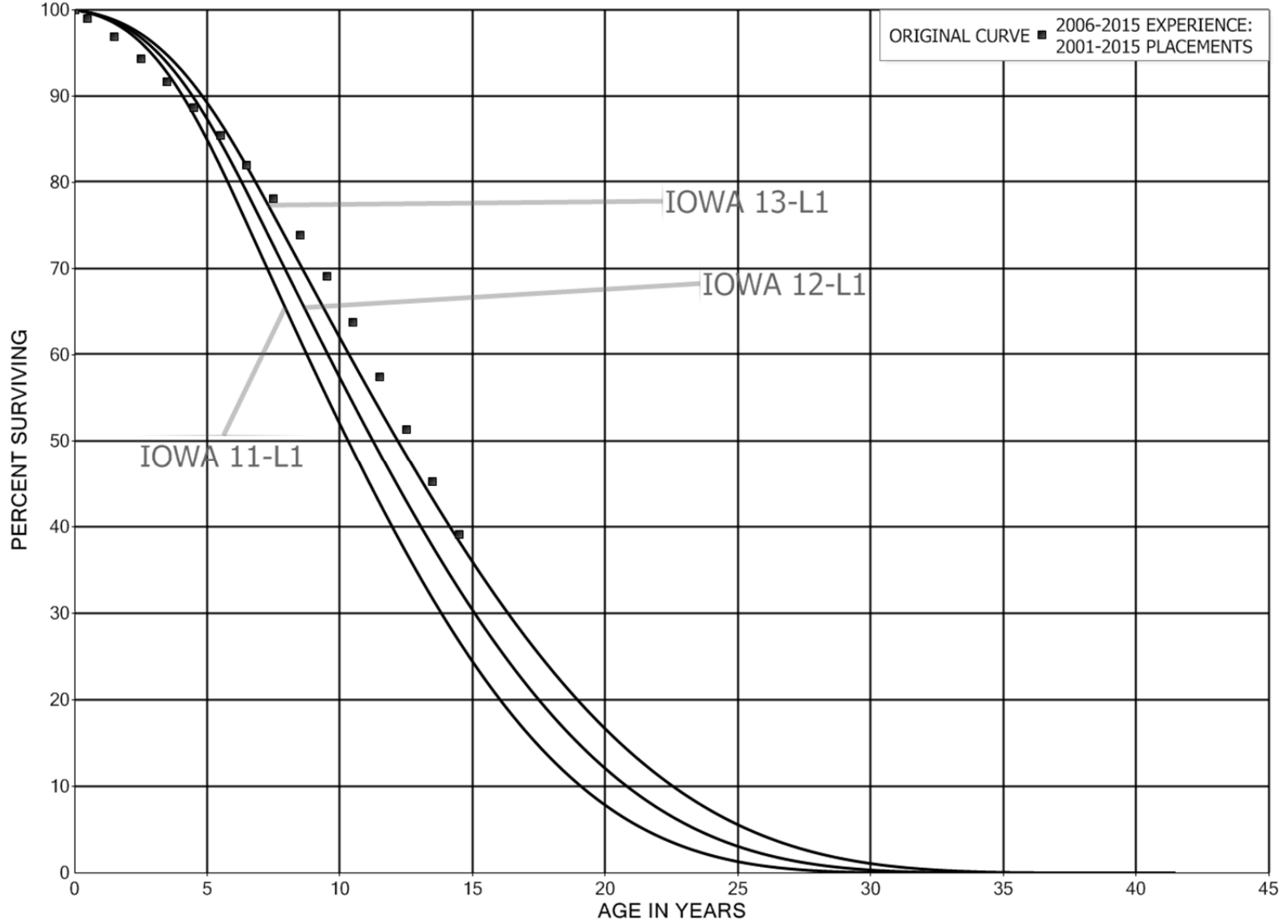




FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN S0 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

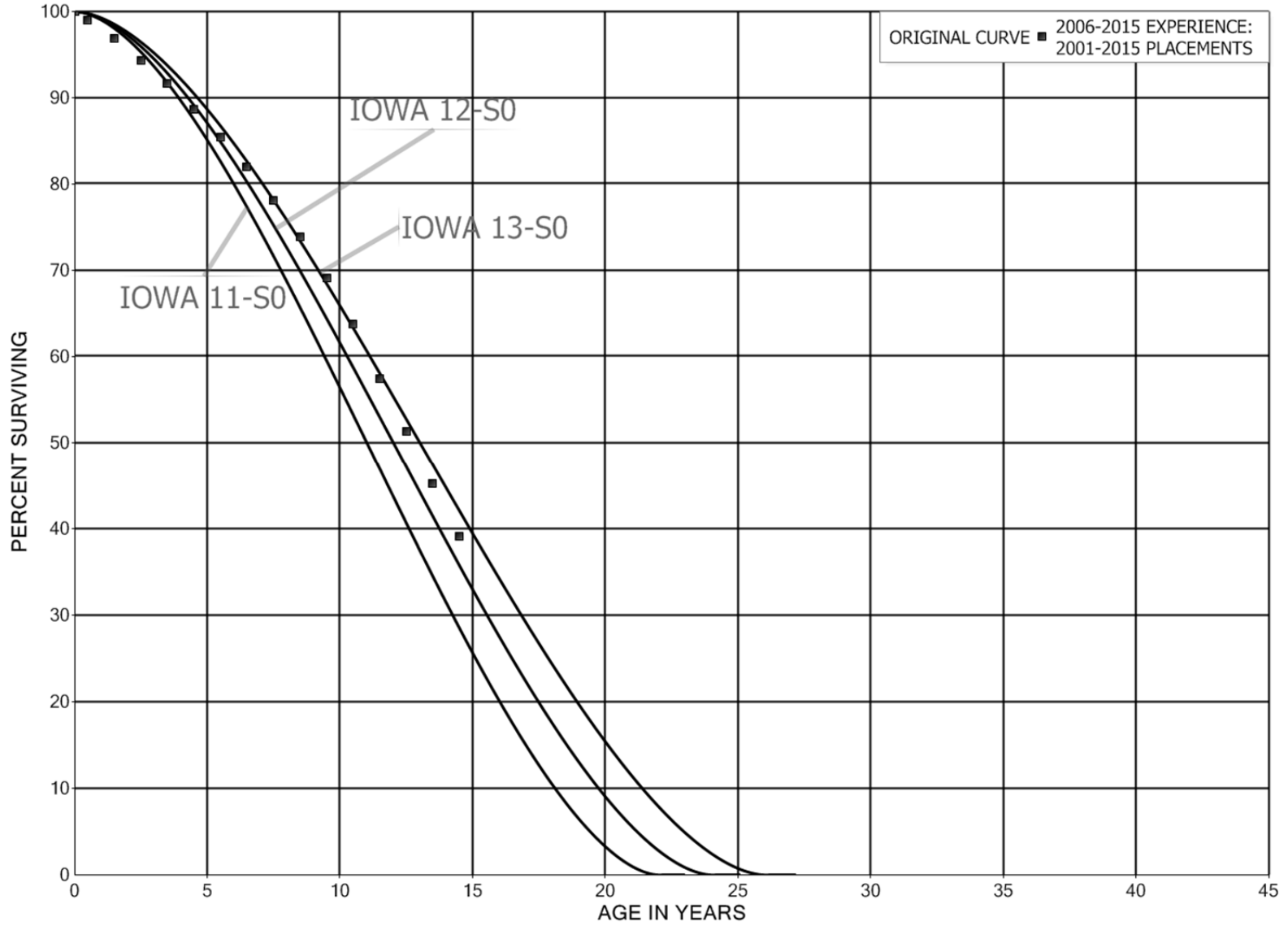




FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE ORIGINAL AND SMOOTH SURVIVOR CURVES

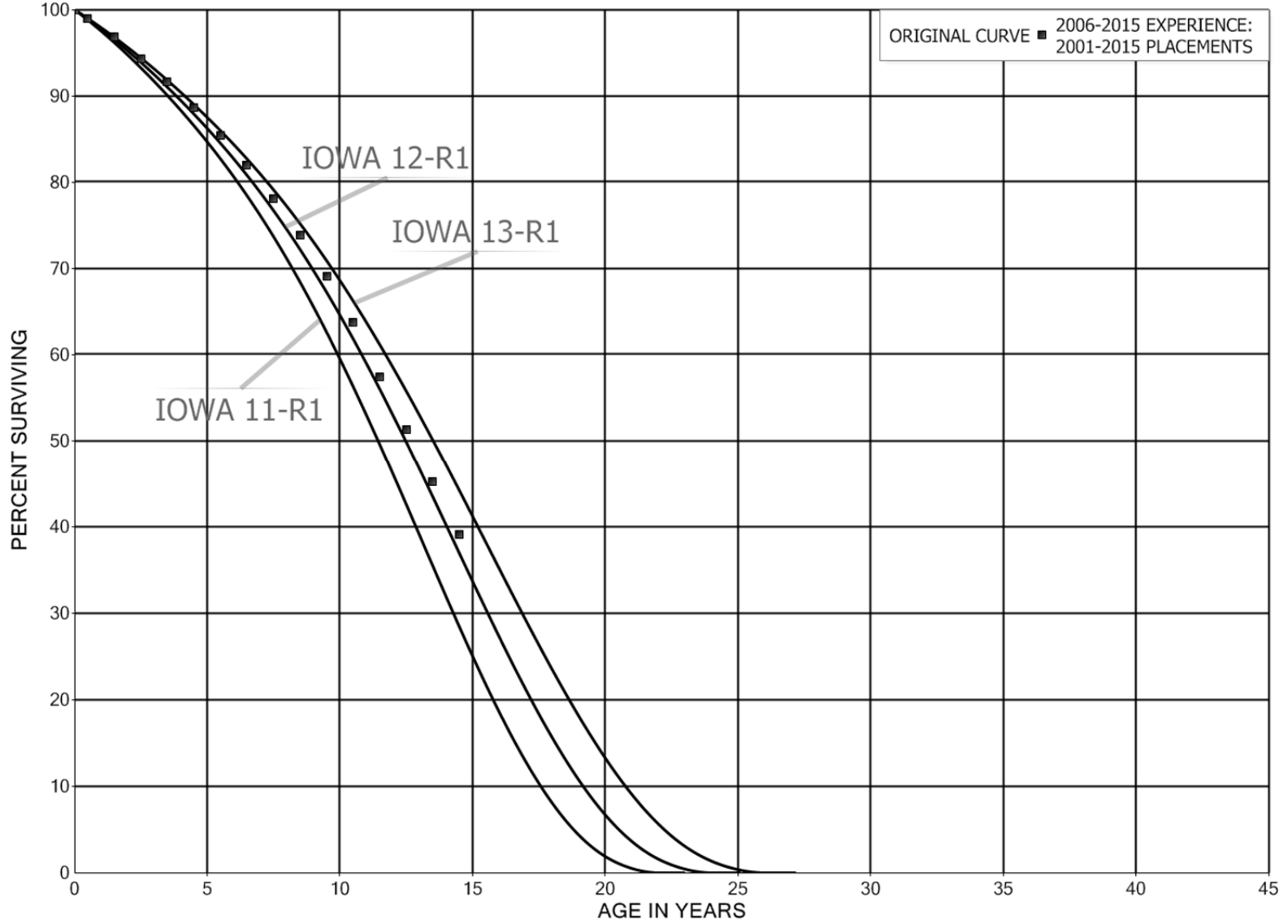
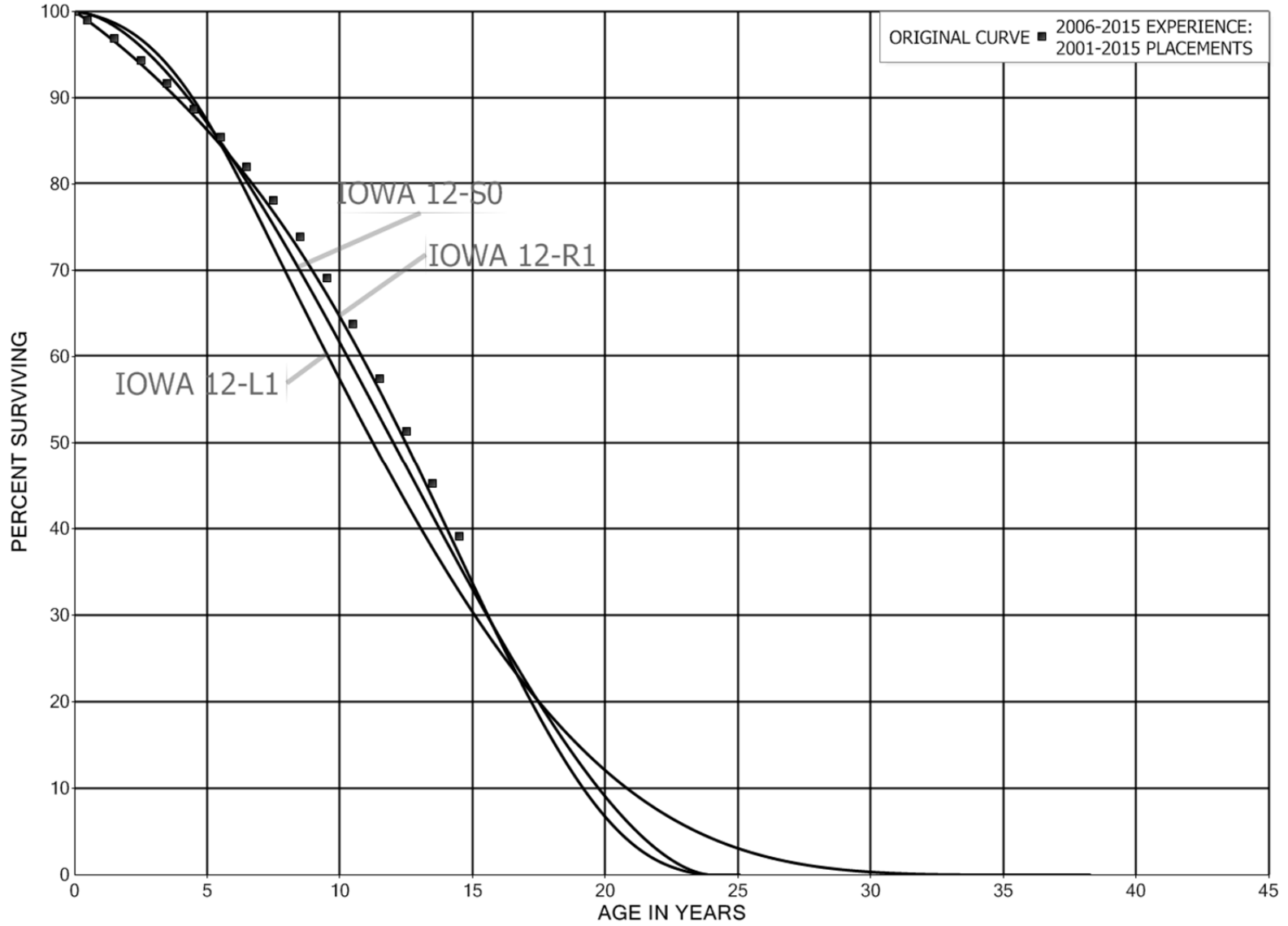




FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1, S0 AND R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES



PART III. SERVICE LIFE CONSIDERATIONS

PART III. SERVICE LIFE CONSIDERATIONS

Field Trips.

In order to be familiar with the operation of the Company and observe representative portions of the plant, field trips have been conducted periodically. A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements are obtained during these field trips. This knowledge and information were incorporated in the interpretation and extrapolation of the statistical analyses.

During the extensive period of years our firm has been conducting depreciation studies for the Company, the field trips have resulted in numerous reviews of the Company's operating areas. The following is a list of the locations visited during the most recent trips:

The following is a list of the locations visited during the most recent four field trips.

December 20, 2011

- Middletown (Stoneridge) Service Center
- Marietta City Gate Station
- Columbia City Gate Station
- West Lancaster City Gate Station
- Manheim District Regulating Station
- Fruitville City Gate Station
- Lancaster Service Center

December 14, 2011

- Hazleton Service Center
- West Hazleton District Regulating Station
- Harleigh City Gate Station
- Humboldt District Regulating Station

December 13, 2011

- Lehigh Valley Service Center
- 4th and Emery District Regulating Station
- Hellertown City Gate Station
- Bethlehem District Regulating Station
- Rosedale City Gate Station
- Boyertown City Gate Station

December 13, 2011, cont..

Coventry City Gate Station
Morgantown Service Center
Central Gas Control (CGC)

June 7, 2007

Lehigh Valley Service Center
Rich Hill City Gate Regulator Station
Hellertown City Gate Regulator Station
Bally City Gate Station
Temple City Gate Station
Reading Service Center
Morgantown City Gate Station

May 15, 2007

Locust Point City Gate Station
Dauphin City Gate Regulator Station
Hershey City Gate Regulator Station
West Lancaster City Gate Station
Harrisburg Service Center and Warehouse
Lancaster Service Center
Morgantown City Gate Station

June 6, 2002

Lehigh Valley Service Center
Rich Hill City Gate Regulator Station
Hellertown City Gate Regulator Station
Bally City Gate Station
Temple City Gate Station
Reading Service Center
Morgantown City Gate Station

May 13, 2002

Hershey City Gate Station
Lebanon City Gate Station
Lebanon Service Center
Lebanon District Regulating Station
Manheim District Regulating Station
West Lancaster City Gate Station
Lancaster Service Center

May 7, 2002

Harrisburg Service Center
CNG Refueling Station at Arnold Fuel Oil
October 10, 1996
Harrisburg Service Building
Steelton LPG Plant

May 7, 2002, cont.

Marietta City Gate Station
Columbia City Gate Regulator Station
Lancaster Service Center
Lebanon Service Center

October 9, 1996

Reading Service Center
Reading LPG Plant
Temple LNG Plant and Central Gas Control

October 8, 1996

Lehigh Valley Service Center
Allentown Garage and Shop
Rich Hill City Gate Regulator Station
Hellertown City Gate Regulator Station
Bethlehem LPG Plant
Didier Plant

Judgment.

The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical analyses of data; current Company policies and outlook as determined during the field trips and other conversations with management; and the survivor curve estimates from previous studies of this company and other gas companies.

The current service life study is based on data through 2011. For a majority of the mass plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses resulted in good to excellent indications of the survivor patterns experienced. Generally, the information external to the statistics lead to no significant departure from the indicated survivor curves for the following accounts:

375, Structures and Improvements
376, Mains - Primarily Steel
376, Mains - Cast Iron
378, Measuring and Regulating Station Equipment - General
379, Measuring and Regulating Station Equipment - City Gate
380, Services

- 381, Meters
- 385, Industrial Measuring and Regulating Station Equipment
- 387, Other Equipment
- 390, Structures and Improvements
- 392, Transportation Equipment
 - Cars
 - Light Trucks
- 396 Power Operated Equipment

Account 380, Services, is the largest depreciable group and is used to illustrate the manner in which the study was conducted for the groups in the preceding list. Aged retirement and other plant accounting data were compiled for the years 1960 through 2011. These data were coded in the course of the Company's normal recordkeeping according to plant account or property group, type of transaction, year in which the transaction took place, and year in which the gas plant was placed in service. The data were analyzed by the retirement rate method of life analysis. The survivor curve chart for the account is presented on page VI-32 and the life table for the experience band plotted on the chart immediately follows it.

The survivor curve estimate for this account is the Iowa 47-R2. The service line typically consists of a length of steel or plastic pipe. Steel was predominantly used until the mid-1960's, after which copper and plastic inserts became more predominant. Direct buried plastic pipe began to displace steel and the inserts in the 1980's. Currently, the investment in plastic services represents over 90 percent of the total account balance. During the 1970's, the rates of service line retirements increased causing the service life to significantly decrease. More recent retirement history indicates a decrease in the retirement levels expressed as a percent of the beginning plant balance. Discussions with operating and management personnel disclosed several reasons for the historical changes. Prior to 1970, the retirement of inactive services often was delayed due to

operating practices in effect at that time. The effect of urban renewal in the Company's service area during the 1970's caused substantially greater retirements at earlier ages, but this cause of retirement has not been as important in the more recent past. Services are often replaced in connection with a main replacement project since it is economic to do so even if the services are in reasonably good condition and not at the end of their physical life. For steel services, the principal cause of retirement continues to be deterioration.

The 47-R2 survivor curve estimated for Account 380, Services, also is estimated for Accounts 382, Meter Installations; 383, House Regulators; 384, House Regulator Installations; and 386.1, Other Property on Customers' Premises - Farm Taps. The use of the estimate developed for Account 380, Services, for farm taps is based on the similar nature of the facilities in these groups. The use of the services estimate for the remaining accounts is based on management's intent to retire these facilities concurrently with the future retirements of service lines.

The third largest depreciable group is Account 376.1, Mains - Primarily Steel. The survivor curve estimate for this account is the Iowa 72-R2.5. In recent years, the rates of retirements of mains have been redistributed, with lesser retirement ratios during earlier age intervals and greater ratios during older age intervals after age 35. This has resulted in a somewhat different indication of the survivor curve during the recent past and for the future. Discussions with operating and management personnel indicated that corrosion control programs, including the use of plastic for smaller size mains, is the most probable cause of fewer early retirements. In addition, highway and urban renewal projects have caused relatively few retirements in the Company's service

area in recent years. Increased rates of retirement at older ages are anticipated in conjunction with leak detection programs and street improvements. That is, older mains with a history of leaks will be replaced as municipalities perform street improvements in order to avoid the high cost of repair or replacement when repaving is required. In addition, the company typically will replace service lines in connection with the main replacement.

Typical service lives for the mains of other gas companies range from 55 to 80 years. The Iowa 72-R2.5 survivor curve is within the range and is a reasonable interpretation of the significant portion of the stub survivor curve through age 62 and reflects the outlook of management.

Similar studies were performed for the remaining significant mass plant accounts. The results of the statistical analyses are presented in account sequence in this report, beginning on page VI-2. The major structures included in Account 390.1, Structures and Improvements, were separated from the smaller structures for purposes of the study. The major structures group consists of eight structures or complexes of significant size and of a nature that the life span procedure is appropriate. The life spans assigned to the major structures were typically 45 to 75 years from the date of major installation and varied within this range based on individual circumstances such as size, condition, type of construction, location, and management's plans. Continued use is planned for most of the major structures, although the Lebanon and Lancaster service centers are for sale and their operations may be consolidated in the near term.

The Iowa 100-R1 interim survivor curve was judged appropriate for the major structures based on the 1960-2011 interim retirement experience, our observations of

the buildings, consideration of the facilities which will be retired during the estimated life spans, and a review of the interim survivor curves derived for similar structures of other gas companies.

With respect to Account 390.2, Structures and Improvements - Leased Property, the estimated life span for improvements to leased office buildings is the same as the lease period. Therefore, the estimated retirement date coincides with the lease expiration date of the building or facility.

Generally, the survivor curve estimates for the remainder of the accounts, which comprise a minor portion of the total depreciable original cost, were based on judgments which considered the nature of the plant and equipment, reviews of available historical retirement data, and a general knowledge of the service lives for similar equipment in other gas companies.

**PART IV. CALCULATION OF ANNUAL AND
ACCRUED DEPRECIATION**

PART IV. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures

A group procedure for depreciation is appropriate when considering more than a single item of property. Normally, the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

In the average service life procedure, the rate of annual depreciation is based on the average life or average remaining life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

In the equal life group procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. This procedure eliminates the need to base depreciation on average lives, inasmuch as each group is equivalent to a unit having a single life. The full costs of short-lived units are accrued during their lives, leaving no deferral of accruals required to be added to the annual costs associated with long-lived units. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group.

Remaining Life Annual Accruals

For the purpose of calculating remaining life accrual rates as of September 30, 2016, the estimated book depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation for the vintages calculated by the average service life procedure and for the vintages calculated by the equal life group procedure follow. The detailed calculations are set forth in the Results of Study section of the report.

Average Service Life Procedure

In the average service life procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life of the vintage. The average remaining life is a directly weighted average derived from the estimated future survivor curve in accordance with the average service life procedure.

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which would not be allocated to expense through future whole life depreciation accruals if current forecasts of life characteristics are used as the basis for such accruals. The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account, based upon the attained age and service life. The straight line accrued depreciation ratios are calculated as follows for the average service life procedure:

$$\text{Ratio} = 1 - \frac{\text{Average Remaining Life Expectancy}}{\text{Average Service Life}}$$

Equal Life Group Procedure

In the equal life group procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the composite remaining life for the surviving original cost of that vintage. The composite remaining life is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life}\right)}{\frac{\text{Book Cost}}{\text{Life}}}$$

The book costs and lives of the several equal life groups which are summed in the foregoing equation are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost} - \text{Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}$$

The annual accrual rate for each account is equal to the sum of the remaining life annual accruals for all vintages divided by the account's total original cost. The account's "composite remaining life" is calculated by dividing the sum of the future book accruals for all vintages by the sum of the remaining life annual accruals for all vintages.

The calculated accrued depreciation in the equal life group procedure also represents that portion of depreciable cost which will not be allocated to expense through future accruals. However, the calculation is based at the equal life group level rather than the vintage group level, and does not require the use of averages. The equal life group accrued depreciation ratio is calculated as follows:

$$Ratio = \frac{Remaining\ Life}{Average\ Service\ Life}.$$

Inasmuch as service life minus remaining life equals age, when averages are not employed, the foregoing equation reduces to:

$$Ratio = \frac{Age}{Service\ Life}.$$

The table on the following page illustrates the procedure for calculating straight line equal life group accrued depreciation, using an Iowa 7-L2.5 survivor curve and a September 30, 2016 calculation date.

In the table, each equal life group is defined by the age interval shown in columns 1 and 2, which identify the ages at which the first and last retirement of each group occur. The group's designated life, shown in column 3, is the midpoint of the interval. In the calculation, the equal life groups of each vintage are arranged such that the midpoint of each one-year age interval coincides with the calculation date, e.g., September 30 in this case. This enables the calculation of annual accruals which are centered on, or as of, the same date as the calculation of accrued depreciation.

The retirement during each age interval, shown in column 4, is the size of each equal life group. It is derived from the Iowa 7-L2.5 survivor curve and is the difference between the percents surviving (not shown) at the beginning and end of the age interval.

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:

CALCULATION DATE.. 9-30-2016
 SURVIVOR CURVE.... 7-L2.5

AGE INTERVAL		RETIREMENTS DURING		GROUP ANNUAL ACCRUAL	YEAR INST	SUMMATION OF ANNUAL ACCRUALS	AVERAGE PERCENT SURVIVING	ANNUAL FACTOR	ACCRUED FACTOR
BEG (1)	END (2)	LIFE (3)	INTERVAL (4)	(5)=(4)/(3)	(6)	(7)	(8)	(9)	(10)
0.000	0.750	0.375	0.06819	0.06819000000	2016	14.97113129089	87.474799	0.1711	0.0642
0.750	1.750	1.250	0.78393	0.62714400000	2015	16.71836090387	99.539844	0.1680	0.2100
1.750	2.750	2.250	2.42073	1.07588000000	2014	15.86684890387	97.937514	0.1620	0.3645
2.750	3.750	3.250	5.60043	1.72320923077	2013	14.46730428848	93.926932	0.1540	0.5005
3.750	4.750	4.250	10.77722	2.53581647059	2012	12.33779143780	85.738108	0.1439	0.6116
4.750	5.750	5.250	15.72358	2.99496761905	2011	9.57239939298	72.487712	0.1321	0.6935
5.750	6.750	6.250	16.75421	2.68067360000	2010	6.73457878346	56.248817	0.1197	0.7481
6.750	7.750	7.250	13.89571	1.91664965517	2009	4.43591715587	40.923852	0.1084	0.7859
7.750	8.750	8.250	10.31862	1.25074181818	2008	2.85222141920	28.816688	0.0990	0.8168
8.750	9.750	9.250	7.69483	0.83187351351	2007	1.81091375335	19.809967	0.0914	0.8455
9.750	10.750	10.250	5.80734	0.56656975610	2006	1.11169211855	13.058884	0.0851	0.8723
10.750	11.750	11.250	4.20757	0.37400622222	2005	0.64140412939	8.051426	0.0797	0.8966
11.750	12.750	12.250	2.80192	0.22872816327	2004	0.34003693664	4.546681	0.0748	0.9163
12.750	13.750	13.250	1.66862	0.12593358491	2003	0.16270606255	2.311411	0.0704	0.9328
13.750	14.750	14.250	0.86964	0.06102736842	2002	0.06922558589	1.042280	0.0664	0.9462
14.750	15.750	15.250	0.39206	0.02570885246	2001	0.02585747545	0.411431	0.0628	0.9577
15.750	16.750	16.250	0.15463	0.00951569231	2000	0.00824520306	0.138084	0.0597	0.9701
16.750	17.750	17.250	0.05015	0.00290724638	1999	0.00203373372	0.035695	0.0570	0.9833
17.750	18.750	18.250	0.00996	0.00054575342	1998	0.00030723382	0.005639	0.0545	0.9946
18.750	19.670	19.210	0.00066	0.00003435711	1997	0.00001580427	0.000304	0.0520	1.0000
TOTAL		100.00000							

Each equal life group's whole life annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3), except that for the first age interval, the annual accrual is set equal to the group's size.

Columns 6 through 10 show the derivation of the whole life annual factor and accrued factor for each vintage based on the data developed in the first five columns. The year installed is shown in column 6. For all vintages other than the first and last year (2016 and 1997), the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the figure 16.71836090387 for 2015 equals one-half of

0.6271440000 plus all of the succeeding figures in column 5. Only one-half of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval expires at the midpoint of the current year.

The summation of annual accruals (column 7) for installations during 2016 is calculated on the basis of an in-service date at the midpoint of the first nine months, i.e., four and one-half months prior to September 30. Inasmuch as the overall calculation is centered on September 30, 2016, the accrual for 2016 installations (during the first nine months) represents only 0.875 of one year, 0.375 of a year prior to September 30 plus one-half year following September 30. For this reason, the first figure in column 7, for vintage 2016, equals the group annual accrual for 2016 plus 0.875 of the group annual accruals for each of the subsequent years.

The average percent surviving, derived from the Iowa 7-L2.5 survivor curve, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8).

The accrued depreciation factor, shown in column 10, equals the annual factor multiplied by the age of the group as of September 30, 2016.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization, as defined in the Uniform System of Accounts, is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization periods and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is appropriate for certain General Plant accounts that represent numerous units of property, but a very small portion of depreciable gas plant in service. The accounts and their amortization periods are as follows:

<u>Account</u>	<u>Amortization Period, Years</u>
391, Office Furniture and Equipment	
Furniture	20
Electronic Equipment	5
393, Stores Equipment	10
394, Tools, Shop and Garage Equipment	20
397, Communication Equipment	10
398, Miscellaneous Equipment	10

For the purpose of calculating annual amortization amounts as of September 30, 2016, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future

amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

AMORTIZATION OF NET SALVAGE

Experienced salvage is incorporated in the results of the study, as it was reported on the Company's books and records for the period October 1, 2011 through September 30, 2015, and as estimated for the twelve months ended September 30, 2016. The five-year amortization calculations are shown in Table 4.

Net salvage experienced during the five-year period is presented in this manner to determine the amount of negative net salvage to be amortized for book purposes. In developing the amount to be amortized, the data for the accounts which experienced positive net salvage have been netted with those for accounts which experienced negative net salvage.

In order to be consistent with this manner of recognizing salvage, no adjustments for salvage were made to the annual accruals and accrued depreciation calculated for each individual account. Also, there were no exclusions from the 2012 through 2016 experienced and estimated net salvage amounts that were used to determine the five-year net salvage amortization amount for each account.

PART V. RESULTS OF STUDY

PART V. RESULTS OF STUDY

DESCRIPTION OF SUMMARY TABULATIONS

Tables 1 through 4 presented on pages V-4 through V-11 summarize the results of the depreciation study as of September 30, 2016. Table 1 sets forth, by depreciable group, the estimated survivor curve, original cost, book depreciation reserve as of September 30, 2016, future book accruals, calculated annual accrual amount and rate, and composite remaining life for plant in service. Table 2 presents the bringforward of the book reserve to September 30, 2016. Table 3 sets forth the calculation of the depreciation accruals for the twelve months ended September 30, 2016. Table 4 presents the annual amortization of experienced and estimated net salvage based on the period 2012 through 2016.

DESCRIPTION OF DETAILED TABULATIONS

Supporting statistical data for the estimates of average service lives and survivor curves, the annual depreciation calculations, and salvage and cost of removal for the years 2012-2016 are presented in three sections.

The section beginning on page VI-1 sets forth, for each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. A cumulative summary, by year installed, for gas plant and the supporting data for the original cost depreciation calculations are presented in the section beginning on page VII-2. The tabulations of experienced and estimated net salvage by

year by account for the five-year period, 2012-2016, are presented in the section beginning on page VIII-1.

In Part VI, the survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the type curve designation. The numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving. In cases where only a segment of the estimated curve is used in the depreciation calculation, the numeral used for identification purposes is not a designation of the average life of the group. The titles of the charts indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which the retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation related to original cost are presented in Part VII and indicate the estimated average survivor curves used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, allocated book reserve, future book accruals, remaining life expectancy and the calculated annual accrual.

Detailed tabulations setting forth the cost of removal and salvage amounts, by plant account for each year, are presented beginning on page VIII-2. The total salvage and removal costs, by year, were used to calculate the five-year net salvage amortization presented in Table 4 in Part V on pages V-9 and V-10.

UGI UTILITIES, INC. - GAS DIVISION
TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2016

	ACCOUNT (1)	SURVIVOR CURVE (2)	ORIGINAL COST (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	RATE (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)
GAS PLANT							
DISTRIBUTION PLANT							
	375	STRUCTURES AND IMPROVEMENTS	2,185,833	1,418,237	767,596	1.30	28,316
	376.1	MAINS - PRIMARILY STEEL	213,286,846	81,012,984	132,273,862	1.46	3,111,964
	376.2	MAINS - CAST IRON	3,006,404	948,859	2,057,545	3.39	101,834
	376.3	MAINS - PLASTIC	474,738,894	104,744,900	369,993,994	1.68	7,976,581
	376.5	MAINS - PRIMARILY WROUGHT IRON	294,940	251,609	43,331	1.13	3,332
	378	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	30,033,045	5,504,159	24,528,886	2.63	788,373
	378.1	MEASURING AND REGULATING STATION EQUIPMENT - SCADA	1,293,478	552,033	741,445	8.72	112,833
	379	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	4,497,412	3,117,129	1,380,283	1.45	64,996
	380	SERVICES	551,461,856	151,746,171	399,715,685	2.52	13,885,153
	381	METERS	46,943,780	16,042,134	30,901,646	3.26	1,528,243
	381.2	ELECTRONIC METERS	10,009,486	6,153,915	3,855,571	3.84	384,743
	382	METER INSTALLATIONS	62,553,098	22,269,526	40,283,572	2.26	1,413,511
	383	HOUSE REGULATORS	6,543,707	1,471,024	5,072,683	2.96	193,738
	384	HOUSE REGULATOR INSTALLATIONS	10,496,314	4,125,488	6,370,856	2.12	222,092
	385	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	5,719,147	3,626,106	2,093,041	1.62	92,519
	386	OTHER PROPERTY ON CUSTOMERS PREMISES	337,967	124,217	213,750	2.18	7,355
	386.1	OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	946,896	568,144	378,752	1.67	15,794
	386.2	OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	24,705	23,303	1,402	1.17	290
	386.3	OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STATION	2,043,852	980,326	1,063,526	3.19	65,286
	387	OTHER EQUIPMENT	1,441,917	1,441,917	48,747	0.30	4,545
	387.1	OTHER EQUIPMENT - GRAPHIC DATA BASE	1,490,664	1,441,917	48,747	2.10	30,001,498
		TOTAL DISTRIBUTION PLANT	1,427,908,324	406,122,669	1,021,785,655		
GENERAL PLANT							
	390.1	STRUCTURES AND IMPROVEMENTS	30,194,253	14,910,911	15,283,342	2.98	900,518
	390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	11,241	3,664	7,577	19.70	2,215
	391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,044,422	918,983	1,125,439	4.98	101,874
	391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	96,794	147,242	(50,448)	0.00	0
	392.1	TRANSPORTATION EQUIPMENT - CARS	40,643	40,602	41	0.08	33
	392.2	TRANSPORTATION EQUIPMENT - TRUCKS	430,668	27,988	402,680	10.36	44,630
	392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	12,549	12,549	0	0.00	0
	394	TOOLS, SHOP AND GARAGE EQUIPMENT	9,036,677	2,999,217	6,037,460	5.00	452,200
	396	POWER OPERATED EQUIPMENT	1,370,792	1,302,234	68,558	0.96	13,136
	397	COMMUNICATION EQUIPMENT	563,043	419,928	143,115	9.89	55,692
	398	MISCELLANEOUS EQUIPMENT	724,406	261,197	463,209	10.07	72,921
		TOTAL GENERAL PLANT	44,525,488	21,044,515	23,480,973	3.69	1,643,219
		TOTAL DEPRECIABLE GAS PLANT	1,472,433,812	427,167,184	1,045,266,628	2.15	31,644,717
NONDEPRECIABLE PLANT							
	302.1	FRANCHISES AND CONSENTS - PERPETUAL	20,149				
	302.2	FRANCHISES AND CONSENTS - LIMITED TERM	8,107				
	304.1	LAND AND LAND RIGHTS - LAND	375,198				
	304.2	LAND AND LAND RIGHTS - LAND RIGHTS	6,454				
	374.1	LAND AND LAND RIGHTS - LAND	232,579				

UGI UTILITIES, INC. - GAS DIVISION
TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2016

ACCOUNT (1)	SURVIVOR CURVE (2)	ORIGINAL COST (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	RATE (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)
374.2	LAND AND LAND RIGHTS - LAND RIGHTS	2,040,764				
389.1	LAND AND LAND RIGHTS - LAND	1,491,454				
389.2	LAND AND LAND RIGHTS - LAND RIGHTS	1,313				
	TOTAL NONDEPRECIABLE PLANT	4,176,018				
	TOTAL GAS PLANT	1,476,609,830				
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION						
COMMON PLANT						
301	ORGANIZATION (NONDEPRECIABLE)	138,964				
390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	125,499	125,499	34,396	8.60	13,759
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	863,597	113,662	749,935	8.67	74,915
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	161,474	55,280	106,194	39.99	64,581
392.1	TRANSPORTATION EQUIPMENT - CARS	71,637	57,401	14,236	6.06	4,344
	TOTAL COMMON PLANT	1,395,567	351,842	904,761	12.54	157,599
	TOTAL COMMON PLANT ALLOCATED TO GAS DIVISION - 15.36%	214,359	54,043	138,971		24,207
INFORMATION SERVICES (IS)						
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	71,395	55,458	15,937	5.11	3,648
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	3,834,530	2,065,289	1,769,241	19.54	749,215
391.3	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS **	19,155,378	9,368,820	9,786,558	8.21	1,572,365
391.4	OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS **	10,614,969	5,944,881	4,670,088	6.66	706,940
	TOTAL INFORMATION SERVICES	33,676,272	17,434,448	16,241,824	9.00	3,032,168
	TOTAL INFORMATION SERVICES ALLOCATED TO GAS DIVISION - 48.83%	16,444,124	8,513,241	7,930,883		1,480,608
LESS READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS						
	390.1 STRUCTURES AND IMPROVEMENTS	2,013,550	1,117,100	896,450	3.39	68,192
	TOTAL READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS - 51.74%	1,041,811	577,988	463,823		35,283
	TOTAL OTHER PLANT ALLOCATED TO GAS DIVISION	15,616,672	7,989,296	7,606,031	9.41	1,469,532
	TOTAL PLANT IN SERVICE	1,492,226,502	435,156,480	1,052,872,659	2.22	33,114,249
	ENVIRONMENTAL EXPENDITURES FOR SITE REMEDIATION - ACCOUNT 305		(612,730)			
AMORTIZATION OF NEGATIVE NET SALVAGE						
	GRAND TOTAL	1,492,226,502	434,543,750	1,052,872,659		4,325,958
						37,440,207

* SURVIVOR CURVES FOR ACCOUNT 390.1 ARE INTERIM SURVIVOR CURVES. INDIVIDUAL BUILDINGS ARE LIFE SPANNED.

** ASSETS IN ACCOUNTS 391.3 AND 391.4 ARE INDIVIDUALLY DEPRECIATED BASED ON THE SERVICE LIVES SHOWN IN THIS REPORT. ALSO, UGI PLANS TO REPLACE THEIR CUSTOMER INFORMATION SYSTEM (CIS) IN ACCOUNT 391.3 IN 2017. UGI PLANS TO AMORTIZE THE UNRECOVERED COSTS RELATED TO CIS PROJECTS OVER THEIR ESTIMATED REMAINING LIVES. CIS IS EXPECTED TO BE RETIRED IN SEPTEMBER 2017.

UGI UTILITIES, INC. - GAS DIVISION
TABLE 2. BOOK RESERVE AT SEPTEMBER 30, 2015 PROJECTED TO SEPTEMBER 30, 2016

	(1) ACCOUNT	BOOK RESERVE		(3) ANNUAL ACCRUAL	(4) AMORTIZATION OF NET SALVAGE	(5) RETIREMENTS	(6) GROSS SALVAGE	(7) COST OF REMOVAL	(8) TRANSFERS AND ADJUSTMENTS	BOOK RESERVE		
		AT BEGINNING OF YEAR	(2) OF YEAR							AT END OF YEAR	AS A PERCENT OF ORIGINAL COST	
DEPRECIABLE GAS PLANT												
305	MANUFACTURED GAS PLANT SITE REMEDIATION	(275,831)	0	0	216,101	0	0	(553,000)	0	0	(612,730)	0.00
375	STRUCTURES AND IMPROVEMENTS	1,389,165	29,072	0	0	0	0	0	0	0	1,418,237	64.88
376.1	MAINS - PRIMARILY STEEL	83,875,413	2,826,306	0	191,825	(4,997,244)	0	(883,316)	0	0	81,012,984	37.98
376.2	MAINS - CAST IRON	1,120,934	111,579	0	127,087	(273,310)	0	(137,431)	0	0	948,859	31.56
376.3	MAINS - PLASTIC	97,965,541	7,569,683	0	28,099	(772,088)	0	(46,335)	0	0	104,744,900	22.06
376.5	MAINS - PRIMARILY WROUGHT IRON	248,099	3,510	0	0	0	0	0	0	0	251,609	85.31
378	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	6,158,825	691,285	0	63,551	(988,340)	126,672	(547,834)	0	0	5,504,159	18.33
378.1	MEASURING AND REGULATING STATION EQUIPMENT - SCADA	439,103	118,518	0	0	(5,588)	0	0	0	0	552,033	42.68
379	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	3,165,582	53,826	0	0	(71,718)	9,192	(39,753)	0	0	3,117,129	69.31
380	SERVICES	146,121,579	13,188,889	0	2,560,821	(6,580,347)	4,121	(3,548,892)	0	0	151,746,171	27.52
381	METERS	14,974,198	1,526,684	0	1,214	(459,212)	1,390	(2,140)	0	0	16,042,134	34.17
381.2	ELECTRONIC METERS	6,120,851	339,706	0	0	(306,142)	927	(1,427)	0	0	6,153,915	61.48
382	METER INSTALLATIONS	21,543,086	1,363,838	0	10,618	(421,148)	264	(227,132)	0	0	22,268,526	35.60
383	HOUSE REGULATORS	1,268,799	185,734	0	227,508	(137,141)	86	(73,962)	0	0	1,471,024	22.48
384	HOUSE REGULATOR INSTALLATIONS	4,072,597	206,080	0	6,930	(104,081)	65	(56,133)	0	0	4,125,458	39.30
385	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	3,705,080	74,045	0	0	(107,297)	13,752	(59,474)	0	0	3,626,106	63.40
386	OTHER PROPERTY ON CUSTOMERS PREMISES	116,782	7,435	0	0	0	0	0	0	0	124,217	36.75
386.1	OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	551,952	16,192	0	0	0	0	0	0	0	568,144	60.00
386.2	OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	22,972	331	0	0	0	0	0	0	0	23,303	94.33
386.3	OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STATI	0	0	0	518	0	0	0	0	0	518	0.00
387	OTHER EQUIPMENT	1,153,484	51,487	0	866	(153,628)	0	(71,883)	0	0	980,326	47.96
387.1	OTHER EQUIPMENT - GRAPHIC DATA BASE	1,437,296	4,621	0	0	0	0	0	0	0	1,441,917	96.73
390.1	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	14,281,590	788,902	0	79,416	(217,270)	0	(21,727)	0	0	14,910,911	49.38
390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	1,448	2,216	0	0	0	0	0	0	0	3,664	32.59
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	857,550	95,800	0	0	(34,367)	0	0	0	0	918,983	44.95
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	149,988	0	0	0	(2,726)	0	0	0	0	147,242	152.12
392.1	TRANSPORTATION EQUIPMENT - CARS	40,509	93	0	0	0	0	0	0	0	40,602	99.90
392.2	TRANSPORTATION EQUIPMENT - TRUCKS	12,549	3,391	0	(3,181)	0	0	0	0	0	6,50	6.50
392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	12,549	0	0	0	0	0	0	0	0	12,549	100.00
394	TOOLS, SHOP AND GARAGE EQUIPMENT	2,686,401	427,027	0	(2,603)	(111,608)	0	0	0	0	2,995,217	33.19
396	POWER OPERATED EQUIPMENT	1,287,018	15,216	0	0	0	0	0	0	0	1,302,234	95.00
397	COMMUNICATION EQUIPMENT	361,315	58,613	0	0	0	0	0	0	0	419,928	74.58
398	MISCELLANEOUS EQUIPMENT	249,628	64,817	0	0	(53,248)	0	0	0	0	261,197	36.06
TOTAL DEPRECIABLE GAS PLANT		415,131,261	29,824,896	0	3,508,770	(15,796,503)	156,469	(6,270,439)	0	0	426,554,454	28.97

UGI UTILITIES, INC. - GAS DIVISION

TABLE 2. BOOK RESERVE AT SEPTEMBER 30, 2015 PROJECTED TO SEPTEMBER 30, 2016

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ACCOUNT	BOOK RESERVE AT BEGINNING OF YEAR	ANNUAL ACCRUAL	AMORTIZATION OF NET SALVAGE	RETIREMENTS	GROSS SALVAGE	COST OF REMOVAL	TRANSFERS AND ADJUSTMENTS	BOOK RESERVE AT END OF YEAR	BOOK RESERVE AS A PERCENT OF ORIGINAL COST
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION									
COMMON PLANT									
390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	13,751	0	0	0	0	0	125,499	78.49
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	74,898	(73,364)	(22,768)	0	0	0	113,662	13.16
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	73,018	0	(653,875)	0	0	0	55,280	34.23
392.1	TRANSPORTATION EQUIPMENT - CARS	5,659	0	0	0	0	0	57,401	80.13
	TOTAL COMMON PLANT	167,326	(73,364)	(676,643)	0	0	0	351,842	28.00
	TOTAL COMMON PLANT ALLOCATED TO GAS DIVISION - 15.36%	25,701	(11,269)	(103,932)	0	0	0	54,043	28.00
INFORMATION SERVICES (IS)									
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	3,535	0	(13,272)	0	0	0	55,458	77.68
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	775,667	0	(1,428,497)	0	0	0	2,065,289	53.86
391.3	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	1,168,358	0	(10,262,832)	0	0	0	9,368,820	48.91
391.4	OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	702,961	0	0	0	0	0	5,944,881	56.00
398	MISCELLANEOUS EQUIPMENT	0	0	0	0	0	0	0	0.00
	TOTAL INFORMATION SERVICES	2,650,421	0	(11,704,601)	0	0	0	17,434,448	51.77
	TOTAL INFORMATION SERVICES ALLOCATED TO GAS DIVISION - 48.83%	1,294,201	0	(5,715,357)	0	0	0	8,513,241	51.77
LESS READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS									
390.1	STRUCTURES AND IMPROVEMENTS	62,925	0	(9,107)	0	0	0	1,117,100	55.48
	TOTAL READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS - 51.74%	32,557	0	(4,712)	0	0	0	577,988	55.48
	TOTAL OTHER PLANT ALLOCATED TO GAS DIVISION	1,287,345	(11,269)	(5,814,577)	0	0	0	7,989,296	51.23
	TOTAL PLANT IN SERVICE	31,112,241	3,497,501	(21,611,080)	156,469	(6,270,439)	0	434,543,750	28.20

UGI UTILITIES, INC. - GAS DIVISION

TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

ACCOUNT (1)	BEGINNING OF YEAR BALANCE (2)	ADDITIONS (3)	RETIREMENTS (4)	END OF YEAR BALANCE (5)	AVERAGE BALANCE (6)	ANNUAL ACCRUAL RATE (7)	ANNUAL ACCRUAL AMOUNT (8)=(6)*(7)
DEPRECIABLE GAS PLANT							
305	0	0	0	0	0	0.00	0
375	2,185,833	0	0	2,185,833	2,185,833	1.33	29,072
376.1	196,322,666	21,961,424	(4,997,244)	213,286,846	204,804,756	1.38	2,826,306
376.2	3,279,714	0	(273,310)	3,006,404	3,143,059	3.55	111,579
376.3	431,810,019	43,700,963	(772,088)	474,738,894	453,274,457	1.67	7,569,683
376.5	294,940	0	0	294,940	294,940	1.19	3,510
378	25,715,714	5,305,671	(988,340)	30,033,045	27,874,380	2.48	691,285
378.1	1,269,066	30,000	(5,588)	1,293,478	1,281,272	9.25	118,518
379	4,184,130	385,000	(71,718)	4,497,412	4,340,771	1.24	53,826
380	507,886,675	50,155,528	(6,580,347)	551,461,856	529,674,266	2.49	13,188,889
381	45,302,992	2,100,000	(459,212)	46,943,780	46,123,386	3.31	1,526,684
381.2	8,915,628	1,400,000	(306,142)	10,009,486	9,462,557	3.59	339,706
382	59,764,251	3,209,995	(421,148)	62,553,098	61,158,675	2.23	1,363,838
383	5,635,556	1,045,292	(137,141)	6,543,707	6,089,632	3.05	185,734
384	9,807,087	793,308	(104,081)	10,496,314	10,151,701	2.03	206,080
385	5,250,444	576,000	(107,297)	5,719,147	5,484,796	1.35	74,045
386	337,967	0	0	337,967	337,967	2.20	7,435
386.1	946,896	0	0	946,896	946,896	1.71	16,192
386.2	24,705	0	0	24,705	24,705	1.34	331
386.3	0	0	0	0	0	0.00	0
387	1,901,480	296,000	(153,628)	2,043,852	1,972,666	2.61	51,487
387.1	1,490,664	0	0	1,490,664	1,490,664	0.31	4,621
390.1	28,238,823	2,172,700	(217,270)	30,194,253	29,216,538	2.70	788,902
390.2	11,241	0	0	11,241	11,241	19.71	2,216
391	1,826,289	252,500	(34,367)	2,044,422	1,935,356	4.95	95,800
391.1	77,520	22,000	(2,726)	96,794	87,157	0.00	0
392.1	40,643	0	0	40,643	40,643	0.23	93
392.2	30,668	400,000	0	430,668	230,668	1.47	3,391
392.4	12,549	0	0	12,549	12,549	0.00	0
394	8,044,390	1,103,895	(111,608)	9,036,677	8,540,534	5.00	427,027
396	1,370,792	0	0	1,370,792	1,370,792	1.11	15,216
397	563,043	0	0	563,043	563,043	10.41	58,613
398	640,154	137,500	(53,248)	724,406	682,280	9.50	64,817
TOTAL DEPRECIABLE GAS PLANT	1,353,182,539	135,047,776	(15,796,503)	1,472,433,812	1,412,808,176		29,824,896

UGI UTILITIES, INC. - GAS DIVISION

TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2016

ACCOUNT (1)	BEGINNING OF YEAR BALANCE (2)	ADDITIONS (3)	RETIREMENTS (4)	END OF YEAR BALANCE (5)	AVERAGE BALANCE (6)	ANNUAL ACCRUAL RATE (7)	ANNUAL ACCRUAL AMOUNT (8)=(6)*(7)
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION							
COMMON PLANT							
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	159,895	0	0	159,895	159,895	8.60	13,751
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	886,365	0	(22,768)	863,597	874,981	8.56	74,898
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	815,349	0	(653,875)	161,474	488,412	14.95	73,018
392.1 TRANSPORTATION EQUIPMENT - CARS	71,637	0	0	71,637	71,637	7.90	5,659
TOTAL COMMON PLANT	1,933,246	0	(676,643)	1,256,603	1,594,925		167,326
TOTAL COMMON PLANT ALLOCATED TO GAS DIVISION - 15.36%	296,947	0	(103,932)	193,014	244,980		25,701
INFORMATION SERVICES (IS)							
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	84,667	0	(13,272)	71,395	78,031	4.53	3,535
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5,263,027	0	(1,428,497)	3,834,530	4,548,779	17.05	775,567
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	23,118,210	6,300,000	(10,262,832)	19,155,378	21,136,794	5.53	1,168,358
391.4 OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	10,494,969	120,000	0	10,614,969	10,554,969	6.66	702,961
TOTAL INFORMATION SERVICES	38,960,873	6,420,000	(11,704,601)	33,676,272	36,318,573		2,650,421
TOTAL INFORMATION SERVICES ALLOCATED TO GAS DIVISION - 48.83%	19,024,594	3,134,886	(5,715,357)	16,444,124	17,734,359		1,294,201
LESS READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS							
390.1 STRUCTURES AND IMPROVEMENTS	1,931,591	91,066	(9,107)	2,013,550	1,972,571	3.19	62,925
TOTAL READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS - 51.74%	999,405	47,118	(4,712)	1,041,811	1,020,608		32,557
TOTAL OTHER PLANT ALLOCATED TO GAS DIVISION	18,322,136	3,087,768	(5,814,577)	15,595,327	16,958,731		1,287,345
TOTAL PLANT IN SERVICE	1,371,504,675	138,135,544	(21,611,080)	1,488,029,139	1,429,766,907		31,112,241

UGI UTILITIES, INC. - GAS DIVISION

TABLE 4. AMORTIZATION OF EXPERIENCED AND ESTIMATED NET SALVAGE

ACCOUNT (1)	2012		2013		2014		2015		2016		NET SALVAGE ACCRUAL (13)=(12)/5	
	GROSS SALVAGE (2)	COST OF REMOVAL (3)	GROSS SALVAGE (4)	COST OF REMOVAL (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	GROSS SALVAGE (8)	COST OF REMOVAL (9)	GROSS SALVAGE (10)	COST OF REMOVAL (11)		
GAS PLANT												
305	0	439,982	0	56,278	0	223,599	0	206,178	0	553,000	1,479,037	
375	0	0	0	0	0	0	0	0	0	0	0	
376.1	0	221,790	40,693	350,176	3,004	108,084	0	36,113	0	883,316	1,643,176	
376.2	0	122,349	0	169,031	0	155,935	0	182,638	0	137,431	767,384	
376.3	0	11,061	0	17,575	0	28,517	0	73,057	0	46,335	176,545	
376.5	0	0	0	0	0	0	0	0	0	0	0	
378	(18,148)	96,905	(19,268)	87,047	(27,231)	66,952	(30,924)	125,153	(126,672)	547,834	701,648	
378.1	0	0	0	0	0	0	0	0	0	0	0	
379	0	0	0	0	0	0	0	0	(9,192)	39,753	30,561	
380	0	1,067,901	(16,310)	1,861,217	0	4,210,886	0	4,358,882	(4,121)	3,548,892	15,027,347	
381	(11,238)	13,752	0	3,554	0	0	0	0	(1,390)	2,140	6,818	
381.2	0	0	0	0	0	0	0	0	(927)	1,427	500	
382	0	3,072	0	23,765	0	11,418	0	6,395	(264)	227,132	271,518	
383	0	41,383	0	21,364	0	266	0	793,334	(86)	73,962	930,223	
384	0	1,357	0	3,620	0	19,227	0	4,676	(65)	56,133	84,948	
385	0	0	0	0	0	0	0	0	(13,752)	59,474	45,722	
386	0	0	0	0	0	0	0	0	0	0	0	
386.1	0	0	0	0	0	0	0	0	0	0	0	
386.2	0	0	0	0	0	0	0	0	0	0	0	
386.3	0	0	0	0	0	0	0	2,588	0	0	2,588	
387	0	0	0	0	0	0	0	0	0	71,883	71,883	
387.1	0	0	0	0	0	0	0	0	0	0	0	
390.1	0	39,977	0	21,204	0	91,839	0	244,059	0	21,727	418,806	
390.2	0	0	0	0	0	0	0	0	0	0	0	
391	0	0	0	0	0	0	0	0	0	0	0	
391.1	0	0	0	0	0	0	0	0	0	0	0	
392.1	0	0	0	0	0	0	0	0	0	0	0	
392.2	0	0	(4,509)	10	(8,445)	0	(2,963)	0	0	0	(15,907)	
392.4	0	0	0	0	0	0	0	0	0	0	0	
393	0	0	0	0	0	0	0	0	0	0	0	
394	0	0	(12,050)	(965)	0	0	0	0	0	0	(13,015)	
396	0	0	0	0	0	0	0	0	0	0	0	
397	0	0	0	0	0	0	0	0	0	0	0	
398	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	(29,386)	2,059,529	(11,444)	2,613,876	(32,672)	4,916,723	(33,887)	6,033,073	(156,469)	6,270,439	21,629,782	4,325,958

UGI UTILITIES, INC. - GAS DIVISION

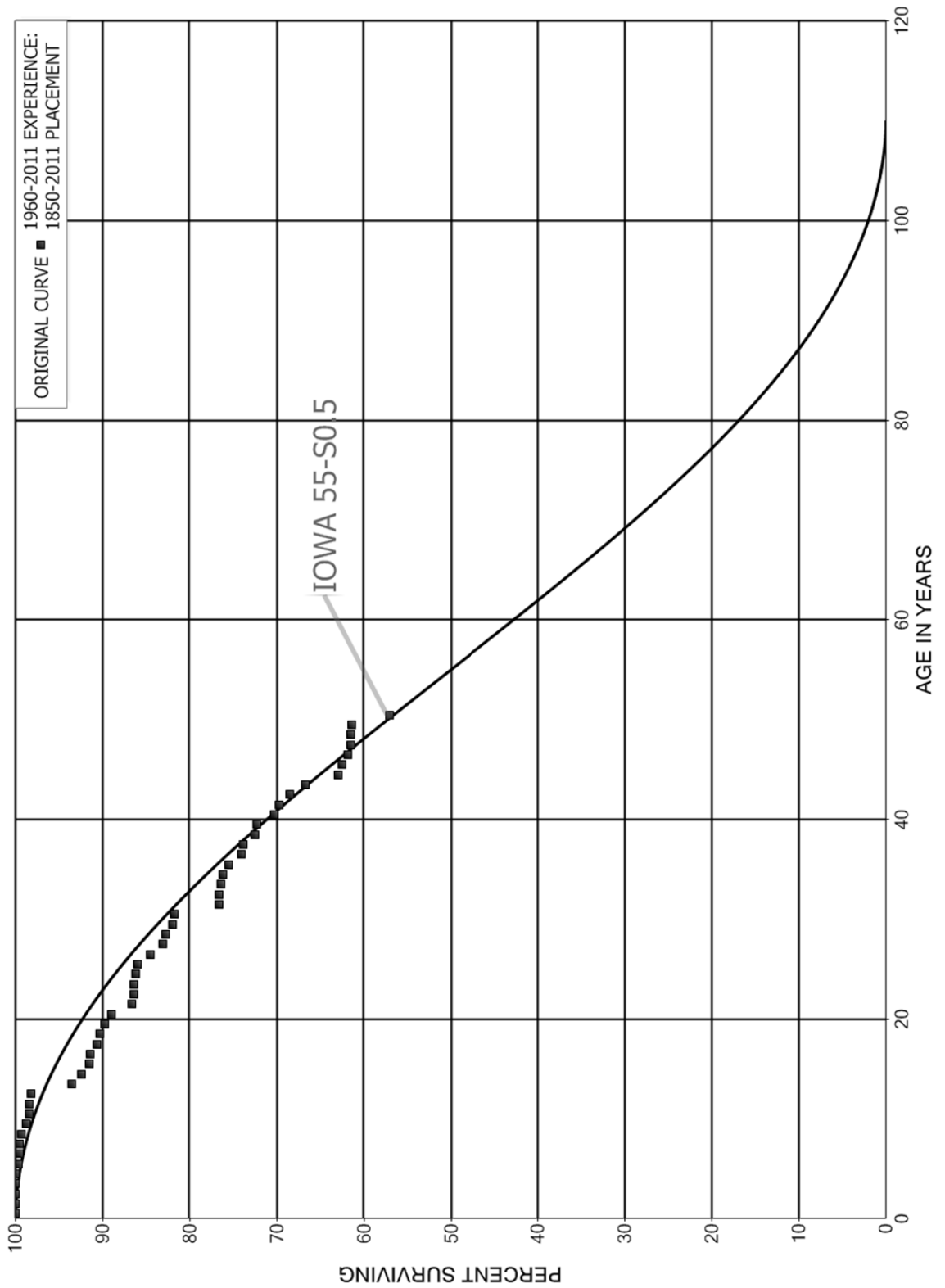
TABLE 4. AMORTIZATION OF EXPERIENCED AND ESTIMATED NET SALVAGE

ACCOUNT (1)	2012		2013		2014		2015		2016		NET SALVAGE ACCRUAL (13)=(12)/5	
	GROSS SALVAGE (2)	COST OF REMOVAL (3)	GROSS SALVAGE (4)	COST OF REMOVAL (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	GROSS SALVAGE (8)	COST OF REMOVAL (9)	GROSS SALVAGE (10)	COST OF REMOVAL (11)		NET SALVAGE (12)*
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION												
COMMON PLANT												
390.2	0	0	0	0	0	0	0	0	0	0	0	0
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
392.1	0	0	0	0	0	0	0	0	0	0	0	0
397	0	0	0	0	0	0	0	0	0	0	0	0
398	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
INFORMATION SERVICES												
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
391.2	0	0	0	0	0	0	0	0	0	0	0	0
391.3	0	0	0	0	0	0	0	0	0	0	0	0
391.4	0	0	0	0	0	0	0	0	0	0	0	0
398	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER UTILITY PLANT	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	(29,386)	2,059,529	(11,444)	2,613,876	(32,672)	4,916,723	(33,887)	6,033,073	(156,469)	6,270,439	21,629,762	4,325,958

* COLUMN (12) EQUALS THE SUMMATION OF COLUMNS (2) THROUGH (11).

PART VI. SERVICE LIFE STATISTICS

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 375 STRUCTURES AND IMPROVEMENTS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1850-2011			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	716,843		0.0000	1.0000	100.00
0.5	762,123		0.0000	1.0000	100.00
1.5	766,718		0.0000	1.0000	100.00
2.5	769,967	89	0.0001	0.9999	100.00
3.5	794,311	137	0.0002	0.9998	99.99
4.5	773,405	2,999	0.0039	0.9961	99.97
5.5	764,453	423	0.0006	0.9994	99.58
6.5	805,148		0.0000	1.0000	99.53
7.5	836,623	2,023	0.0024	0.9976	99.53
8.5	852,639	4,710	0.0055	0.9945	99.29
9.5	854,193	2,610	0.0031	0.9969	98.74
10.5	814,606	639	0.0008	0.9992	98.44
11.5	825,555	1,822	0.0022	0.9978	98.36
12.5	817,057	38,830	0.0475	0.9525	98.14
13.5	821,151	9,540	0.0116	0.9884	93.48
14.5	850,847	7,843	0.0092	0.9908	92.39
15.5	824,029	1,227	0.0015	0.9985	91.54
16.5	822,017	7,417	0.0090	0.9910	91.41
17.5	833,138	2,633	0.0032	0.9968	90.58
18.5	826,625	5,612	0.0068	0.9932	90.29
19.5	827,717	6,838	0.0083	0.9917	89.68
20.5	818,119	20,937	0.0256	0.9744	88.94
21.5	801,321	2,033	0.0025	0.9975	86.66
22.5	783,114		0.0000	1.0000	86.44
23.5	785,768	2,775	0.0035	0.9965	86.44
24.5	764,971	1,812	0.0024	0.9976	86.14
25.5	779,898	13,439	0.0172	0.9828	85.93
26.5	787,725	12,929	0.0164	0.9836	84.45
27.5	681,648	2,939	0.0043	0.9957	83.07
28.5	667,550	6,043	0.0091	0.9909	82.71
29.5	711,966	1,976	0.0028	0.9972	81.96
30.5	707,710	43,921	0.0621	0.9379	81.73
31.5	666,186	685	0.0010	0.9990	76.66
32.5	662,023	1,350	0.0020	0.9980	76.58
33.5	673,611	2,166	0.0032	0.9968	76.43
34.5	727,273	6,619	0.0091	0.9909	76.18
35.5	823,486	16,098	0.0195	0.9805	75.49
36.5	776,933	1,384	0.0018	0.9982	74.01
37.5	764,175	14,093	0.0184	0.9816	73.88
38.5	733,785	2,804	0.0038	0.9962	72.52

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1850-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	748,535	20,796	0.0278	0.9722	72.24	
40.5	685,525	4,646	0.0068	0.9932	70.23	
41.5	677,285	12,333	0.0182	0.9818	69.76	
42.5	648,616	17,071	0.0263	0.9737	68.49	
43.5	633,694	34,989	0.0552	0.9448	66.68	
44.5	603,280	4,708	0.0078	0.9922	63.00	
45.5	602,793	6,685	0.0111	0.9889	62.51	
46.5	655,052	3,036	0.0046	0.9954	61.82	
47.5	765,500	410	0.0005	0.9995	61.53	
48.5	781,837	1,636	0.0021	0.9979	61.50	
49.5	873,626	61,152	0.0700	0.9300	61.37	
50.5	1,100,154	23,895	0.0217	0.9783	57.07	
51.5	1,205,367	5,151	0.0043	0.9957	55.83	
52.5	1,180,914	3,076	0.0026	0.9974	55.60	
53.5	1,153,440	127	0.0001	0.9999	55.45	
54.5	1,155,528	3,504	0.0030	0.9970	55.44	
55.5	1,118,770	5,769	0.0052	0.9948	55.28	
56.5	1,075,040	5,449	0.0051	0.9949	54.99	
57.5	987,723	10,704	0.0108	0.9892	54.71	
58.5	913,122	9,305	0.0102	0.9898	54.12	
59.5	894,348	3,211	0.0036	0.9964	53.57	
60.5	772,171	6,162	0.0080	0.9920	53.38	
61.5	451,235	5,610	0.0124	0.9876	52.95	
62.5	290,209	2,436	0.0084	0.9916	52.29	
63.5	260,907	24,558	0.0941	0.9059	51.85	
64.5	180,100	6,254	0.0347	0.9653	46.97	
65.5	113,874	4,834	0.0424	0.9576	45.34	
66.5	101,712	9,876	0.0971	0.9029	43.42	
67.5	105,368	1,502	0.0143	0.9857	39.20	
68.5	100,393	22,509	0.2242	0.7758	38.64	
69.5	77,376	16,084	0.2079	0.7921	29.98	
70.5	65,395	3,262	0.0499	0.9501	23.75	
71.5	63,920	498	0.0078	0.9922	22.56	
72.5	61,001	18	0.0003	0.9997	22.39	
73.5	73,446		0.0000	1.0000	22.38	
74.5	73,240		0.0000	1.0000	22.38	
75.5	77,838		0.0000	1.0000	22.38	
76.5	116,496		0.0000	1.0000	22.38	
77.5	115,897	200	0.0017	0.9983	22.38	
78.5	110,851		0.0000	1.0000	22.34	

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1850-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	130,535	2,347	0.0180	0.9820	22.34	
80.5	127,894	249	0.0019	0.9981	21.94	
81.5	123,734	425	0.0034	0.9966	21.90	
82.5	121,522		0.0000	1.0000	21.82	
83.5	126,607		0.0000	1.0000	21.82	
84.5	115,469	256	0.0022	0.9978	21.82	
85.5	113,776	660	0.0058	0.9942	21.77	
86.5	105,525		0.0000	1.0000	21.65	
87.5	56,043		0.0000	1.0000	21.65	
88.5	55,691		0.0000	1.0000	21.65	
89.5	54,147		0.0000	1.0000	21.65	
90.5	36,739		0.0000	1.0000	21.65	
91.5	34,207		0.0000	1.0000	21.65	
92.5	32,868		0.0000	1.0000	21.65	
93.5	28,124		0.0000	1.0000	21.65	
94.5	22,869		0.0000	1.0000	21.65	
95.5	23,934		0.0000	1.0000	21.65	
96.5	23,934		0.0000	1.0000	21.65	
97.5	23,934		0.0000	1.0000	21.65	
98.5	25,000		0.0000	1.0000	21.65	
99.5	24,643		0.0000	1.0000	21.65	
100.5	24,643		0.0000	1.0000	21.65	
101.5	22,533		0.0000	1.0000	21.65	
102.5	21,629		0.0000	1.0000	21.65	
103.5	20,927		0.0000	1.0000	21.65	
104.5	20,927		0.0000	1.0000	21.65	
105.5	18,792		0.0000	1.0000	21.65	
106.5	17,965		0.0000	1.0000	21.65	
107.5	17,965		0.0000	1.0000	21.65	
108.5	17,965	9,167	0.5103	0.4897	21.65	
109.5	10,667		0.0000	1.0000	10.60	
110.5	10,667		0.0000	1.0000	10.60	
111.5	10,667	67	0.0063	0.9937	10.60	
112.5	10,600		0.0000	1.0000	10.53	
113.5	9,946		0.0000	1.0000	10.53	
114.5	9,767		0.0000	1.0000	10.53	
115.5	9,767	975	0.0998	0.9002	10.53	
116.5	8,792	418	0.0476	0.9524	9.48	
117.5	8,373	2,117	0.2528	0.7472	9.03	
118.5	6,256		0.0000	1.0000	6.75	

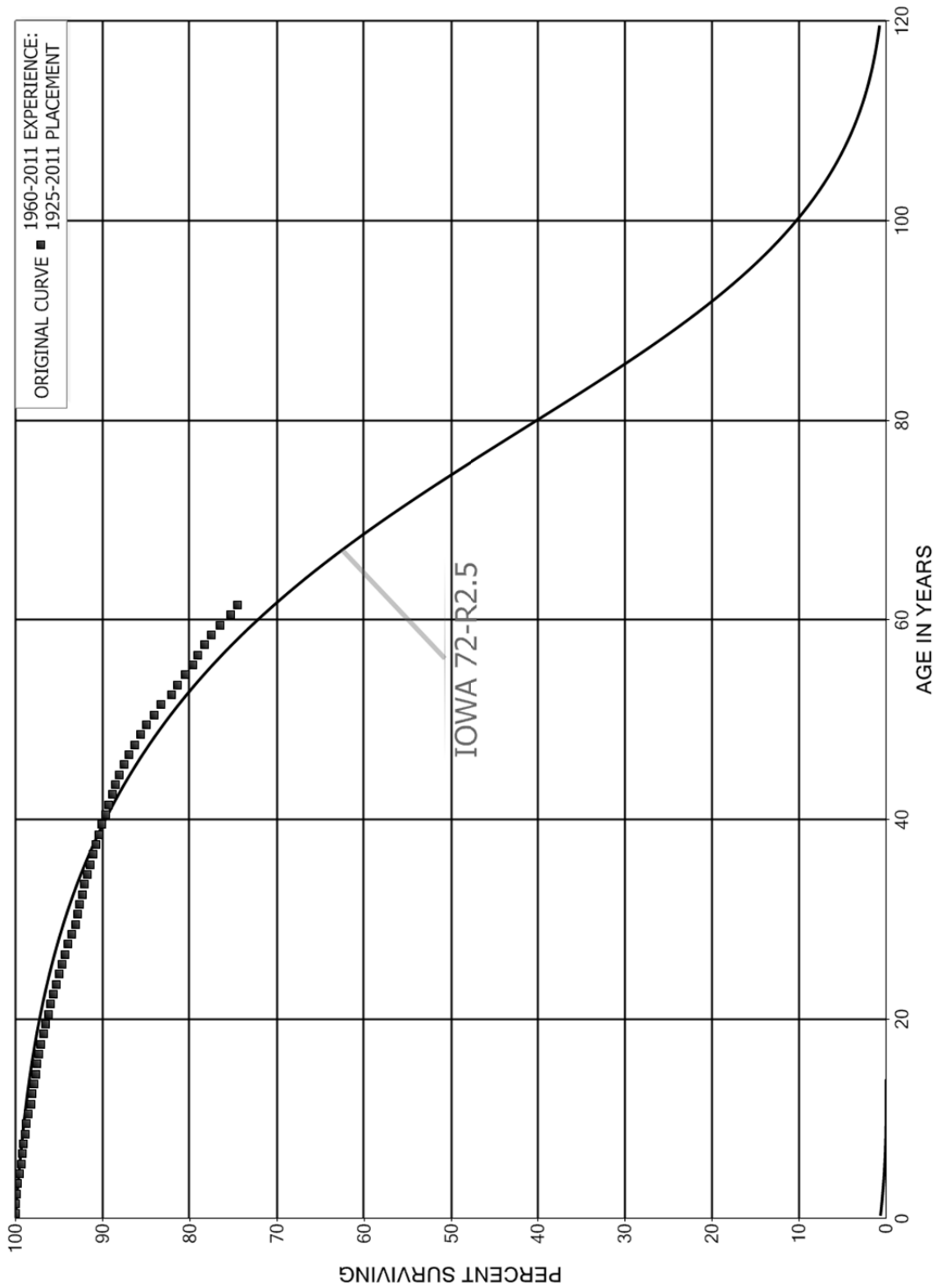
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1850-2011			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	6,256		0.0000	1.0000	6.75
120.5	6,256		0.0000	1.0000	6.75
121.5	6,256		0.0000	1.0000	6.75
122.5	2,064		0.0000	1.0000	6.75
123.5	2,064		0.0000	1.0000	6.75
124.5	2,064		0.0000	1.0000	6.75
125.5	2,064		0.0000	1.0000	6.75
126.5	1,363		0.0000	1.0000	6.75
127.5	1,363		0.0000	1.0000	6.75
128.5	1,363		0.0000	1.0000	6.75
129.5	1,363		0.0000	1.0000	6.75
130.5	1,363		0.0000	1.0000	6.75
131.5	1,363		0.0000	1.0000	6.75
132.5	1,436		0.0000	1.0000	6.75
133.5	1,436		0.0000	1.0000	6.75
134.5	1,436		0.0000	1.0000	6.75
135.5	1,436		0.0000	1.0000	6.75
136.5	1,436		0.0000	1.0000	6.75
137.5	1,436		0.0000	1.0000	6.75
138.5	1,436		0.0000	1.0000	6.75
139.5	1,436		0.0000	1.0000	6.75
140.5	1,436		0.0000	1.0000	6.75
141.5	1,436		0.0000	1.0000	6.75
142.5	1,436		0.0000	1.0000	6.75
143.5	1,363		0.0000	1.0000	6.75
144.5	1,363		0.0000	1.0000	6.75
145.5	1,363		0.0000	1.0000	6.75
146.5	1,363		0.0000	1.0000	6.75
147.5	1,363		0.0000	1.0000	6.75
148.5	1,363		0.0000	1.0000	6.75
149.5	1,363		0.0000	1.0000	6.75
150.5	2,795		0.0000	1.0000	6.75
151.5	2,795		0.0000	1.0000	6.75
152.5	2,795		0.0000	1.0000	6.75
153.5	2,795		0.0000	1.0000	6.75
154.5	2,795		0.0000	1.0000	6.75
155.5	2,795		0.0000	1.0000	6.75
156.5	2,795		0.0000	1.0000	6.75
157.5	2,795		0.0000	1.0000	6.75
158.5	2,795		0.0000	1.0000	6.75
159.5	2,795		0.0000	1.0000	6.75
160.5	2,795		0.0000	1.0000	6.75
161.5					6.75

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 376 MAINS - PRIMARILY STEEL
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	171,525,935	9,253	0.0001	0.9999	100.00
0.5	172,694,099	128,210	0.0007	0.9993	99.99
1.5	170,837,872	164,256	0.0010	0.9990	99.92
2.5	170,072,546	176,887	0.0010	0.9990	99.82
3.5	170,154,753	344,113	0.0020	0.9980	99.72
4.5	170,808,984	317,798	0.0019	0.9981	99.52
5.5	169,824,318	350,661	0.0021	0.9979	99.33
6.5	169,605,063	114,009	0.0007	0.9993	99.13
7.5	168,713,059	405,086	0.0024	0.9976	99.06
8.5	165,522,756	245,512	0.0015	0.9985	98.82
9.5	166,043,336	376,217	0.0023	0.9977	98.68
10.5	163,749,238	436,247	0.0027	0.9973	98.45
11.5	161,002,322	199,288	0.0012	0.9988	98.19
12.5	159,524,395	377,094	0.0024	0.9976	98.07
13.5	157,372,101	289,231	0.0018	0.9982	97.84
14.5	155,172,767	287,626	0.0019	0.9981	97.66
15.5	149,894,631	371,914	0.0025	0.9975	97.48
16.5	144,321,582	276,363	0.0019	0.9981	97.24
17.5	143,050,064	485,448	0.0034	0.9966	97.05
18.5	141,619,909	346,991	0.0025	0.9975	96.72
19.5	138,791,082	476,428	0.0034	0.9966	96.48
20.5	135,273,592	268,593	0.0020	0.9980	96.15
21.5	131,681,751	490,379	0.0037	0.9963	95.96
22.5	127,741,485	414,847	0.0032	0.9968	95.60
23.5	123,152,066	415,664	0.0034	0.9966	95.29
24.5	120,763,193	476,476	0.0039	0.9961	94.97
25.5	115,381,699	406,422	0.0035	0.9965	94.60
26.5	111,935,132	363,625	0.0032	0.9968	94.26
27.5	109,230,832	541,833	0.0050	0.9950	93.96
28.5	107,214,983	426,696	0.0040	0.9960	93.49
29.5	100,224,554	253,849	0.0025	0.9975	93.12
30.5	93,377,155	316,266	0.0034	0.9966	92.88
31.5	83,652,829	212,510	0.0025	0.9975	92.57
32.5	79,002,765	261,551	0.0033	0.9967	92.33
33.5	76,595,458	258,380	0.0034	0.9966	92.03
34.5	73,759,209	237,578	0.0032	0.9968	91.72
35.5	71,326,937	321,175	0.0045	0.9955	91.42
36.5	68,562,836	225,297	0.0033	0.9967	91.01
37.5	65,038,318	206,964	0.0032	0.9968	90.71
38.5	61,740,169	276,424	0.0045	0.9955	90.42

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	58,352,446	265,416	0.0045	0.9955	90.02	
40.5	54,761,450	184,929	0.0034	0.9966	89.61	
41.5	51,208,199	272,144	0.0053	0.9947	89.31	
42.5	46,875,519	178,613	0.0038	0.9962	88.83	
43.5	43,031,621	220,716	0.0051	0.9949	88.49	
44.5	39,511,291	235,691	0.0060	0.9940	88.04	
45.5	36,090,216	236,307	0.0065	0.9935	87.51	
46.5	32,914,662	239,274	0.0073	0.9927	86.94	
47.5	30,257,141	241,917	0.0080	0.9920	86.31	
48.5	27,522,371	224,396	0.0082	0.9918	85.62	
49.5	25,260,635	267,809	0.0106	0.9894	84.92	
50.5	23,017,141	205,871	0.0089	0.9911	84.02	
51.5	19,832,831	286,597	0.0145	0.9855	83.27	
52.5	17,708,504	153,886	0.0087	0.9913	82.07	
53.5	14,433,243	149,331	0.0103	0.9897	81.35	
54.5	12,686,804	140,935	0.0111	0.9889	80.51	
55.5	10,594,648	71,966	0.0068	0.9932	79.62	
56.5	9,257,059	77,086	0.0094	0.9906	79.08	
57.5	7,688,876	77,838	0.0101	0.9899	78.33	
58.5	6,760,732	89,703	0.0133	0.9867	77.54	
59.5	5,950,386	93,586	0.0157	0.9843	76.51	
60.5	5,458,271	59,237	0.0109	0.9891	75.31	
61.5	3,619,443	56,720	0.0157	0.9843	74.49	
62.5	3,404,831	71,985	0.0211	0.9789	73.32	
63.5	3,215,530	30,259	0.0094	0.9906	71.77	
64.5	3,089,151	50,231	0.0163	0.9837	71.10	
65.5	2,653,546	39,262	0.0148	0.9852	69.94	
66.5	2,595,804	59,505	0.0229	0.9771	68.91	
67.5	2,532,000	18,476	0.0073	0.9927	67.33	
68.5	2,505,932	31,618	0.0126	0.9874	66.83	
69.5	2,431,837	35,432	0.0146	0.9854	65.99	
70.5	2,346,725	33,177	0.0141	0.9859	65.03	
71.5	2,280,462	38,150	0.0167	0.9833	64.11	
72.5	2,211,032	50,835	0.0230	0.9770	63.04	
73.5	2,138,099	77,064	0.0360	0.9640	61.59	
74.5	2,020,610	62,825	0.0311	0.9689	59.37	
75.5	1,922,002	28,230	0.0147	0.9853	57.52	
76.5	1,863,842	40,408	0.0217	0.9783	56.68	
77.5	1,826,368	15,085	0.0083	0.9917	55.45	
78.5	1,789,411	13,704	0.0077	0.9923	54.99	

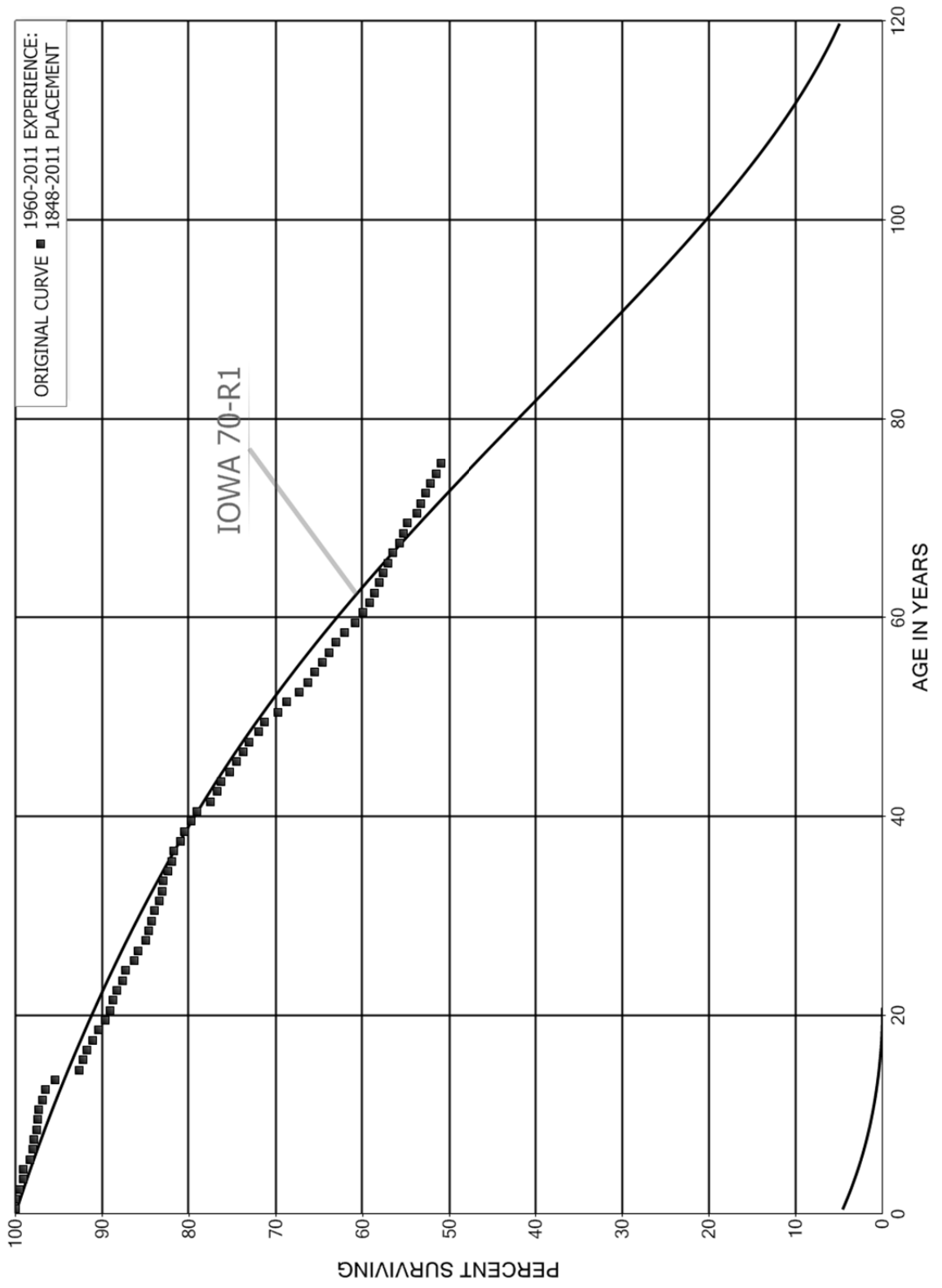
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	1,736,197	19,569	0.0113	0.9887	54.57	
80.5	1,476,813	40,479	0.0274	0.9726	53.95	
81.5	1,048,407	28,142	0.0268	0.9732	52.48	
82.5	798,677	20,001	0.0250	0.9750	51.07	
83.5	539,256	28,573	0.0530	0.9470	49.79	
84.5	421,196	22,194	0.0527	0.9473	47.15	
85.5	37,816	7,256	0.1919	0.8081	44.67	
86.5					36.10	

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 376 MAINS - CAST IRON
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

ORIGINAL LIFE TABLE

PLACEMENT BAND 1848-2011			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	86,429		0.0000	1.0000	100.00
0.5	362,798		0.0000	1.0000	100.00
1.5	644,588	3,376	0.0052	0.9948	100.00
2.5	957,719	3,473	0.0036	0.9964	99.48
3.5	1,225,928	525	0.0004	0.9996	99.12
4.5	1,431,874	11,504	0.0080	0.9920	99.07
5.5	1,643,312	5,158	0.0031	0.9969	98.28
6.5	1,911,000	2,734	0.0014	0.9986	97.97
7.5	2,108,714	6,671	0.0032	0.9968	97.83
8.5	2,302,901	1,972	0.0009	0.9991	97.52
9.5	2,511,213	3,127	0.0012	0.9988	97.44
10.5	2,677,251	14,625	0.0055	0.9945	97.31
11.5	2,791,786	8,394	0.0030	0.9970	96.78
12.5	2,903,598	31,594	0.0109	0.9891	96.49
13.5	2,934,288	86,763	0.0296	0.9704	95.44
14.5	2,873,867	13,462	0.0047	0.9953	92.62
15.5	2,878,337	15,246	0.0053	0.9947	92.19
16.5	2,926,102	21,862	0.0075	0.9925	91.70
17.5	2,935,995	19,803	0.0067	0.9933	91.01
18.5	3,001,136	26,985	0.0090	0.9910	90.40
19.5	3,014,954	18,325	0.0061	0.9939	89.59
20.5	3,040,046	9,333	0.0031	0.9969	89.04
21.5	3,067,923	18,431	0.0060	0.9940	88.77
22.5	3,077,259	21,917	0.0071	0.9929	88.23
23.5	3,080,393	12,031	0.0039	0.9961	87.61
24.5	3,079,582	34,170	0.0111	0.9889	87.26
25.5	3,053,713	16,511	0.0054	0.9946	86.30
26.5	3,076,526	33,572	0.0109	0.9891	85.83
27.5	3,068,839	9,579	0.0031	0.9969	84.89
28.5	3,108,809	10,891	0.0035	0.9965	84.63
29.5	3,237,599	16,633	0.0051	0.9949	84.33
30.5	3,429,273	18,628	0.0054	0.9946	83.90
31.5	3,609,663	15,311	0.0042	0.9958	83.44
32.5	3,813,701	8,873	0.0023	0.9977	83.09
33.5	4,094,805	26,216	0.0064	0.9936	82.89
34.5	4,372,081	19,307	0.0044	0.9956	82.36
35.5	4,876,014	18,656	0.0038	0.9962	82.00
36.5	5,197,336	43,775	0.0084	0.9916	81.69
37.5	5,299,880	29,004	0.0055	0.9945	81.00
38.5	5,346,458	56,405	0.0106	0.9894	80.56

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1848-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	5,378,541	45,417	0.0084	0.9916	79.71	
40.5	5,392,460	106,710	0.0198	0.9802	79.03	
41.5	5,323,277	51,809	0.0097	0.9903	77.47	
42.5	5,346,189	26,553	0.0050	0.9950	76.71	
43.5	5,414,374	71,600	0.0132	0.9868	76.33	
44.5	5,419,065	55,266	0.0102	0.9898	75.32	
45.5	5,397,016	59,045	0.0109	0.9891	74.56	
46.5	5,369,965	49,771	0.0093	0.9907	73.74	
47.5	5,382,978	78,203	0.0145	0.9855	73.06	
48.5	5,334,721	54,614	0.0102	0.9898	72.00	
49.5	5,325,249	117,027	0.0220	0.9780	71.26	
50.5	5,262,562	73,414	0.0140	0.9860	69.69	
51.5	5,239,105	107,777	0.0206	0.9794	68.72	
52.5	4,938,668	77,727	0.0157	0.9843	67.31	
53.5	4,758,191	52,948	0.0111	0.9889	66.25	
54.5	4,559,490	61,905	0.0136	0.9864	65.51	
55.5	4,375,193	51,257	0.0117	0.9883	64.62	
56.5	4,231,555	55,076	0.0130	0.9870	63.86	
57.5	4,079,791	61,120	0.0150	0.9850	63.03	
58.5	3,893,252	80,732	0.0207	0.9793	62.09	
59.5	3,752,953	55,766	0.0149	0.9851	60.80	
60.5	3,611,235	43,570	0.0121	0.9879	59.90	
61.5	3,442,154	33,878	0.0098	0.9902	59.17	
62.5	3,358,829	27,753	0.0083	0.9917	58.59	
63.5	3,272,660	30,220	0.0092	0.9908	58.11	
64.5	3,200,103	28,460	0.0089	0.9911	57.57	
65.5	3,165,448	28,269	0.0089	0.9911	57.06	
66.5	3,148,317	46,767	0.0149	0.9851	56.55	
67.5	3,096,944	23,931	0.0077	0.9923	55.71	
68.5	3,090,229	25,784	0.0083	0.9917	55.28	
69.5	3,080,525	59,954	0.0195	0.9805	54.82	
70.5	2,997,537	29,009	0.0097	0.9903	53.75	
71.5	2,964,935	29,299	0.0099	0.9901	53.23	
72.5	2,919,959	29,843	0.0102	0.9898	52.70	
73.5	2,895,198	35,371	0.0122	0.9878	52.17	
74.5	2,852,535	28,980	0.0102	0.9898	51.53	
75.5	2,817,536	34,051	0.0121	0.9879	51.01	
76.5	2,792,527	33,491	0.0120	0.9880	50.39	
77.5	2,771,150	34,680	0.0125	0.9875	49.78	
78.5	2,721,990	32,794	0.0120	0.9880	49.16	

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1848-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	2,696,835	47,112	0.0175	0.9825	48.57	
80.5	2,636,474	47,171	0.0179	0.9821	47.72	
81.5	2,515,500	27,190	0.0108	0.9892	46.87	
82.5	2,348,934	46,625	0.0198	0.9802	46.36	
83.5	2,226,434	41,201	0.0185	0.9815	45.44	
84.5	2,087,366	31,059	0.0149	0.9851	44.60	
85.5	1,879,247	24,475	0.0130	0.9870	43.94	
86.5	1,724,634	25,590	0.0148	0.9852	43.36	
87.5	1,477,219	23,389	0.0158	0.9842	42.72	
88.5	1,333,210	15,238	0.0114	0.9886	42.04	
89.5	1,226,685	19,402	0.0158	0.9842	41.56	
90.5	1,166,479	20,183	0.0173	0.9827	40.91	
91.5	1,120,002	11,318	0.0101	0.9899	40.20	
92.5	1,084,404	19,745	0.0182	0.9818	39.79	
93.5	1,047,885	30,857	0.0294	0.9706	39.07	
94.5	982,204	17,775	0.0181	0.9819	37.92	
95.5	916,919	8,690	0.0095	0.9905	37.23	
96.5	870,177	12,264	0.0141	0.9859	36.88	
97.5	844,883	18,190	0.0215	0.9785	36.36	
98.5	812,526	11,355	0.0140	0.9860	35.58	
99.5	774,825	10,325	0.0133	0.9867	35.08	
100.5	742,427	15,243	0.0205	0.9795	34.61	
101.5	693,325	19,167	0.0276	0.9724	33.90	
102.5	646,724	14,128	0.0218	0.9782	32.96	
103.5	604,728	16,489	0.0273	0.9727	32.24	
104.5	568,829	14,204	0.0250	0.9750	31.36	
105.5	532,443	9,567	0.0180	0.9820	30.58	
106.5	500,822	12,911	0.0258	0.9742	30.03	
107.5	463,651	14,513	0.0313	0.9687	29.26	
108.5	425,282	10,654	0.0251	0.9749	28.34	
109.5	403,630	15,352	0.0380	0.9620	27.63	
110.5	356,942	8,907	0.0250	0.9750	26.58	
111.5	322,880	7,261	0.0225	0.9775	25.92	
112.5	301,403	8,299	0.0275	0.9725	25.33	
113.5	284,798	4,655	0.0163	0.9837	24.64	
114.5	271,800	7,056	0.0260	0.9740	24.23	
115.5	250,839	4,796	0.0191	0.9809	23.60	
116.5	231,461	8,340	0.0360	0.9640	23.15	
117.5	217,978	1,563	0.0072	0.9928	22.32	
118.5	208,664	3,856	0.0185	0.9815	22.16	

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1848-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
119.5	202,322	2,255	0.0111	0.9889	21.75	
120.5	193,747	2,901	0.0150	0.9850	21.51	
121.5	183,467	5,957	0.0325	0.9675	21.19	
122.5	172,470	7,947	0.0461	0.9539	20.50	
123.5	160,163	2,026	0.0127	0.9873	19.55	
124.5	154,351	2,706	0.0175	0.9825	19.31	
125.5	144,722	4,996	0.0345	0.9655	18.97	
126.5	138,183	4,694	0.0340	0.9660	18.31	
127.5	131,468	4,538	0.0345	0.9655	17.69	
128.5	120,950	5,215	0.0431	0.9569	17.08	
129.5	112,021	2,312	0.0206	0.9794	16.34	
130.5	106,647	3,012	0.0282	0.9718	16.01	
131.5	101,299	919	0.0091	0.9909	15.55	
132.5	97,850	3,082	0.0315	0.9685	15.41	
133.5	91,505	1,140	0.0125	0.9875	14.93	
134.5	84,556	2,002	0.0237	0.9763	14.74	
135.5	74,865	1,470	0.0196	0.9804	14.39	
136.5	68,580	3,144	0.0459	0.9541	14.11	
137.5	65,080	1,078	0.0166	0.9834	13.46	
138.5	47,953	1,903	0.0397	0.9603	13.24	
139.5	32,316	1,040	0.0322	0.9678	12.71	
140.5	30,045	874	0.0291	0.9709	12.31	
141.5	24,486	880	0.0359	0.9641	11.95	
142.5	23,038	639	0.0277	0.9723	11.52	
143.5	19,967	992	0.0497	0.9503	11.20	
144.5	18,005	434	0.0241	0.9759	10.64	
145.5	17,366	663	0.0382	0.9618	10.39	
146.5	15,378	582	0.0379	0.9621	9.99	
147.5	14,376	672	0.0467	0.9533	9.61	
148.5	13,704	196	0.0143	0.9857	9.16	
149.5	13,508		0.0000	1.0000	9.03	
150.5	13,341	92	0.0069	0.9931	9.03	
151.5	9,485	466	0.0491	0.9509	8.97	
152.5	7,340	1,167	0.1590	0.8410	8.53	
153.5	6,173	597	0.0968	0.9032	7.17	
154.5	5,575		0.0000	1.0000	6.48	
155.5	5,464	53	0.0097	0.9903	6.48	
156.5	5,411	44	0.0081	0.9919	6.41	
157.5	4,545		0.0000	1.0000	6.36	
158.5	2,878	827	0.2875	0.7125	6.36	

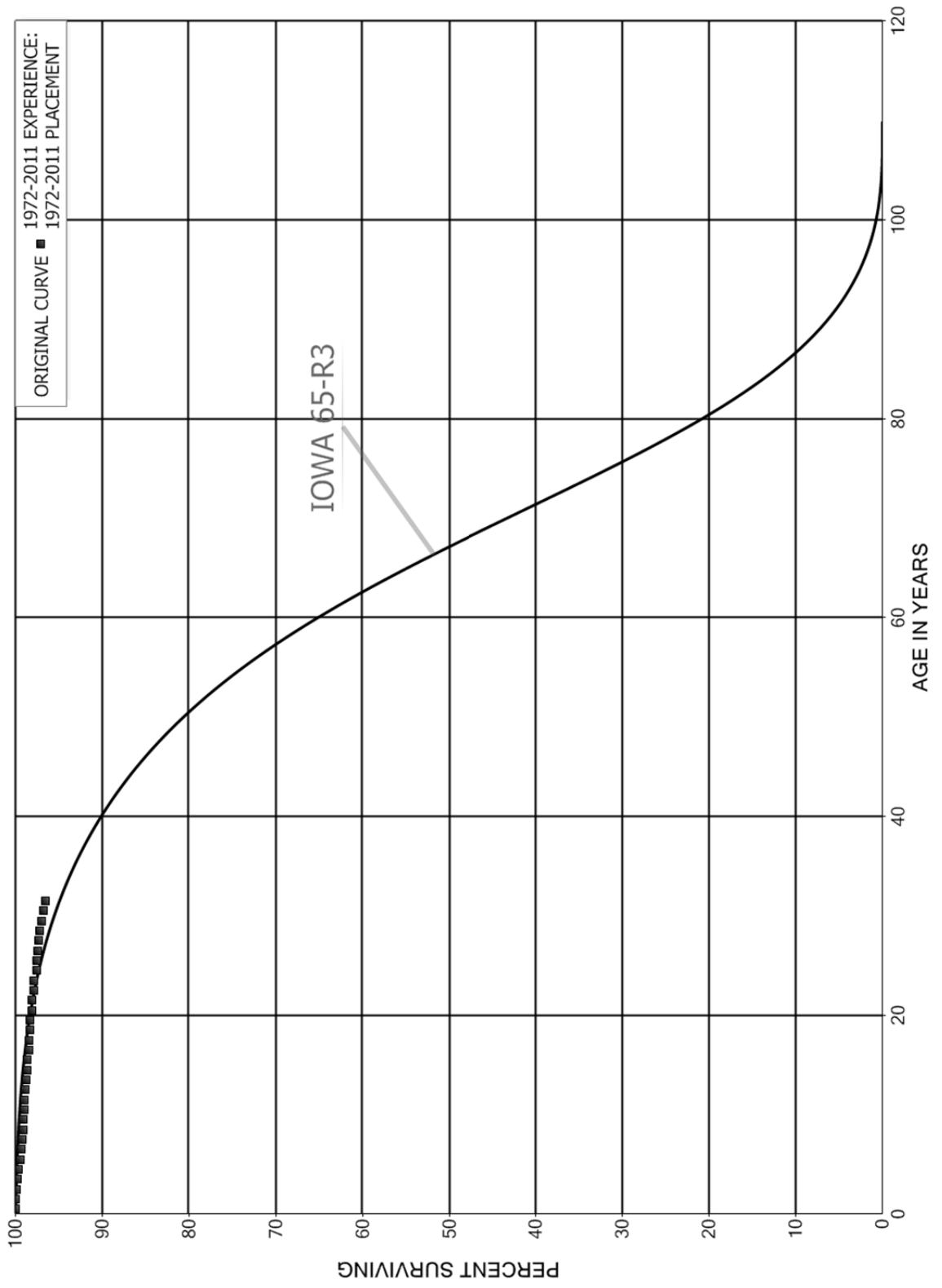
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1848-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
159.5	1,675	272	0.1621	0.8379	4.53	
160.5	221		0.0000	1.0000	3.80	
161.5	85		0.0000	1.0000	3.80	
162.5	85		0.0000	1.0000	3.80	
163.5					3.80	

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 376 MAINS - PLASTIC
 ORIGINAL AND SMOOTH SURVIVOR CURVES



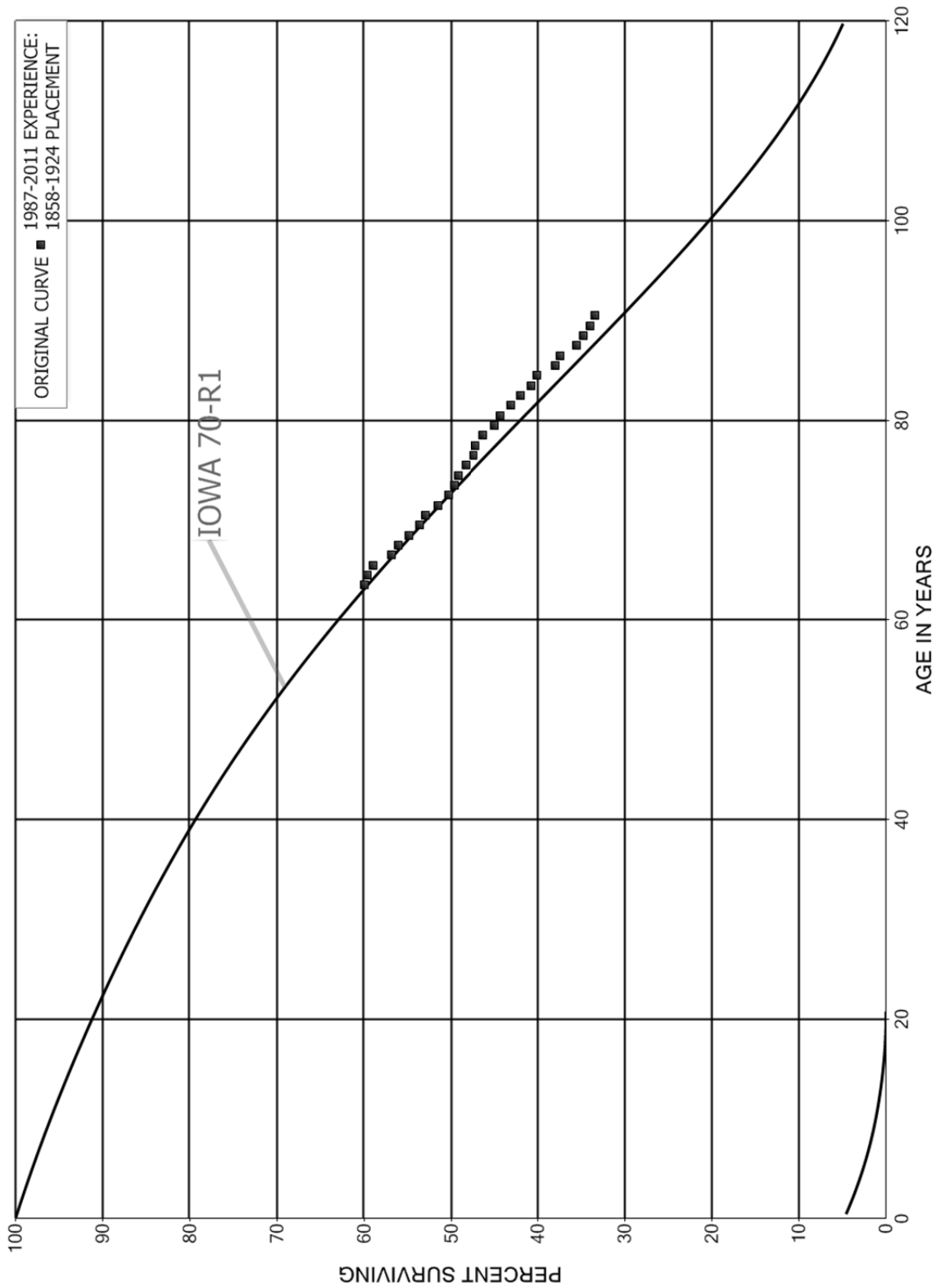
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1972-2011			EXPERIENCE BAND 1972-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	312,623,301	291	0.0000	1.0000	100.00
0.5	319,232,004	229,432	0.0007	0.9993	100.00
1.5	290,674,727	364,407	0.0013	0.9987	99.93
2.5	280,712,738	230,045	0.0008	0.9992	99.80
3.5	267,953,255	261,620	0.0010	0.9990	99.72
4.5	253,035,056	470,392	0.0019	0.9981	99.62
5.5	237,808,825	240,443	0.0010	0.9990	99.44
6.5	223,257,809	250,147	0.0011	0.9989	99.34
7.5	209,479,547	230,939	0.0011	0.9989	99.23
8.5	195,252,616	56,196	0.0003	0.9997	99.12
9.5	185,043,324	181,125	0.0010	0.9990	99.09
10.5	173,677,955	89,014	0.0005	0.9995	98.99
11.5	162,725,353	230,326	0.0014	0.9986	98.94
12.5	151,733,175	196,354	0.0013	0.9987	98.80
13.5	141,477,307	91,509	0.0006	0.9994	98.67
14.5	127,150,136	57,525	0.0005	0.9995	98.61
15.5	117,556,709	148,631	0.0013	0.9987	98.56
16.5	101,959,412	67,887	0.0007	0.9993	98.44
17.5	92,269,198	54,302	0.0006	0.9994	98.37
18.5	86,934,039	68,878	0.0008	0.9992	98.32
19.5	79,721,418	96,957	0.0012	0.9988	98.24
20.5	70,342,687	76,169	0.0011	0.9989	98.12
21.5	55,111,452	93,458	0.0017	0.9983	98.01
22.5	41,394,299	23,304	0.0006	0.9994	97.85
23.5	30,282,415	72,742	0.0024	0.9976	97.79
24.5	22,229,113	12,540	0.0006	0.9994	97.56
25.5	17,578,695	16,845	0.0010	0.9990	97.50
26.5	13,864,165	13,549	0.0010	0.9990	97.41
27.5	10,302,588	13,213	0.0013	0.9987	97.31
28.5	7,677,535	22,562	0.0029	0.9971	97.19
29.5	5,487,447	11,191	0.0020	0.9980	96.90
30.5	3,895,289	7,558	0.0019	0.9981	96.71
31.5	2,709,885	7,642	0.0028	0.9972	96.52
32.5	2,070,120	1,887	0.0009	0.9991	96.25
33.5	1,281,512	3,581	0.0028	0.9972	96.16
34.5	772,528	4,944	0.0064	0.9936	95.89
35.5	209,122	10,036	0.0480	0.9520	95.28
36.5	116,199		0.0000	1.0000	90.70
37.5	78,055	142	0.0018	0.9982	90.70
38.5	25,153	25	0.0010	0.9990	90.54
39.5					90.45

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

ORIGINAL LIFE TABLE

PLACEMENT BAND 1858-1924			EXPERIENCE BAND 1987-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0					
0.5					
1.5					
2.5					
3.5					
4.5					
5.5					
6.5					
7.5					
8.5					
9.5					
10.5					
11.5					
12.5					
13.5					
14.5					
15.5					
16.5					
17.5					
18.5					
19.5					
20.5					
21.5					
22.5					
23.5					
24.5					
25.5					
26.5					
27.5					
28.5					
29.5					
30.5					
31.5					
32.5					
33.5					
34.5					
35.5					
36.5					
37.5					
38.5					

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1858-1924			EXPERIENCE BAND 1987-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5					
40.5					
41.5					
42.5					
43.5					
44.5					
45.5					
46.5					
47.5					
48.5					
49.5					
50.5					
51.5					
52.5					
53.5					
54.5					
55.5					
56.5					
57.5					
58.5					
59.5					
60.5					
61.5					
62.5	74,822		0.0000		
63.5	138,090	982	0.0071	0.9929	60.00
64.5	160,344	1,746	0.0109	0.9891	59.57
65.5	180,134	6,379	0.0354	0.9646	58.92
66.5	180,863	2,380	0.0132	0.9868	56.84
67.5	187,809	4,157	0.0221	0.9779	56.09
68.5	193,504	4,443	0.0230	0.9770	54.85
69.5	197,529	2,263	0.0115	0.9885	53.59
70.5	240,482	6,495	0.0270	0.9730	52.98
71.5	267,584	6,528	0.0244	0.9756	51.54
72.5	355,036	4,768	0.0134	0.9866	50.29
73.5	376,789	3,224	0.0086	0.9914	49.61
74.5	393,509	6,859	0.0174	0.9826	49.19
75.5	415,072	7,571	0.0182	0.9818	48.33
76.5	418,418	2,828	0.0068	0.9932	47.45
77.5	426,142	7,691	0.0180	0.9820	47.13
78.5	427,057	12,197	0.0286	0.9714	46.28

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1858-1924			EXPERIENCE BAND 1987-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	418,582	6,709	0.0160	0.9840	44.96	
80.5	432,716	11,196	0.0259	0.9741	44.23	
81.5	427,328	11,347	0.0266	0.9734	43.09	
82.5	423,785	12,079	0.0285	0.9715	41.95	
83.5	395,943	6,256	0.0158	0.9842	40.75	
84.5	390,467	20,870	0.0534	0.9466	40.11	
85.5	372,665	5,350	0.0144	0.9856	37.96	
86.5	368,309	19,184	0.0521	0.9479	37.42	
87.5	307,564	6,569	0.0214	0.9786	35.47	
88.5	286,743	6,292	0.0219	0.9781	34.71	
89.5	266,658	4,763	0.0179	0.9821	33.95	
90.5	251,949	26,701	0.1060	0.8940	33.34	
91.5	237,628	1,363	0.0057	0.9943	29.81	
92.5	231,164	3,941	0.0170	0.9830	29.64	
93.5	220,070	1,710	0.0078	0.9922	29.13	
94.5	214,963	2,890	0.0134	0.9866	28.91	
95.5	192,768	1,741	0.0090	0.9910	28.52	
96.5	168,087	1,183	0.0070	0.9930	28.26	
97.5	115,138	1,356	0.0118	0.9882	28.06	
98.5	93,941	839	0.0089	0.9911	27.73	
99.5	91,239	1	0.0000	1.0000	27.48	
100.5	50,671	626	0.0124	0.9876	27.48	
101.5	41,042	523	0.0127	0.9873	27.14	
102.5	33,953	445	0.0131	0.9869	26.80	
103.5	27,302	577	0.0211	0.9789	26.45	
104.5	24,220	37	0.0015	0.9985	25.89	
105.5	20,180	280	0.0139	0.9861	25.85	
106.5	18,093	40	0.0022	0.9978	25.49	
107.5	11,344		0.0000	1.0000	25.43	
108.5	8,755	143	0.0163	0.9837	25.43	
109.5	7,754	2	0.0002	0.9998	25.02	
110.5	5,929	9	0.0015	0.9985	25.01	
111.5	5,760	1	0.0001	0.9999	24.97	
112.5	5,069	954	0.1882	0.8118	24.97	
113.5	3,924	84	0.0215	0.9785	20.27	
114.5	3,769	95	0.0251	0.9749	19.84	
115.5	3,474	16	0.0047	0.9953	19.34	
116.5	3,557	64	0.0180	0.9820	19.25	
117.5	3,497	70	0.0199	0.9801	18.90	
118.5	3,219		0.0000	1.0000	18.52	

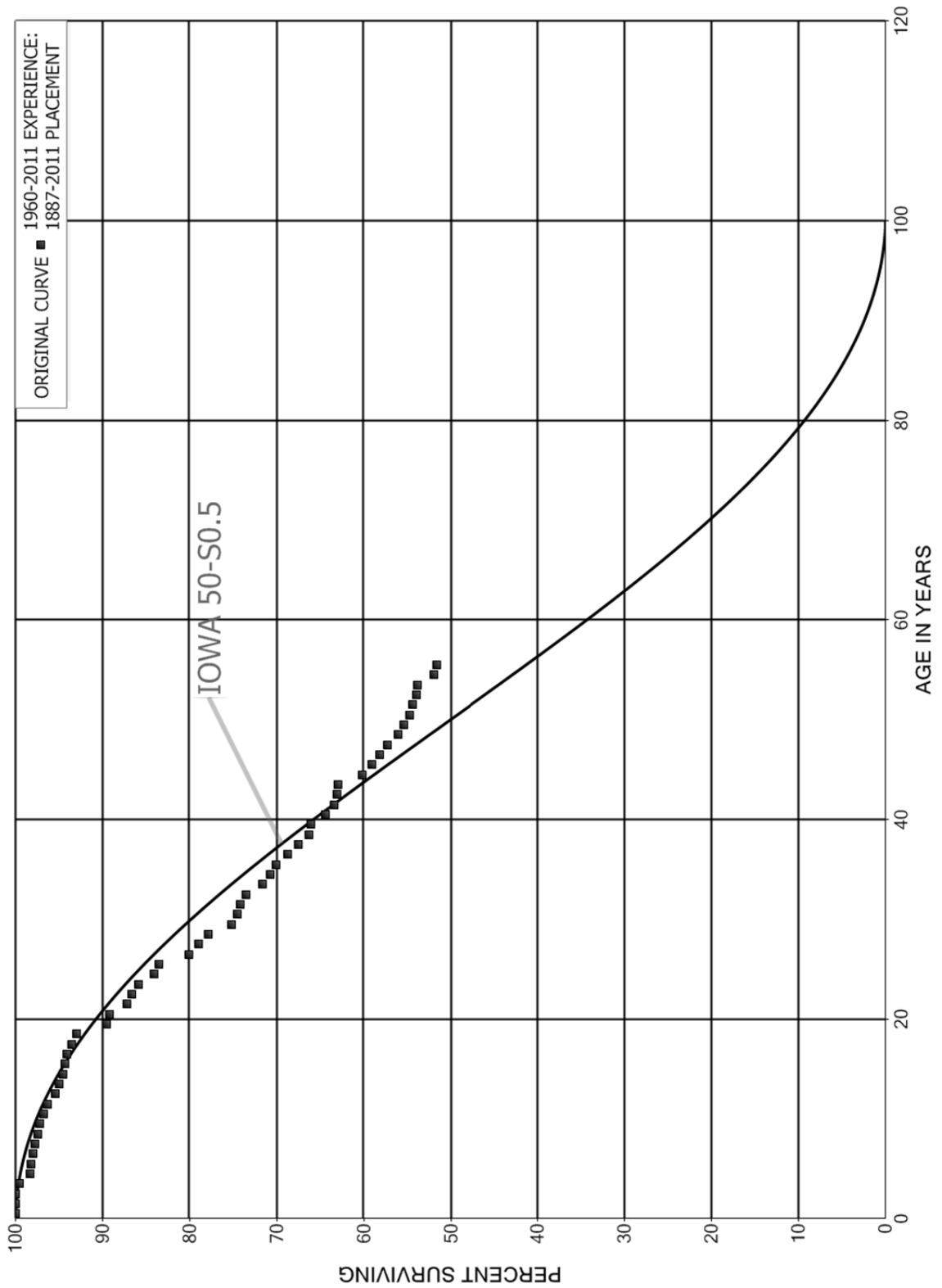
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1858-1924			EXPERIENCE BAND 1987-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
119.5	3,243	30	0.0091	0.9909	18.52	
120.5	3,022	186	0.0617	0.9383	18.35	
121.5	2,805	3	0.0009	0.9991	17.22	
122.5	2,572	174	0.0676	0.9324	17.21	
123.5	2,344		0.0000	1.0000	16.04	
124.5	2,347	165	0.0703	0.9297	16.04	
125.5	2,387	319	0.1336	0.8664	14.92	
126.5	2,221		0.0000	1.0000	12.92	
127.5	2,223	54	0.0242	0.9758	12.92	
128.5	2,439		0.0000	1.0000	12.61	
129.5	1,933	141	0.0731	0.9269	12.61	
130.5	1,562		0.0000	1.0000	11.69	
131.5	651	3	0.0048	0.9952	11.69	
132.5	646		0.0000	1.0000	11.63	
133.5	646	1	0.0015	0.9985	11.63	
134.5	645		0.0000	1.0000	11.61	
135.5	645		0.0000	1.0000	11.61	
136.5	643		0.0000	1.0000	11.61	
137.5	619		0.0000	1.0000	11.61	
138.5	573		0.0000	1.0000	11.61	
139.5	573	4	0.0072	0.9928	11.61	
140.5	569		0.0000	1.0000	11.53	
141.5	554		0.0000	1.0000	11.53	
142.5	549		0.0000	1.0000	11.53	
143.5	532		0.0000	1.0000	11.53	
144.5	500		0.0000	1.0000	11.53	
145.5	500	9	0.0176	0.9824	11.53	
146.5	491		0.0000	1.0000	11.33	
147.5	491		0.0000	1.0000	11.33	
148.5	491		0.0000	1.0000	11.33	
149.5	491		0.0000	1.0000	11.33	
150.5	491		0.0000	1.0000	11.33	
151.5	343		0.0000	1.0000	11.33	
152.5	341		0.0000	1.0000	11.33	
153.5					11.33	

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1887-2011			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	20,238,567		0.0000	1.0000	100.00
0.5	19,151,115	4,823	0.0003	0.9997	100.00
1.5	18,287,853	1,463	0.0001	0.9999	99.97
2.5	17,568,262	81,227	0.0046	0.9954	99.97
3.5	15,986,365	197,675	0.0124	0.9876	99.50
4.5	15,299,287	22,397	0.0015	0.9985	98.27
5.5	13,280,600	27,246	0.0021	0.9979	98.13
6.5	12,416,253	30,686	0.0025	0.9975	97.93
7.5	11,292,632	29,301	0.0026	0.9974	97.69
8.5	9,055,866	21,431	0.0024	0.9976	97.43
9.5	8,806,116	38,664	0.0044	0.9956	97.20
10.5	8,206,061	38,520	0.0047	0.9953	96.78
11.5	7,491,311	76,168	0.0102	0.9898	96.32
12.5	7,241,071	32,779	0.0045	0.9955	95.34
13.5	6,716,520	25,359	0.0038	0.9962	94.91
14.5	6,385,451	17,299	0.0027	0.9973	94.55
15.5	5,413,957	14,027	0.0026	0.9974	94.30
16.5	4,983,089	28,680	0.0058	0.9942	94.05
17.5	4,789,000	28,035	0.0059	0.9941	93.51
18.5	4,681,510	172,246	0.0368	0.9632	92.96
19.5	4,197,750	19,744	0.0047	0.9953	89.54
20.5	3,974,458	87,103	0.0219	0.9781	89.12
21.5	3,695,265	23,678	0.0064	0.9936	87.17
22.5	3,309,649	28,299	0.0086	0.9914	86.61
23.5	3,106,205	67,191	0.0216	0.9784	85.87
24.5	2,879,481	15,664	0.0054	0.9946	84.01
25.5	2,660,606	110,986	0.0417	0.9583	83.56
26.5	2,366,198	34,768	0.0147	0.9853	80.07
27.5	2,257,378	31,293	0.0139	0.9861	78.89
28.5	2,199,354	73,644	0.0335	0.9665	77.80
29.5	1,935,550	18,405	0.0095	0.9905	75.19
30.5	1,710,393	6,440	0.0038	0.9962	74.48
31.5	1,602,026	14,676	0.0092	0.9908	74.20
32.5	1,559,321	39,437	0.0253	0.9747	73.52
33.5	1,466,242	20,191	0.0138	0.9862	71.66
34.5	1,403,842	11,413	0.0081	0.9919	70.67
35.5	1,322,429	25,017	0.0189	0.9811	70.10
36.5	1,242,990	23,055	0.0185	0.9815	68.77
37.5	1,159,381	21,700	0.0187	0.9813	67.50
38.5	1,121,773	3,374	0.0030	0.9970	66.23

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1887-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,069,041	26,281	0.0246	0.9754	66.03	
40.5	852,786	13,114	0.0154	0.9846	64.41	
41.5	787,612	4,504	0.0057	0.9943	63.42	
42.5	756,612	1,743	0.0023	0.9977	63.06	
43.5	711,336	31,405	0.0441	0.9559	62.91	
44.5	627,790	11,188	0.0178	0.9822	60.13	
45.5	593,367	9,254	0.0156	0.9844	59.06	
46.5	568,381	8,405	0.0148	0.9852	58.14	
47.5	540,820	11,024	0.0204	0.9796	57.28	
48.5	504,506	6,300	0.0125	0.9875	56.11	
49.5	461,452	5,749	0.0125	0.9875	55.41	
50.5	416,997	2,167	0.0052	0.9948	54.72	
51.5	380,674	3,589	0.0094	0.9906	54.44	
52.5	373,129	558	0.0015	0.9985	53.93	
53.5	334,856	11,722	0.0350	0.9650	53.85	
54.5	300,814	2,006	0.0067	0.9933	51.96	
55.5	204,836	2,784	0.0136	0.9864	51.61	
56.5	178,245	1,848	0.0104	0.9896	50.91	
57.5	118,249	1,270	0.0107	0.9893	50.38	
58.5	95,191	1,355	0.0142	0.9858	49.84	
59.5	70,287	1,661	0.0236	0.9764	49.13	
60.5	57,626	405	0.0070	0.9930	47.97	
61.5	39,064	3,472	0.0889	0.9111	47.64	
62.5	34,308	1,520	0.0443	0.9557	43.40	
63.5	31,057		0.0000	1.0000	41.48	
64.5	28,451	1,378	0.0484	0.9516	41.48	
65.5	26,193	1,269	0.0485	0.9515	39.47	
66.5	24,261	722	0.0297	0.9703	37.56	
67.5	23,540		0.0000	1.0000	36.44	
68.5	22,589		0.0000	1.0000	36.44	
69.5	20,197		0.0000	1.0000	36.44	
70.5	20,129	60	0.0030	0.9970	36.44	
71.5	19,704		0.0000	1.0000	36.33	
72.5	20,091		0.0000	1.0000	36.33	
73.5	20,091		0.0000	1.0000	36.33	
74.5	18,767	388	0.0207	0.9793	36.33	
75.5	17,507		0.0000	1.0000	35.58	
76.5	17,455		0.0000	1.0000	35.58	
77.5	17,455	599	0.0343	0.9657	35.58	
78.5	16,855	283	0.0168	0.9832	34.36	

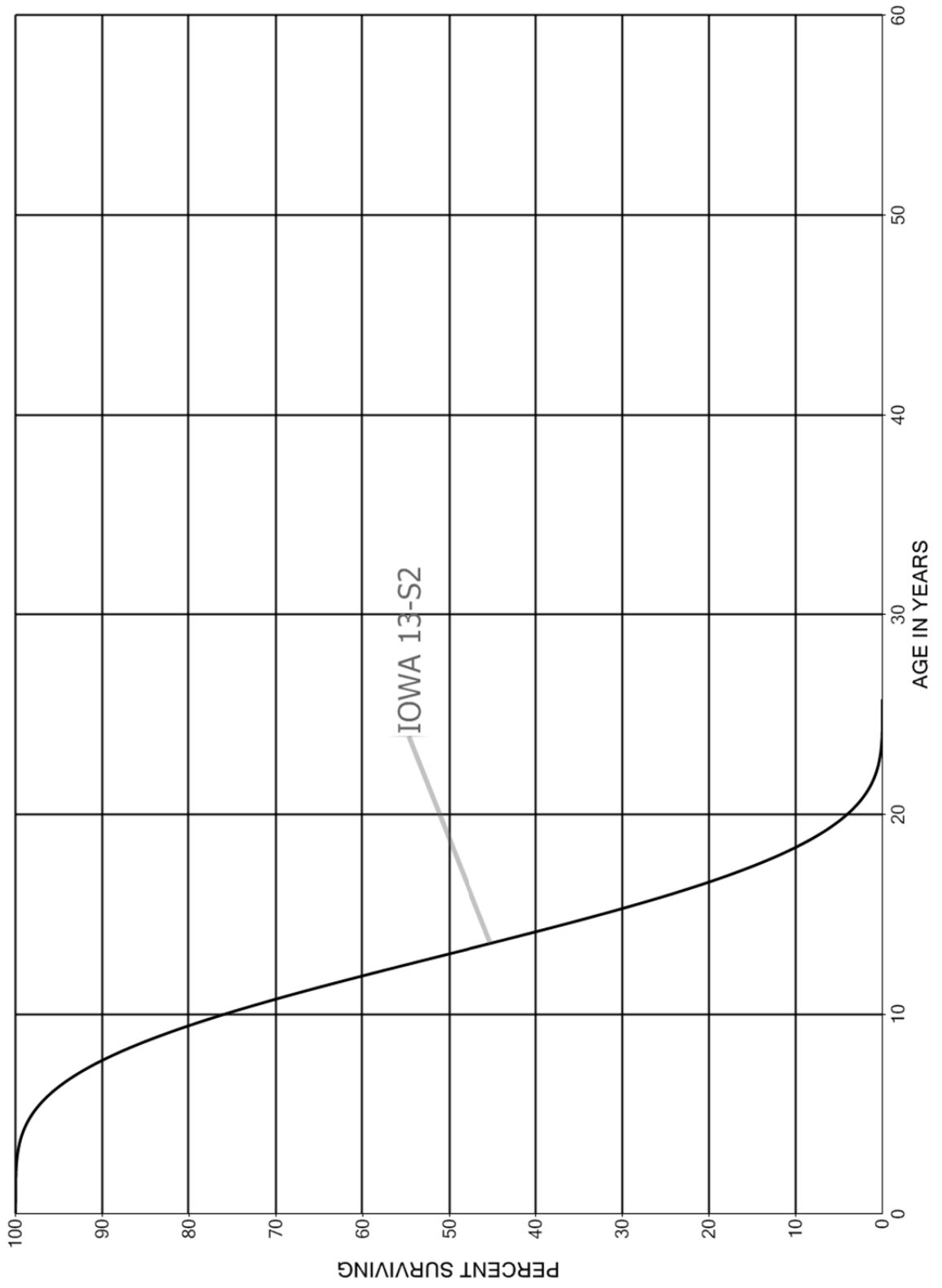
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

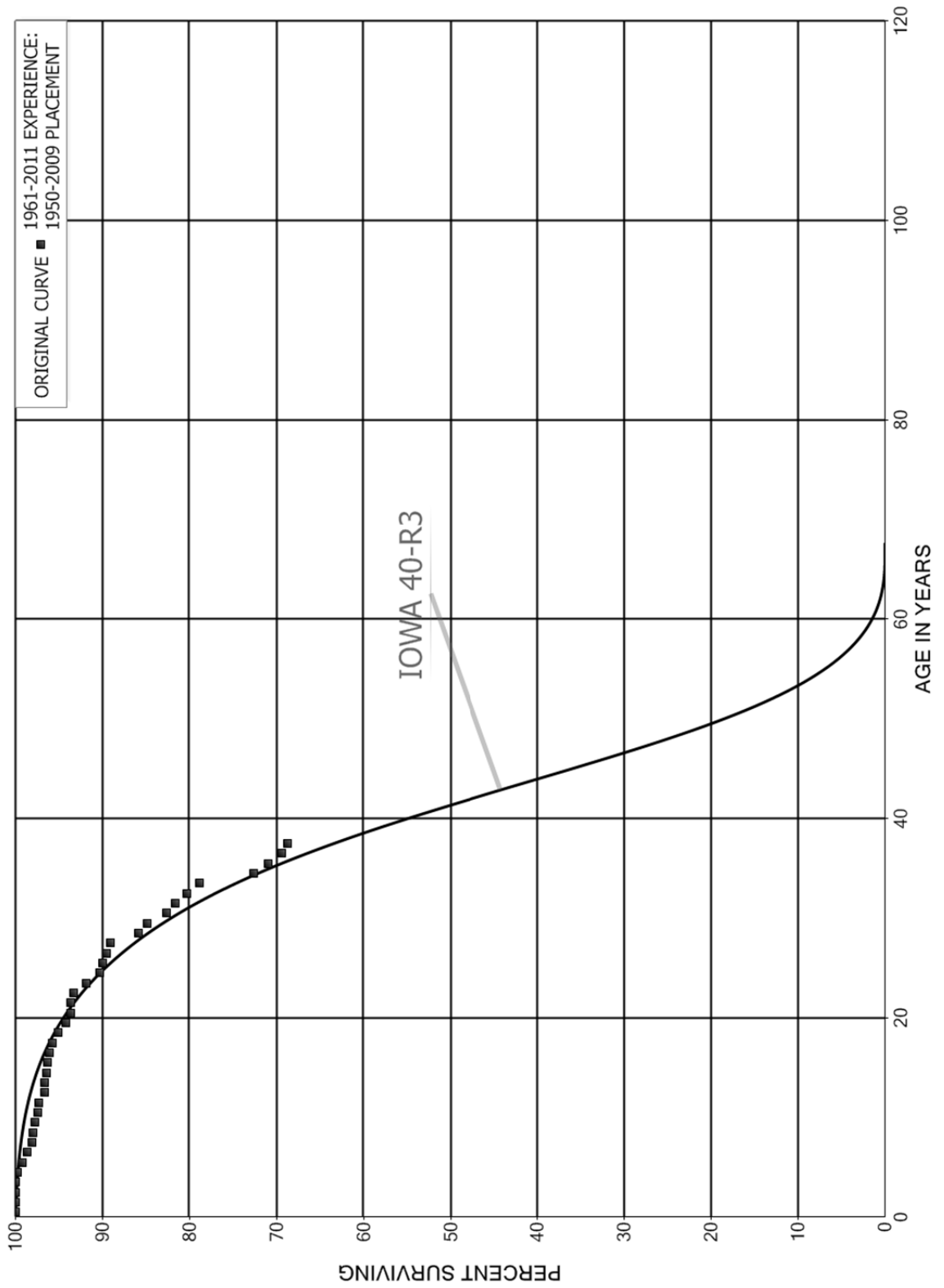
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1887-2011			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	16,572		0.0000	1.0000	33.78
80.5	12,851		0.0000	1.0000	33.78
81.5	12,091	647	0.0535	0.9465	33.78
82.5	10,795		0.0000	1.0000	31.97
83.5	10,749		0.0000	1.0000	31.97
84.5	8,273	774	0.0936	0.9064	31.97
85.5	5,834		0.0000	1.0000	28.98
86.5	5,834	574	0.0984	0.9016	28.98
87.5	2,560	206	0.0806	0.9194	26.13
88.5	2,009		0.0000	1.0000	24.03
89.5	2,009		0.0000	1.0000	24.03
90.5	1,948		0.0000	1.0000	24.03
91.5	1,108		0.0000	1.0000	24.03
92.5	241		0.0000	1.0000	24.03
93.5	241		0.0000	1.0000	24.03
94.5	241		0.0000	1.0000	24.03
95.5	60		0.0000	1.0000	24.03
96.5	60		0.0000	1.0000	24.03
97.5	60		0.0000	1.0000	24.03
98.5	60		0.0000	1.0000	24.03
99.5	60		0.0000	1.0000	24.03
100.5	60		0.0000	1.0000	24.03
101.5					24.03

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 378.1 MEASURING AND REGULATING STATION EQUIPMENT - SCADA
 SMOOTH SURVIVOR CURVE



UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 379 MEAS AND REG STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1950-2009			EXPERIENCE BAND 1961-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,220,611		0.0000	1.0000	100.00
0.5	4,220,219		0.0000	1.0000	100.00
1.5	4,383,746		0.0000	1.0000	100.00
2.5	4,520,267	946	0.0002	0.9998	100.00
3.5	4,378,165	12,486	0.0029	0.9971	99.98
4.5	4,392,797	23,023	0.0052	0.9948	99.69
5.5	4,409,180	24,641	0.0056	0.9944	99.17
6.5	4,417,757	26,736	0.0061	0.9939	98.62
7.5	4,394,928	3,606	0.0008	0.9992	98.02
8.5	4,389,831	11,766	0.0027	0.9973	97.94
9.5	4,399,799	11,576	0.0026	0.9974	97.68
10.5	4,393,153	7,507	0.0017	0.9983	97.42
11.5	4,262,266	26,220	0.0062	0.9938	97.25
12.5	4,234,516	1,979	0.0005	0.9995	96.66
13.5	4,222,370	8,773	0.0021	0.9979	96.61
14.5	3,977,193	6,119	0.0015	0.9985	96.41
15.5	3,586,582	6,414	0.0018	0.9982	96.26
16.5	3,317,384	11,235	0.0034	0.9966	96.09
17.5	3,300,330	23,328	0.0071	0.9929	95.76
18.5	3,233,669	31,661	0.0098	0.9902	95.09
19.5	3,017,668	16,455	0.0055	0.9945	94.16
20.5	2,743,473	955	0.0003	0.9997	93.64
21.5	2,618,536	8,252	0.0032	0.9968	93.61
22.5	2,576,871	41,032	0.0159	0.9841	93.32
23.5	2,516,223	42,959	0.0171	0.9829	91.83
24.5	1,686,662	6,296	0.0037	0.9963	90.26
25.5	1,292,510	6,487	0.0050	0.9950	89.92
26.5	853,853	3,887	0.0046	0.9954	89.47
27.5	641,035	23,255	0.0363	0.9637	89.07
28.5	611,061	6,783	0.0111	0.9889	85.83
29.5	462,332	12,366	0.0267	0.9733	84.88
30.5	369,790	4,359	0.0118	0.9882	82.61
31.5	360,793	6,167	0.0171	0.9829	81.64
32.5	353,083	6,313	0.0179	0.9821	80.24
33.5	342,528	27,058	0.0790	0.9210	78.81
34.5	315,322	6,902	0.0219	0.9781	72.58
35.5	295,602	6,544	0.0221	0.9779	70.99
36.5	263,728	2,835	0.0108	0.9892	69.42
37.5	241,874	82	0.0003	0.9997	68.68
38.5	203,597	117	0.0006	0.9994	68.65

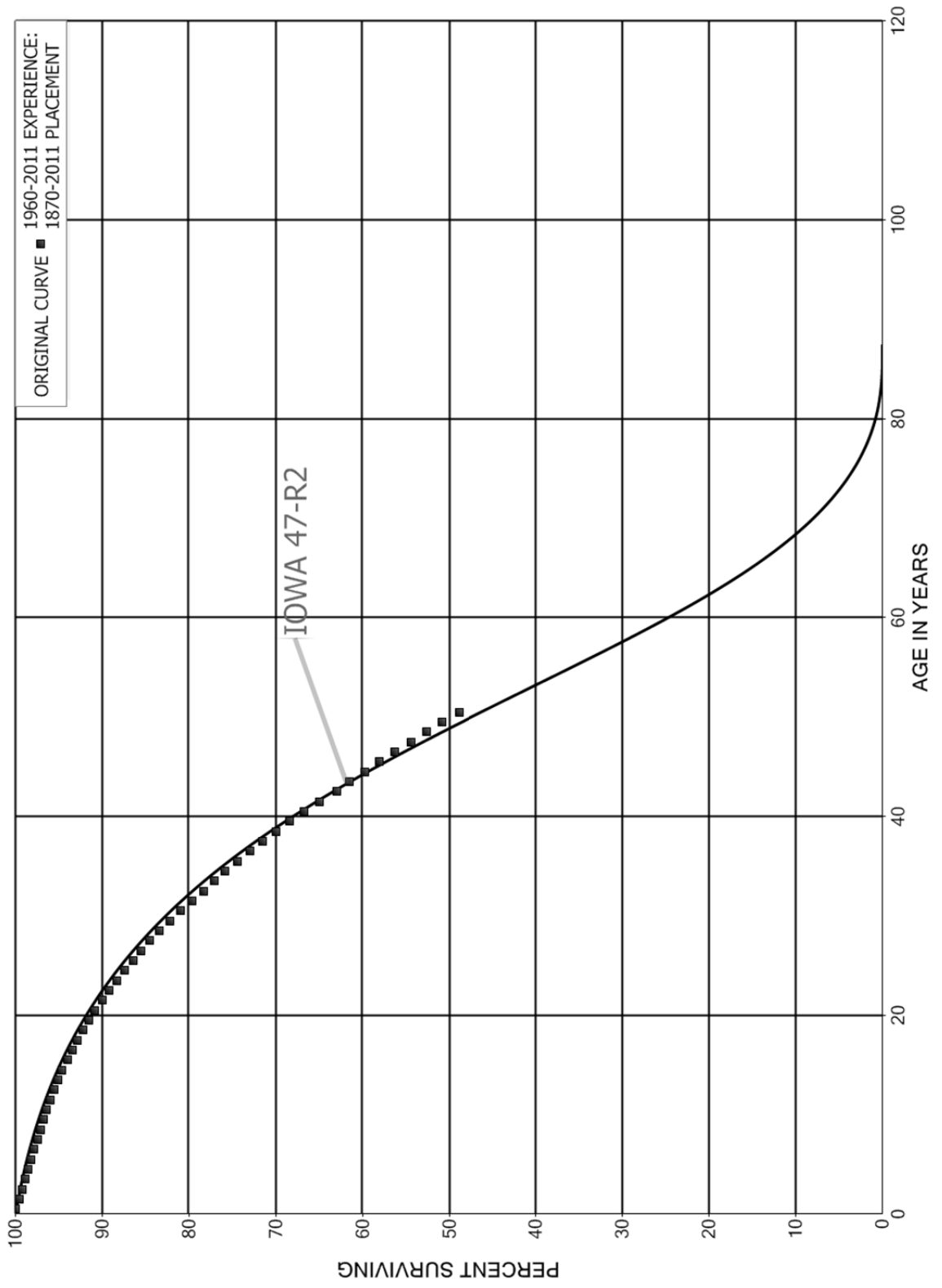
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 379 MEAS AND REG STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1950-2009			EXPERIENCE BAND 1961-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	166,790	313	0.0019	0.9981	68.61	
40.5	166,477	2,345	0.0141	0.9859	68.48	
41.5	163,579		0.0000	1.0000	67.52	
42.5	147,647		0.0000	1.0000	67.52	
43.5	146,828		0.0000	1.0000	67.52	
44.5	132,453		0.0000	1.0000	67.52	
45.5	112,874		0.0000	1.0000	67.52	
46.5	71,278		0.0000	1.0000	67.52	
47.5	71,278		0.0000	1.0000	67.52	
48.5	71,247		0.0000	1.0000	67.52	
49.5	69,908		0.0000	1.0000	67.52	
50.5	67,992		0.0000	1.0000	67.52	
51.5	40,904		0.0000	1.0000	67.52	
52.5	36,511		0.0000	1.0000	67.52	
53.5	27,993		0.0000	1.0000	67.52	
54.5	22,621		0.0000	1.0000	67.52	
55.5	1,331		0.0000	1.0000	67.52	
56.5	1,331		0.0000	1.0000	67.52	
57.5					67.52	

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 380 SERVICES
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1870-2011

EXPERIENCE BAND 1960-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	396,469,070	336,960	0.0008	0.9992	100.00
0.5	387,645,246	1,727,410	0.0045	0.9955	99.92
1.5	371,856,911	1,126,975	0.0030	0.9970	99.47
2.5	354,920,078	1,214,218	0.0034	0.9966	99.17
3.5	339,130,503	1,017,455	0.0030	0.9970	98.83
4.5	327,602,776	1,185,934	0.0036	0.9964	98.53
5.5	315,322,513	1,186,214	0.0038	0.9962	98.18
6.5	303,574,715	1,152,800	0.0038	0.9962	97.81
7.5	291,063,988	1,019,124	0.0035	0.9965	97.44
8.5	278,725,003	1,075,564	0.0039	0.9961	97.09
9.5	266,274,417	1,008,055	0.0038	0.9962	96.72
10.5	254,281,219	1,211,318	0.0048	0.9952	96.35
11.5	242,359,706	1,037,309	0.0043	0.9957	95.89
12.5	230,764,595	1,044,885	0.0045	0.9955	95.48
13.5	219,514,930	1,129,492	0.0051	0.9949	95.05
14.5	205,534,472	1,202,915	0.0059	0.9941	94.56
15.5	191,995,581	1,213,524	0.0063	0.9937	94.01
16.5	176,154,755	1,158,536	0.0066	0.9934	93.41
17.5	161,781,312	1,109,491	0.0069	0.9931	92.80
18.5	153,342,659	1,016,023	0.0066	0.9934	92.16
19.5	141,428,198	1,192,477	0.0084	0.9916	91.55
20.5	129,455,143	1,165,345	0.0090	0.9910	90.78
21.5	116,156,502	1,086,398	0.0094	0.9906	89.96
22.5	104,058,170	1,010,956	0.0097	0.9903	89.12
23.5	95,171,279	948,169	0.0100	0.9900	88.26
24.5	87,519,091	939,757	0.0107	0.9893	87.38
25.5	80,899,789	916,744	0.0113	0.9887	86.44
26.5	74,094,453	854,736	0.0115	0.9885	85.46
27.5	68,120,961	859,672	0.0126	0.9874	84.47
28.5	62,377,948	956,192	0.0153	0.9847	83.41
29.5	54,577,495	806,601	0.0148	0.9852	82.13
30.5	45,932,118	741,449	0.0161	0.9839	80.92
31.5	37,602,309	602,445	0.0160	0.9840	79.61
32.5	32,184,889	513,150	0.0159	0.9841	78.33
33.5	28,931,998	477,776	0.0165	0.9835	77.08
34.5	25,528,423	481,136	0.0188	0.9812	75.81
35.5	23,495,206	467,432	0.0199	0.9801	74.38
36.5	21,670,644	417,251	0.0193	0.9807	72.90
37.5	19,384,162	422,283	0.0218	0.9782	71.50
38.5	17,177,624	371,847	0.0216	0.9784	69.94

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1870-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	15,411,230	385,739	0.0250	0.9750	68.43	
40.5	13,804,289	372,201	0.0270	0.9730	66.72	
41.5	12,292,949	363,780	0.0296	0.9704	64.92	
42.5	10,937,999	264,913	0.0242	0.9758	63.00	
43.5	9,699,998	282,459	0.0291	0.9709	61.47	
44.5	8,613,742	240,867	0.0280	0.9720	59.68	
45.5	7,580,147	226,867	0.0299	0.9701	58.01	
46.5	6,522,071	215,073	0.0330	0.9670	56.27	
47.5	5,710,682	193,129	0.0338	0.9662	54.42	
48.5	4,989,855	169,562	0.0340	0.9660	52.58	
49.5	4,346,391	169,956	0.0391	0.9609	50.79	
50.5	3,754,826	157,778	0.0420	0.9580	48.81	
51.5	3,058,002	156,784	0.0513	0.9487	46.75	
52.5	2,568,409	117,281	0.0457	0.9543	44.36	
53.5	2,274,557	120,315	0.0529	0.9471	42.33	
54.5	2,012,506	110,212	0.0548	0.9452	40.09	
55.5	1,782,710	92,267	0.0518	0.9482	37.90	
56.5	1,625,714	90,595	0.0557	0.9443	35.94	
57.5	1,500,854	79,800	0.0532	0.9468	33.93	
58.5	1,386,197	93,462	0.0674	0.9326	32.13	
59.5	1,236,689	70,067	0.0567	0.9433	29.96	
60.5	1,136,644	60,440	0.0532	0.9468	28.27	
61.5	1,053,359	52,360	0.0497	0.9503	26.76	
62.5	975,787	47,196	0.0484	0.9516	25.43	
63.5	849,983	45,940	0.0540	0.9460	24.20	
64.5	794,177	41,032	0.0517	0.9483	22.89	
65.5	744,907	41,329	0.0555	0.9445	21.71	
66.5	700,073	35,879	0.0513	0.9487	20.51	
67.5	658,305	39,621	0.0602	0.9398	19.46	
68.5	612,238	35,595	0.0581	0.9419	18.28	
69.5	572,293	35,677	0.0623	0.9377	17.22	
70.5	526,967	29,985	0.0569	0.9431	16.15	
71.5	493,957	33,392	0.0676	0.9324	15.23	
72.5	456,303	28,825	0.0632	0.9368	14.20	
73.5	419,517	27,290	0.0651	0.9349	13.30	
74.5	386,095	25,173	0.0652	0.9348	12.44	
75.5	352,627	18,356	0.0521	0.9479	11.63	
76.5	329,247	25,977	0.0789	0.9211	11.02	
77.5	298,588	19,271	0.0645	0.9355	10.15	
78.5	274,435	16,338	0.0595	0.9405	9.50	

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1870-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	256,332	15,069	0.0588	0.9412	8.93	
80.5	234,469	14,183	0.0605	0.9395	8.41	
81.5	209,262	15,512	0.0741	0.9259	7.90	
82.5	178,949	11,636	0.0650	0.9350	7.31	
83.5	156,984	10,397	0.0662	0.9338	6.84	
84.5	132,633	8,667	0.0653	0.9347	6.38	
85.5	117,185	6,704	0.0572	0.9428	5.97	
86.5	97,262	5,367	0.0552	0.9448	5.63	
87.5	82,576	4,196	0.0508	0.9492	5.31	
88.5	69,664	3,916	0.0562	0.9438	5.04	
89.5	61,056	4,065	0.0666	0.9334	4.76	
90.5	53,114	3,445	0.0649	0.9351	4.44	
91.5	47,779	3,616	0.0757	0.9243	4.16	
92.5	41,817	2,910	0.0696	0.9304	3.84	
93.5	36,094	2,885	0.0799	0.9201	3.57	
94.5	29,504	2,014	0.0683	0.9317	3.29	
95.5	23,466	1,248	0.0532	0.9468	3.06	
96.5	20,242	1,024	0.0506	0.9494	2.90	
97.5	17,615	724	0.0411	0.9589	2.75	
98.5	15,915	1,031	0.0648	0.9352	2.64	
99.5	13,748	850	0.0619	0.9381	2.47	
100.5	11,661	874	0.0749	0.9251	2.32	
101.5	9,583	532	0.0555	0.9445	2.14	
102.5	8,038	541	0.0673	0.9327	2.02	
103.5	6,278	214	0.0341	0.9659	1.89	
104.5	5,671	139	0.0245	0.9755	1.82	
105.5	4,485	167	0.0372	0.9628	1.78	
106.5	3,802	112	0.0293	0.9707	1.71	
107.5	3,221	107	0.0331	0.9669	1.66	
108.5	2,670	215	0.0807	0.9193	1.61	
109.5	2,237	51	0.0230	0.9770	1.48	
110.5	2,044	245	0.1196	0.8804	1.44	
111.5	1,459	20	0.0134	0.9866	1.27	
112.5	1,380	38	0.0272	0.9728	1.25	
113.5	949	38	0.0399	0.9601	1.22	
114.5	823	25	0.0301	0.9699	1.17	
115.5	675	12	0.0184	0.9816	1.14	
116.5	207	5	0.0219	0.9781	1.12	
117.5	176	7	0.0419	0.9581	1.09	
118.5	169	3	0.0160	0.9840	1.05	

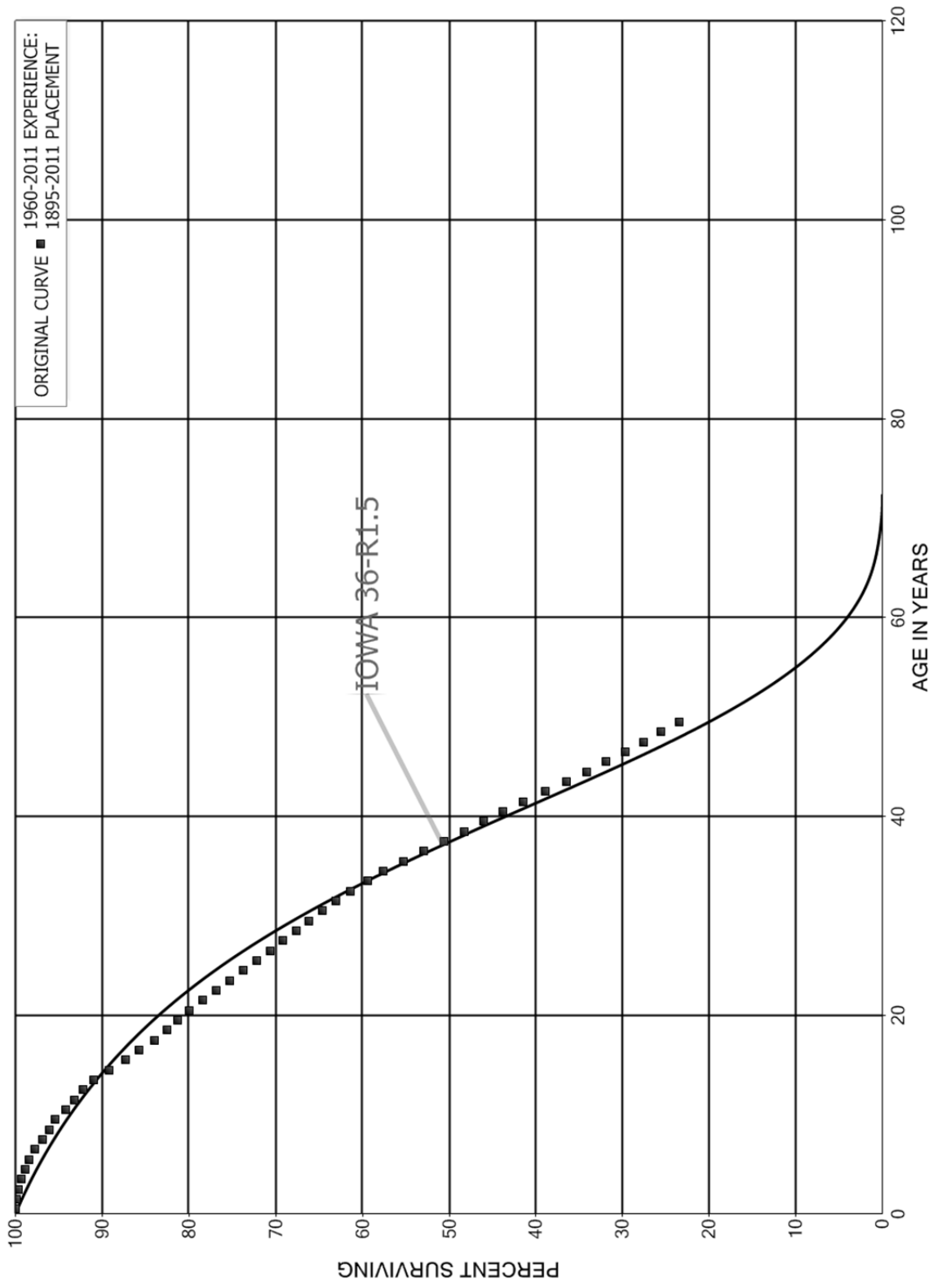
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1870-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
119.5	153	4	0.0253	0.9747	1.03	
120.5	139	2	0.0171	0.9829	1.00	
121.5	104		0.0000	1.0000	0.99	
122.5	77		0.0000	1.0000	0.99	
123.5	16		0.0000	1.0000	0.99	
124.5	16		0.0000	1.0000	0.99	
125.5	16		0.0000	1.0000	0.99	
126.5	15		0.0000	1.0000	0.99	
127.5	15		0.0000	1.0000	0.99	
128.5	15		0.0000	1.0000	0.99	
129.5					0.99	

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 381 METERS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1895-2011

EXPERIENCE BAND 1960-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	47,324,729	801	0.0000	1.0000	100.00
0.5	46,474,946	99,140	0.0021	0.9979	100.00
1.5	42,759,310	65,053	0.0015	0.9985	99.78
2.5	40,997,511	127,452	0.0031	0.9969	99.63
3.5	36,688,848	182,586	0.0050	0.9950	99.32
4.5	35,624,894	144,238	0.0040	0.9960	98.83
5.5	33,840,341	230,237	0.0068	0.9932	98.43
6.5	32,638,929	293,060	0.0090	0.9910	97.76
7.5	31,598,983	252,926	0.0080	0.9920	96.88
8.5	30,439,957	240,499	0.0079	0.9921	96.11
9.5	29,383,717	345,261	0.0118	0.9882	95.35
10.5	27,772,921	297,185	0.0107	0.9893	94.23
11.5	26,385,592	306,173	0.0116	0.9884	93.22
12.5	25,012,986	309,539	0.0124	0.9876	92.14
13.5	23,792,754	476,086	0.0200	0.9800	91.00
14.5	22,225,901	460,479	0.0207	0.9793	89.18
15.5	20,917,121	380,856	0.0182	0.9818	87.33
16.5	19,309,426	412,898	0.0214	0.9786	85.74
17.5	17,783,019	290,269	0.0163	0.9837	83.90
18.5	16,735,313	258,033	0.0154	0.9846	82.53
19.5	15,400,380	247,567	0.0161	0.9839	81.26
20.5	14,019,030	269,179	0.0192	0.9808	79.96
21.5	12,579,672	247,930	0.0197	0.9803	78.42
22.5	11,635,357	243,428	0.0209	0.9791	76.88
23.5	10,889,716	219,703	0.0202	0.9798	75.27
24.5	10,107,542	216,082	0.0214	0.9786	73.75
25.5	9,470,051	201,970	0.0213	0.9787	72.17
26.5	8,821,966	178,433	0.0202	0.9798	70.63
27.5	8,480,085	191,702	0.0226	0.9774	69.20
28.5	8,281,665	173,868	0.0210	0.9790	67.64
29.5	7,859,522	187,843	0.0239	0.9761	66.22
30.5	7,191,082	178,168	0.0248	0.9752	64.64
31.5	6,139,089	165,047	0.0269	0.9731	63.04
32.5	5,831,161	181,429	0.0311	0.9689	61.34
33.5	5,571,210	174,568	0.0313	0.9687	59.43
34.5	5,397,294	214,684	0.0398	0.9602	57.57
35.5	5,200,971	222,200	0.0427	0.9573	55.28
36.5	4,917,330	212,971	0.0433	0.9567	52.92
37.5	4,596,737	212,885	0.0463	0.9537	50.63
38.5	4,279,835	202,738	0.0474	0.9526	48.28

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1895-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	4,033,077	201,641	0.0500	0.9500	45.99	
40.5	3,706,666	197,909	0.0534	0.9466	43.70	
41.5	3,257,091	195,506	0.0600	0.9400	41.36	
42.5	2,764,765	173,894	0.0629	0.9371	38.88	
43.5	2,255,502	148,441	0.0658	0.9342	36.43	
44.5	1,841,262	118,120	0.0642	0.9358	34.04	
45.5	1,541,779	107,309	0.0696	0.9304	31.85	
46.5	1,310,590	93,917	0.0717	0.9283	29.64	
47.5	1,146,244	85,038	0.0742	0.9258	27.51	
48.5	1,007,011	82,723	0.0821	0.9179	25.47	
49.5	901,381	65,872	0.0731	0.9269	23.38	
50.5	827,301	63,368	0.0766	0.9234	21.67	
51.5	752,727	93,195	0.1238	0.8762	20.01	
52.5	676,822	52,327	0.0773	0.9227	17.53	
53.5	612,730	60,457	0.0987	0.9013	16.18	
54.5	543,595	62,227	0.1145	0.8855	14.58	
55.5	469,374	48,004	0.1023	0.8977	12.91	
56.5	412,993	45,128	0.1093	0.8907	11.59	
57.5	363,744	41,528	0.1142	0.8858	10.32	
58.5	313,380	29,669	0.0947	0.9053	9.15	
59.5	273,979	35,089	0.1281	0.8719	8.28	
60.5	231,799	26,540	0.1145	0.8855	7.22	
61.5	200,296	21,178	0.1057	0.8943	6.39	
62.5	173,973	17,061	0.0981	0.9019	5.72	
63.5	153,754	11,885	0.0773	0.9227	5.16	
64.5	136,375	17,135	0.1256	0.8744	4.76	
65.5	114,791	22,958	0.2000	0.8000	4.16	
66.5	89,121	18,858	0.2116	0.7884	3.33	
67.5	67,798	13,600	0.2006	0.7994	2.62	
68.5	52,746	12,417	0.2354	0.7646	2.10	
69.5	38,400	10,187	0.2653	0.7347	1.60	
70.5	23,856	5,364	0.2248	0.7752	1.18	
71.5	15,579	2,877	0.1846	0.8154	0.91	
72.5	10,189	1,063	0.1044	0.8956	0.74	
73.5	7,211	755	0.1048	0.8952	0.67	
74.5	4,515	590	0.1308	0.8692	0.60	
75.5	2,828	805	0.2848	0.7152	0.52	
76.5	1,378	300	0.2180	0.7820	0.37	
77.5	782	164	0.2096	0.7904	0.29	
78.5	570	57	0.0999	0.9001	0.23	

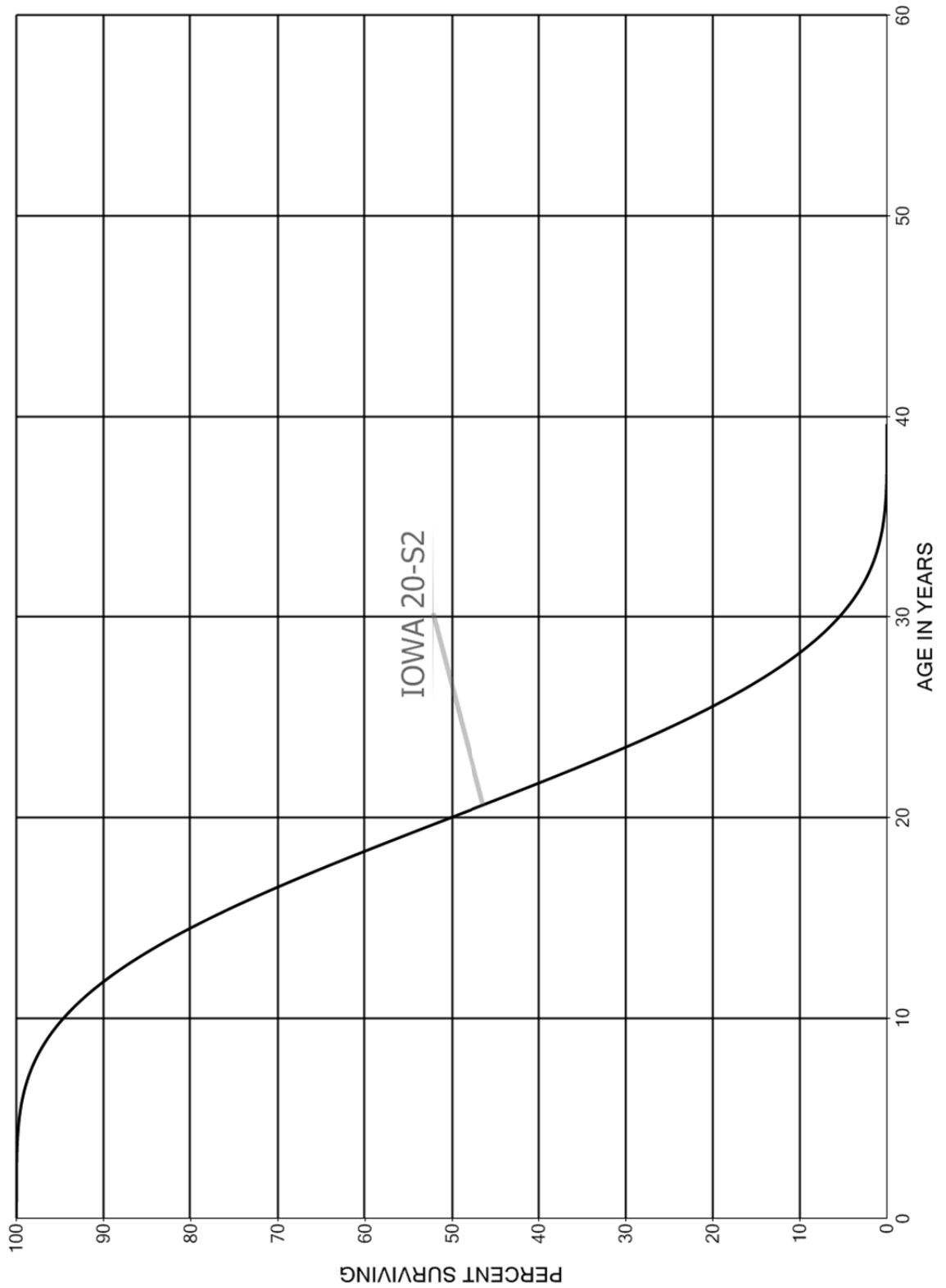
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

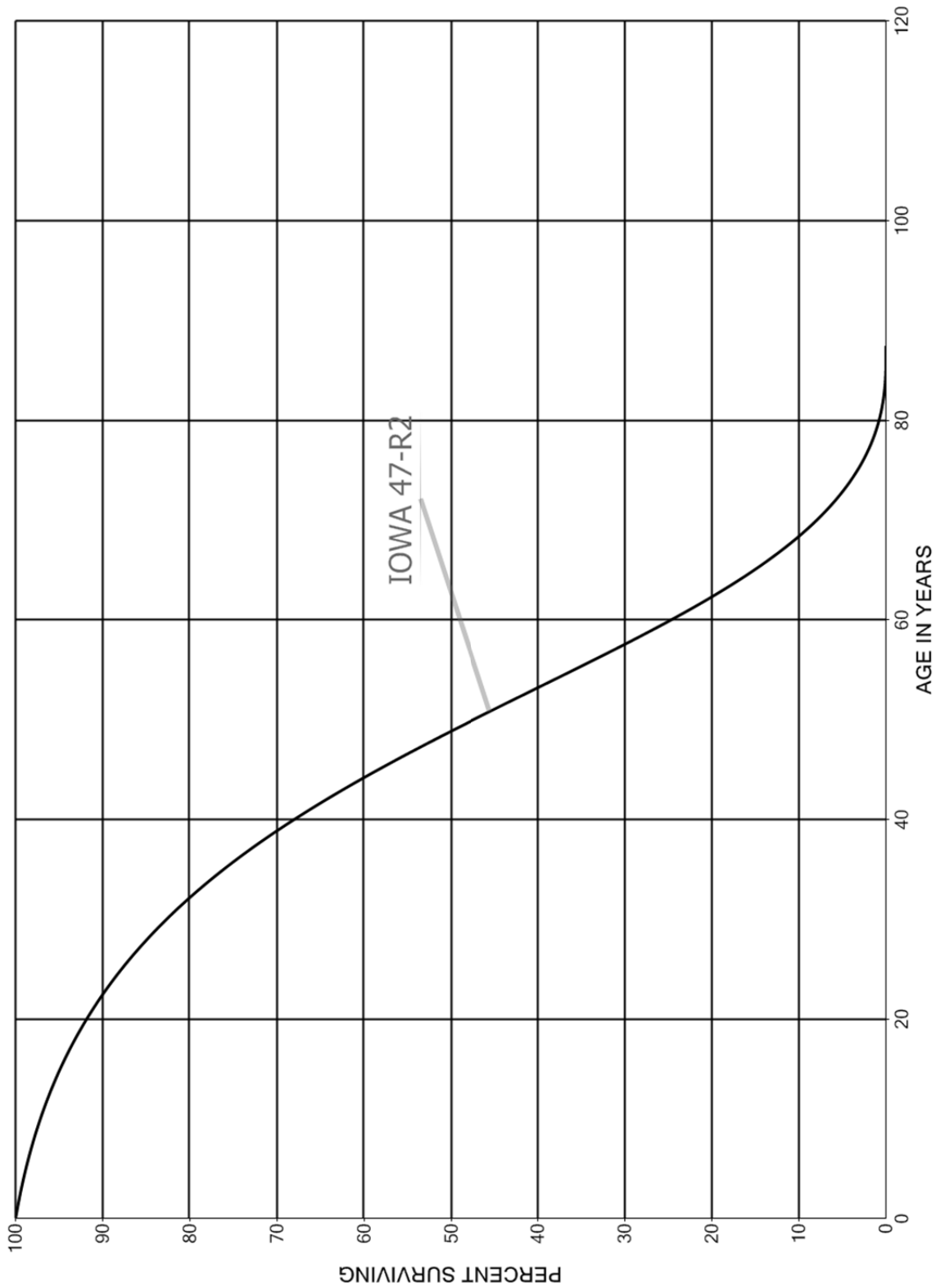
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1895-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	368	18	0.0478	0.9522	0.21	
80.5	215	8	0.0393	0.9607	0.20	
81.5	102		0.0000	1.0000	0.19	
82.5	38		0.0000	1.0000	0.19	
83.5	29		0.0000	1.0000	0.19	
84.5	20		0.0000	1.0000	0.19	
85.5	20		0.0000	1.0000	0.19	
86.5	20		0.0000	1.0000	0.19	
87.5	20		0.0000	1.0000	0.19	
88.5	20		0.0000	1.0000	0.19	
89.5	20	2	0.1112	0.8888	0.19	
90.5	17		0.0000	1.0000	0.17	
91.5	17	7	0.3746	0.6254	0.17	
92.5	11		0.0000	1.0000	0.11	
93.5	11		0.0000	1.0000	0.11	
94.5	11		0.0000	1.0000	0.11	
95.5	9		0.0000	1.0000	0.11	
96.5	9		0.0000	1.0000	0.11	
97.5	9		0.0000	1.0000	0.11	
98.5	9		0.0000	1.0000	0.11	
99.5	9		0.0000	1.0000	0.11	
100.5	9		0.0000	1.0000	0.11	
101.5	9		0.0000	1.0000	0.11	
102.5	9		0.0000	1.0000	0.11	
103.5	9		0.0000	1.0000	0.11	
104.5	9		0.0000	1.0000	0.11	
105.5	9	9	1.0000		0.11	
106.5						

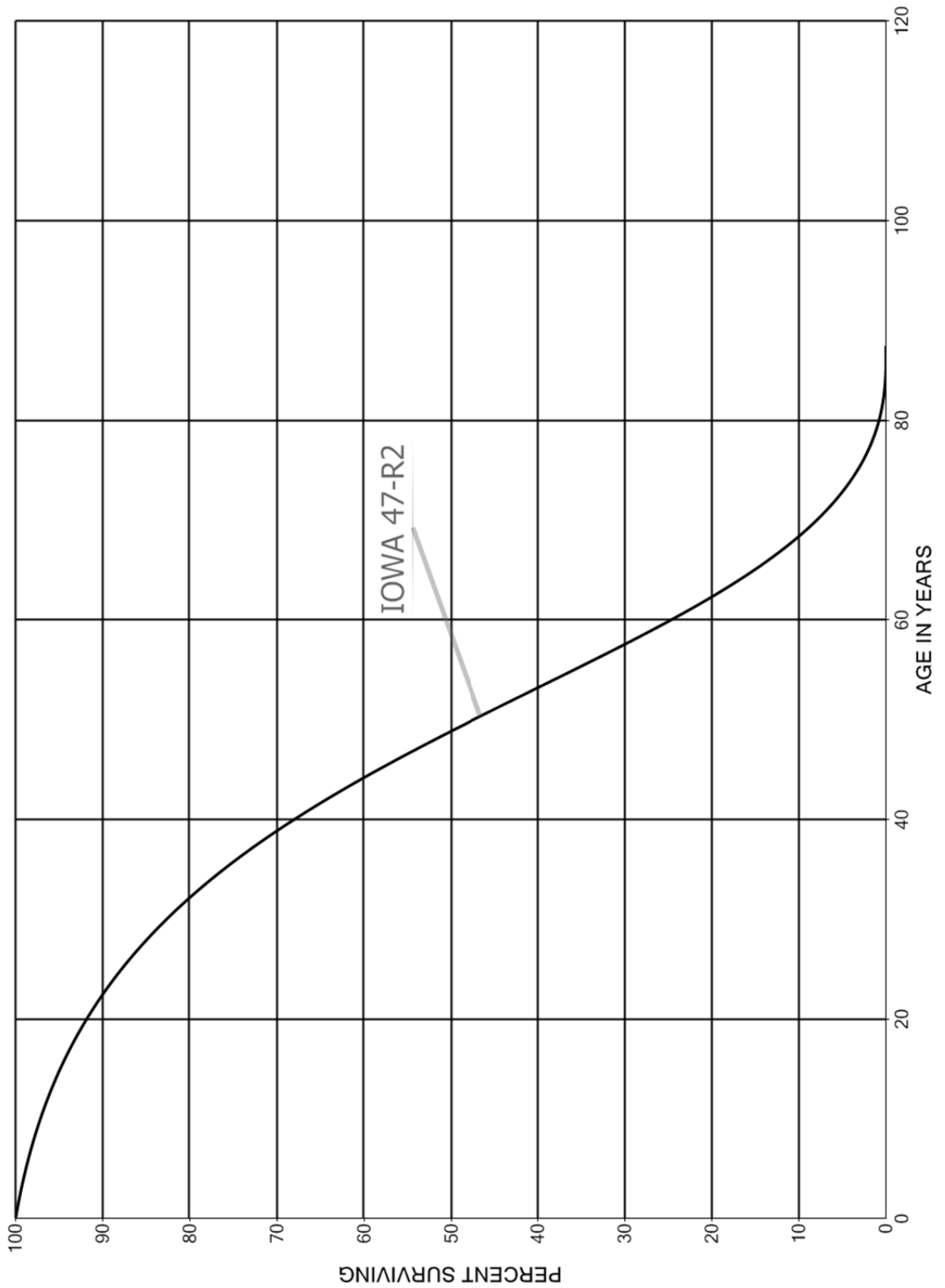
UGI UTILITIES, INC. - GAS DIVISION
ACCOUNT 381.2 ELECTRONIC METERS
SMOOTH SURVIVOR CURVE



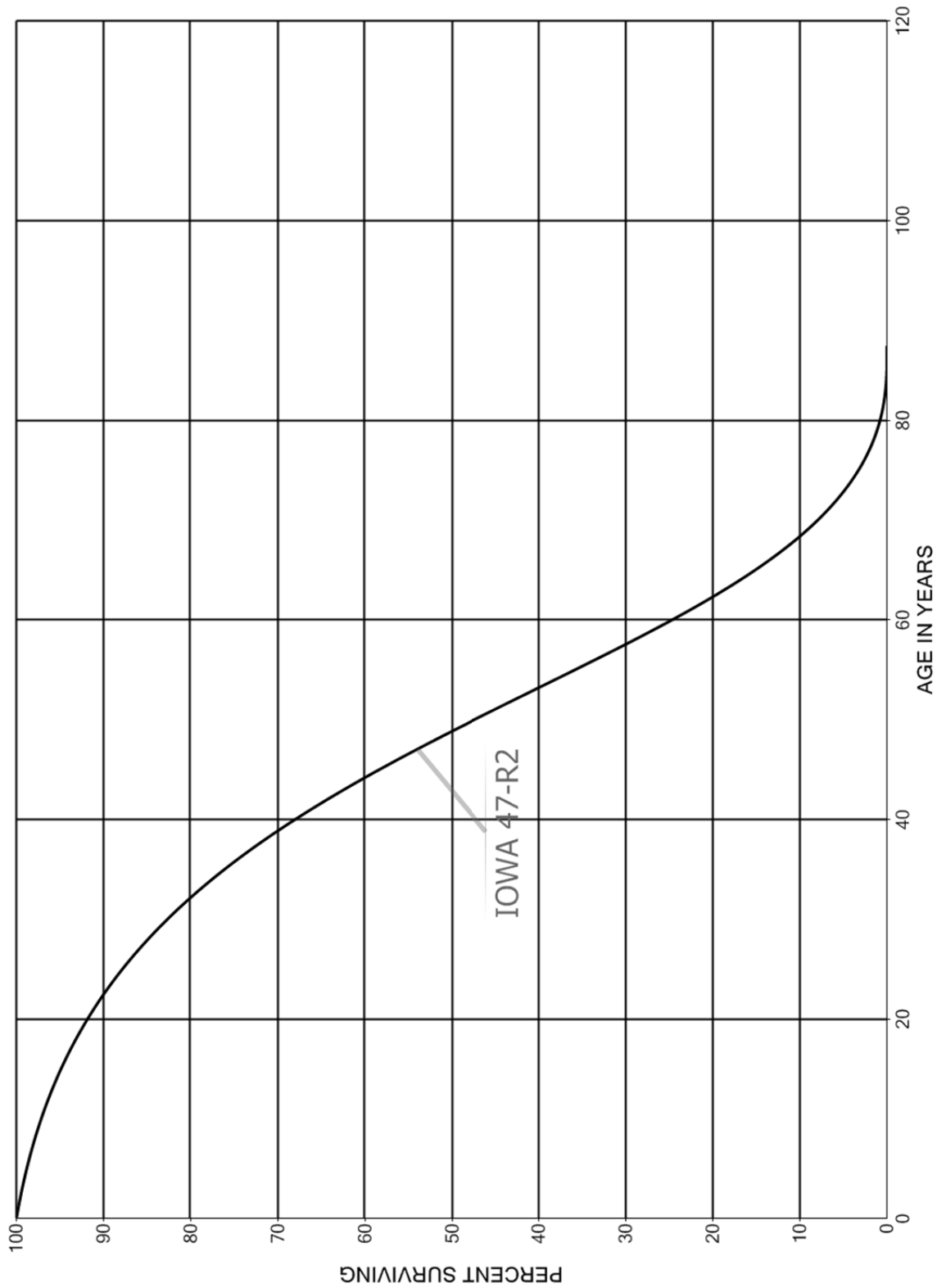
UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 382 METER INSTALLATIONS
 SMOOTH SURVIVOR CURVE



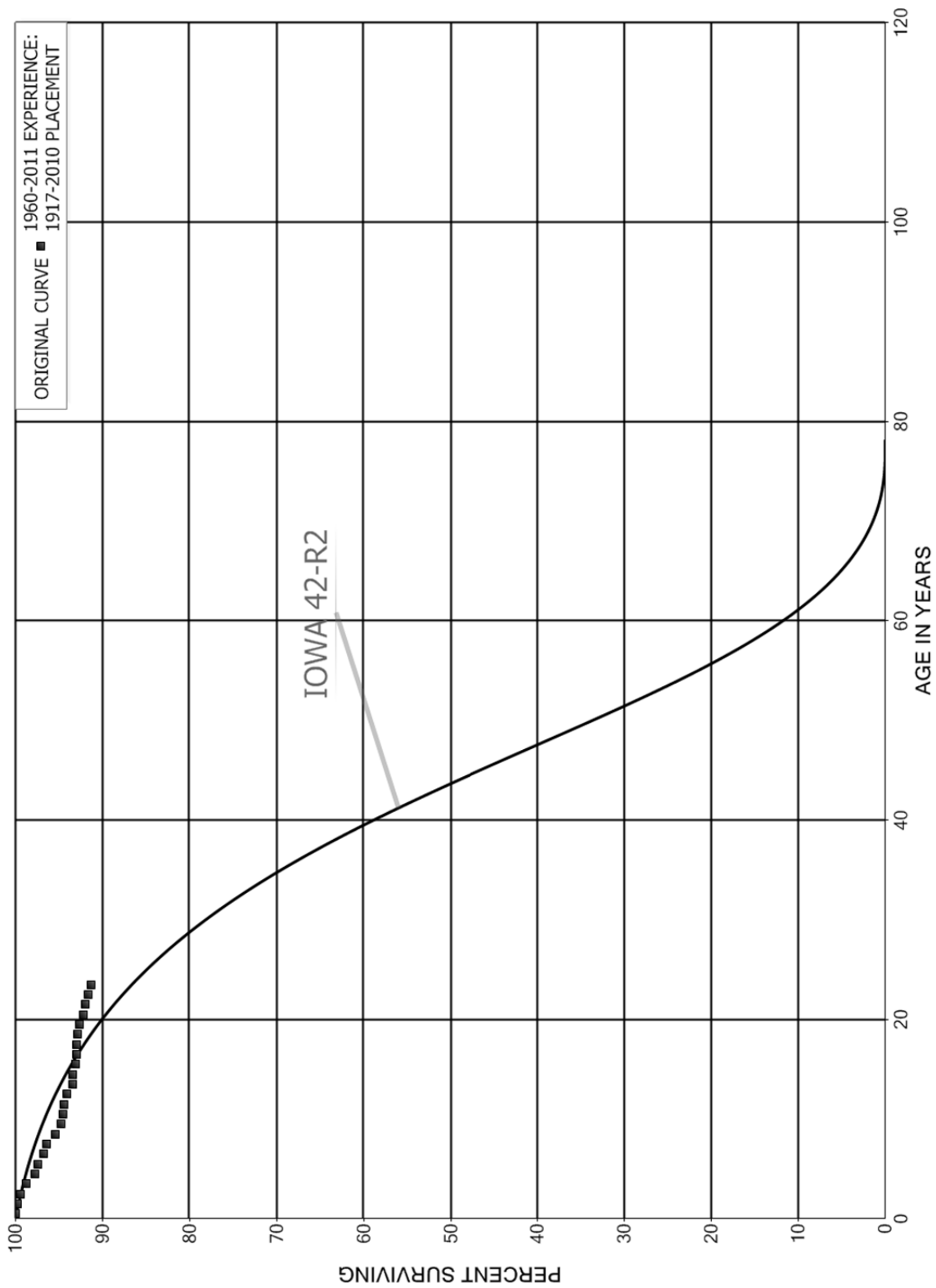
UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 383 HOUSE REGULATORS
 SMOOTH SURVIVOR CURVE



UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS
 SMOOTH SURVIVOR CURVE



UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 385 INDUSTRIAL MEAS AND REG STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1917-2010			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	7,169,695	5,376	0.0007	0.9993	100.00	
0.5	7,190,903	16,457	0.0023	0.9977	99.93	
1.5	6,772,370	23,689	0.0035	0.9965	99.70	
2.5	6,418,312	41,221	0.0064	0.9936	99.35	
3.5	5,926,219	59,821	0.0101	0.9899	98.71	
4.5	5,785,370	17,118	0.0030	0.9970	97.71	
5.5	5,706,545	44,132	0.0077	0.9923	97.42	
6.5	5,580,261	15,840	0.0028	0.9972	96.67	
7.5	5,516,362	56,865	0.0103	0.9897	96.40	
8.5	5,141,680	33,788	0.0066	0.9934	95.40	
9.5	4,948,336	11,483	0.0023	0.9977	94.78	
10.5	4,896,470	7,040	0.0014	0.9986	94.56	
11.5	4,815,720	20,426	0.0042	0.9958	94.42	
12.5	4,573,851	29,106	0.0064	0.9936	94.02	
13.5	4,461,580	3,025	0.0007	0.9993	93.42	
14.5	4,327,938	14,474	0.0033	0.9967	93.36	
15.5	3,666,928	2,122	0.0006	0.9994	93.05	
16.5	3,372,766	2,814	0.0008	0.9992	92.99	
17.5	3,144,054	3,148	0.0010	0.9990	92.91	
18.5	3,049,580	6,234	0.0020	0.9980	92.82	
19.5	2,918,460	14,121	0.0048	0.9952	92.63	
20.5	2,681,545	7,280	0.0027	0.9973	92.18	
21.5	2,469,068	7,306	0.0030	0.9970	91.93	
22.5	2,274,016	8,018	0.0035	0.9965	91.66	
23.5	1,983,755	10,577	0.0053	0.9947	91.34	
24.5	1,812,059	11,772	0.0065	0.9935	90.85	
25.5	1,724,148	1,397	0.0008	0.9992	90.26	
26.5	1,619,391	14,599	0.0090	0.9910	90.19	
27.5	1,557,579	1,265	0.0008	0.9992	89.37	
28.5	1,467,382	392	0.0003	0.9997	89.30	
29.5	1,234,188	3,823	0.0031	0.9969	89.28	
30.5	949,547	5	0.0000	1.0000	89.00	
31.5	674,297	4,518	0.0067	0.9933	89.00	
32.5	539,645	3,709	0.0069	0.9931	88.40	
33.5	534,923		0.0000	1.0000	87.80	
34.5	534,274	376	0.0007	0.9993	87.80	
35.5	531,972		0.0000	1.0000	87.73	
36.5	528,884		0.0000	1.0000	87.73	
37.5	526,448		0.0000	1.0000	87.73	
38.5	520,549		0.0000	1.0000	87.73	

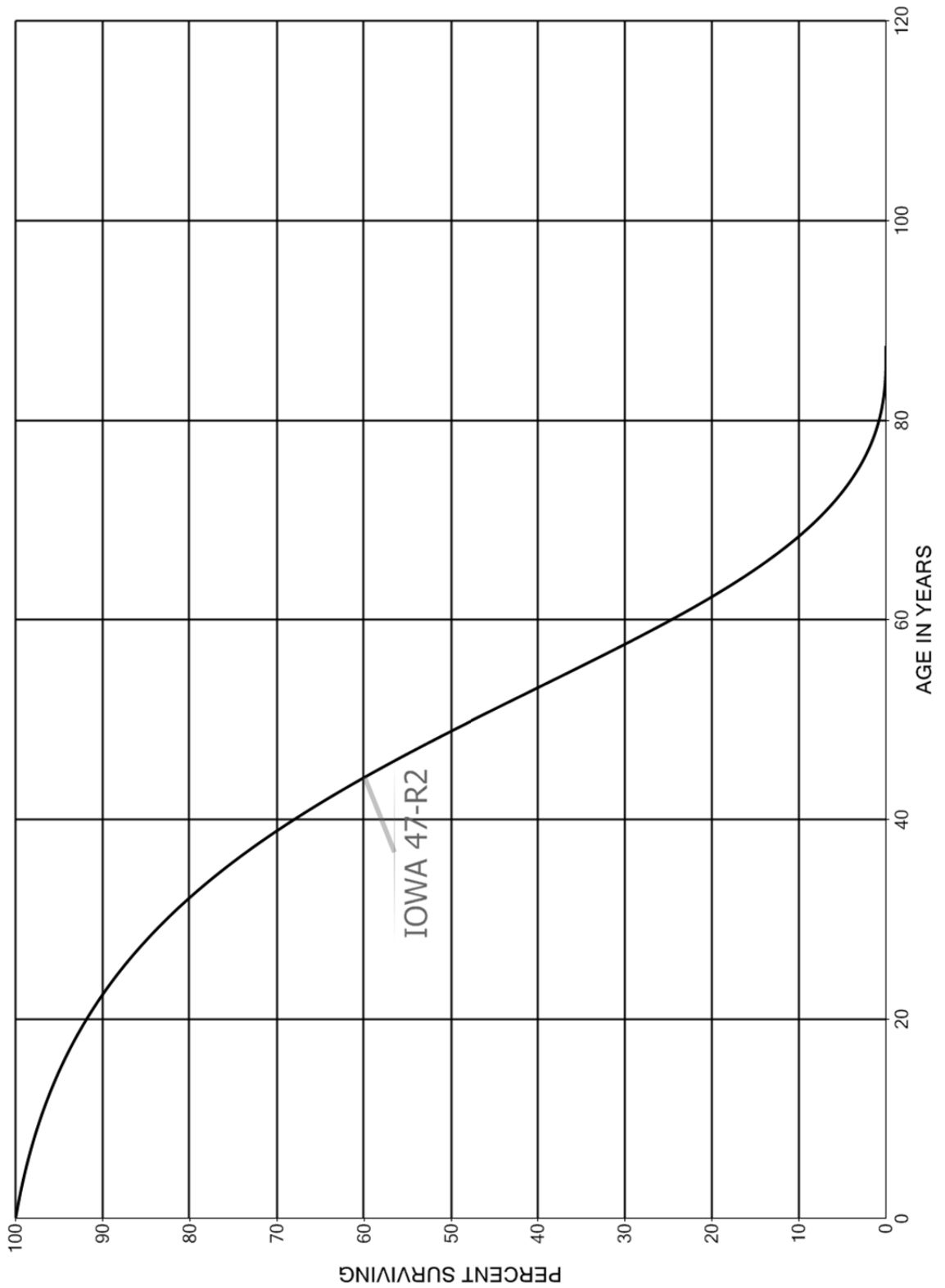
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 385 INDUSTRIAL MEAS AND REG STATION EQUIPMENT

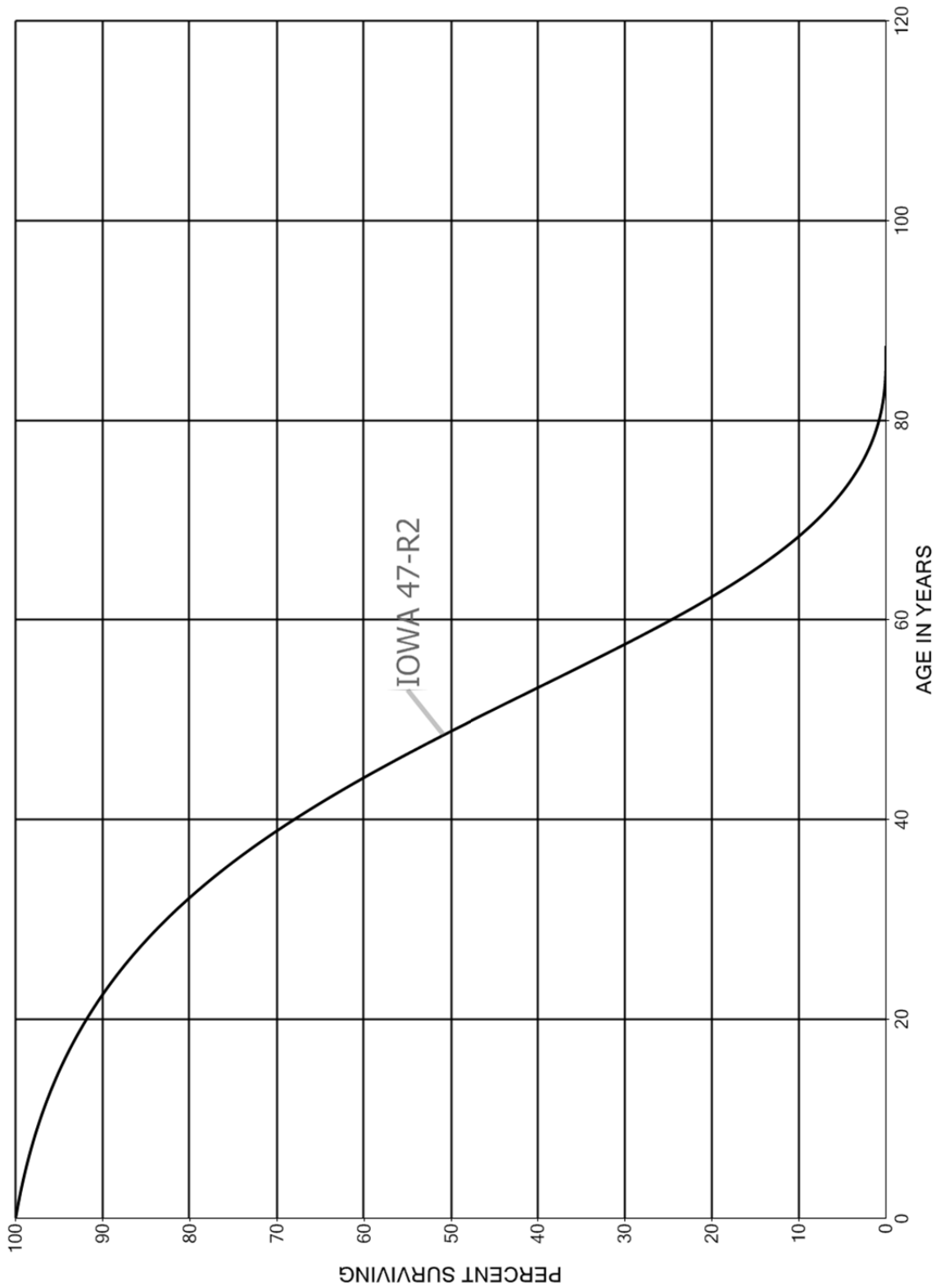
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1917-2010			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	446,062		0.0000	1.0000	87.73
40.5	395,578		0.0000	1.0000	87.73
41.5	338,949		0.0000	1.0000	87.73
42.5	259,376		0.0000	1.0000	87.73
43.5	181,148		0.0000	1.0000	87.73
44.5	147,435		0.0000	1.0000	87.73
45.5	124,487	250	0.0020	0.9980	87.73
46.5	109,891		0.0000	1.0000	87.56
47.5	87,953	1,405	0.0160	0.9840	87.56
48.5	62,362	1,170	0.0188	0.9812	86.16
49.5	39,159	1,347	0.0344	0.9656	84.54
50.5	25,011		0.0000	1.0000	81.64
51.5	7,717		0.0000	1.0000	81.64
52.5	7,717		0.0000	1.0000	81.64
53.5	7,717		0.0000	1.0000	81.64
54.5	2,931		0.0000	1.0000	81.64
55.5	692		0.0000	1.0000	81.64
56.5	692		0.0000	1.0000	81.64
57.5	692		0.0000	1.0000	81.64
58.5					81.64

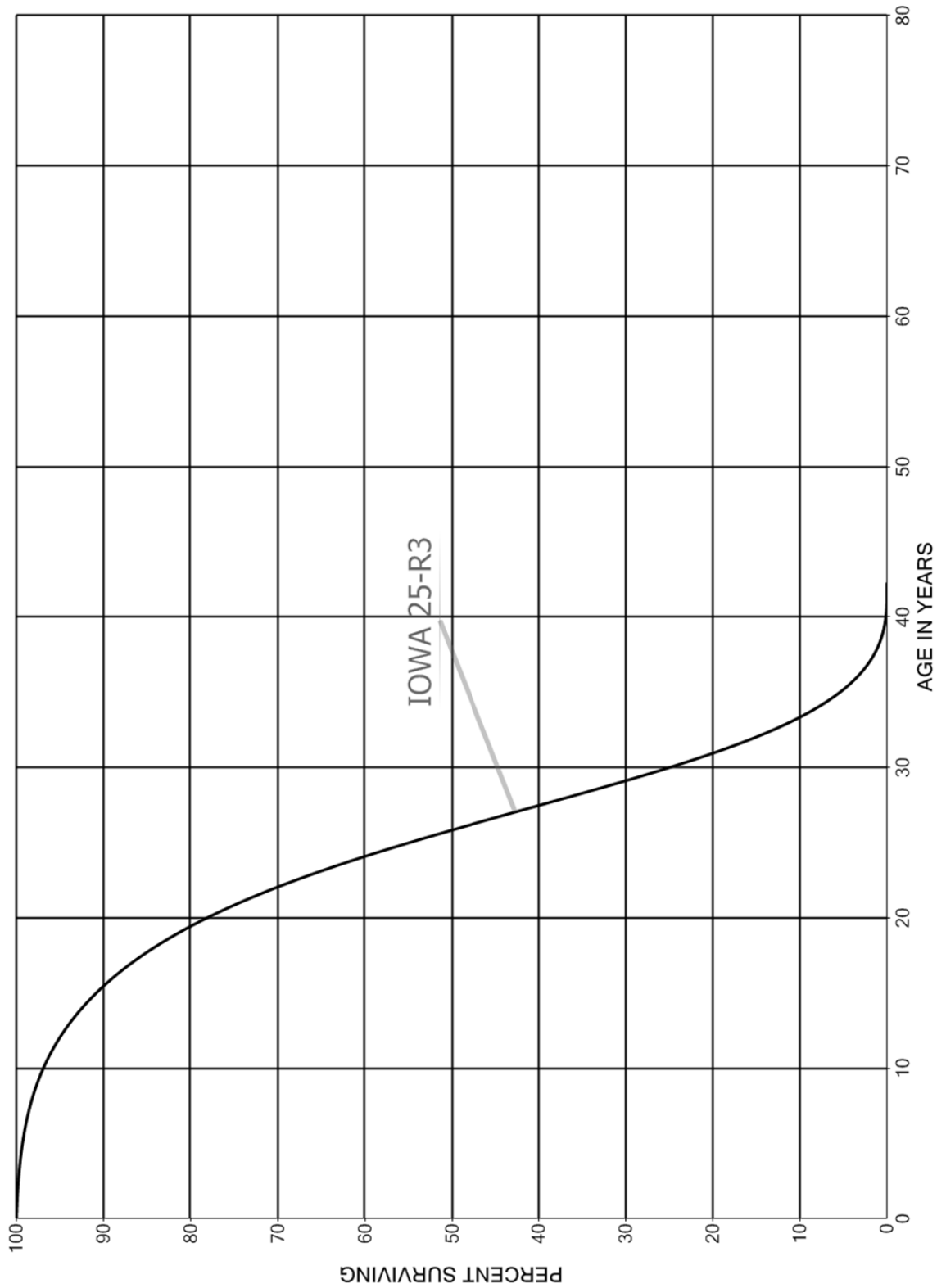
UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 386.0 OTHER PROPERTY ON CUSTOMERS PREMISES
 SMOOTH SURVIVOR CURVE



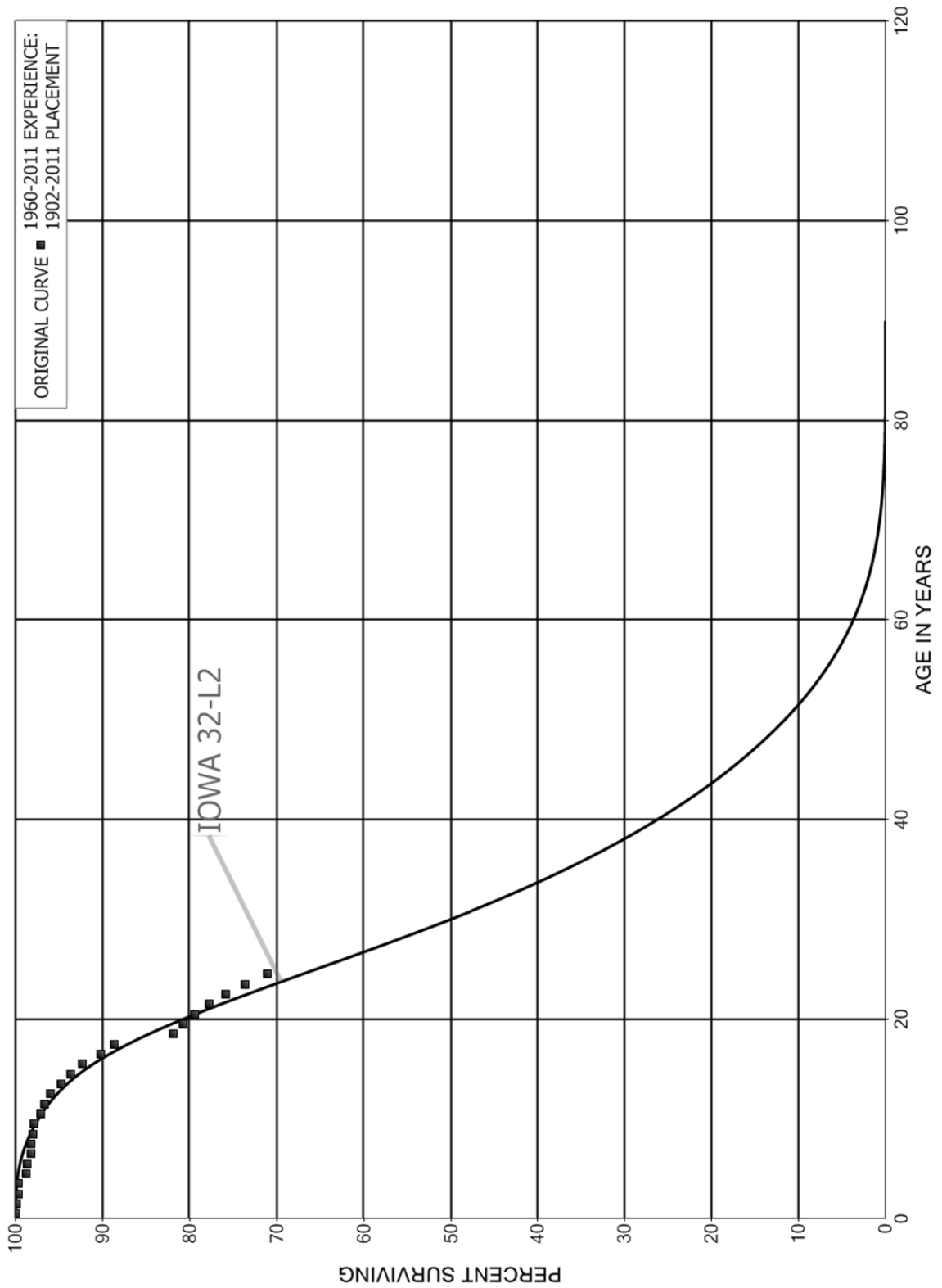
UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS
 SMOOTH SURVIVOR CURVE



UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS
 SMOOTH SURVIVOR CURVE



UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 387 OTHER EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1902-2011			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,014,615		0.0000	1.0000	100.00
0.5	2,054,415	3,829	0.0019	0.9981	100.00
1.5	1,975,608	3,293	0.0017	0.9983	99.81
2.5	1,915,798	1,626	0.0008	0.9992	99.65
3.5	1,830,752	15,810	0.0086	0.9914	99.56
4.5	1,788,081	2,191	0.0012	0.9988	98.70
5.5	1,710,494	6,441	0.0038	0.9962	98.58
6.5	1,633,474	968	0.0006	0.9994	98.21
7.5	1,540,419	3,838	0.0025	0.9975	98.15
8.5	1,329,054	1,451	0.0011	0.9989	97.91
9.5	1,309,677	9,297	0.0071	0.9929	97.80
10.5	1,185,461	6,169	0.0052	0.9948	97.11
11.5	978,365	7,064	0.0072	0.9928	96.60
12.5	849,308	10,911	0.0128	0.9872	95.90
13.5	745,900	8,414	0.0113	0.9887	94.67
14.5	650,263	9,498	0.0146	0.9854	93.60
15.5	596,840	13,436	0.0225	0.9775	92.24
16.5	522,643	8,698	0.0166	0.9834	90.16
17.5	461,647	35,465	0.0768	0.9232	88.66
18.5	394,390	5,562	0.0141	0.9859	81.85
19.5	374,022	6,160	0.0165	0.9835	80.69
20.5	342,391	7,096	0.0207	0.9793	79.37
21.5	302,343	7,205	0.0238	0.9762	77.72
22.5	280,811	8,464	0.0301	0.9699	75.87
23.5	259,719	8,860	0.0341	0.9659	73.58
24.5	233,003	5,231	0.0225	0.9775	71.07
25.5	215,341	1,252	0.0058	0.9942	69.48
26.5	197,879	2,364	0.0119	0.9881	69.07
27.5	164,736	3,151	0.0191	0.9809	68.25
28.5	159,784	5,737	0.0359	0.9641	66.94
29.5	150,889	6,021	0.0399	0.9601	64.54
30.5	134,708	4,506	0.0335	0.9665	61.96
31.5	128,706	4,083	0.0317	0.9683	59.89
32.5	142,341	2,225	0.0156	0.9844	57.99
33.5	139,726	4,700	0.0336	0.9664	57.08
34.5	130,917	1,431	0.0109	0.9891	55.16
35.5	120,942	926	0.0077	0.9923	54.56
36.5	128,598	616	0.0048	0.9952	54.14
37.5	131,331	4,646	0.0354	0.9646	53.88
38.5	126,638	576	0.0045	0.9955	51.98

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1902-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	127,054	4,328	0.0341	0.9659	51.74	
40.5	111,998	1,188	0.0106	0.9894	49.98	
41.5	112,601	1,381	0.0123	0.9877	49.45	
42.5	109,961	959	0.0087	0.9913	48.84	
43.5	101,065	5,125	0.0507	0.9493	48.42	
44.5	98,751	170	0.0017	0.9983	45.96	
45.5	95,430	3,817	0.0400	0.9600	45.88	
46.5	95,290	8,461	0.0888	0.9112	44.05	
47.5	110,764		0.0000	1.0000	40.13	
48.5	110,365	579	0.0052	0.9948	40.13	
49.5	110,615	8	0.0001	0.9999	39.92	
50.5	110,874	57	0.0005	0.9995	39.92	
51.5	130,997	2,637	0.0201	0.9799	39.90	
52.5	116,193	541	0.0047	0.9953	39.10	
53.5	116,776	670	0.0057	0.9943	38.92	
54.5	112,992	1,049	0.0093	0.9907	38.69	
55.5	103,602	106	0.0010	0.9990	38.33	
56.5	102,894	1,664	0.0162	0.9838	38.29	
57.5	98,923	227	0.0023	0.9977	37.67	
58.5	68,571	2,908	0.0424	0.9576	37.59	
59.5	64,537	19,583	0.3034	0.6966	35.99	
60.5	43,585	47	0.0011	0.9989	25.07	
61.5	35,167	532	0.0151	0.9849	25.05	
62.5	12,449	286	0.0230	0.9770	24.67	
63.5	12,162	2,403	0.1976	0.8024	24.10	
64.5	9,304		0.0000	1.0000	19.34	
65.5	9,304		0.0000	1.0000	19.34	
66.5	9,304		0.0000	1.0000	19.34	
67.5	9,304	2,799	0.3008	0.6992	19.34	
68.5	6,505	204	0.0314	0.9686	13.52	
69.5	6,301	130	0.0207	0.9793	13.10	
70.5	6,170	3,071	0.4978	0.5022	12.83	
71.5	3,099	83	0.0269	0.9731	6.44	
72.5	3,016		0.0000	1.0000	6.27	
73.5	3,016		0.0000	1.0000	6.27	
74.5	3,016		0.0000	1.0000	6.27	
75.5	3,016		0.0000	1.0000	6.27	
76.5	11,856		0.0000	1.0000	6.27	
77.5	11,856		0.0000	1.0000	6.27	
78.5	11,999		0.0000	1.0000	6.27	

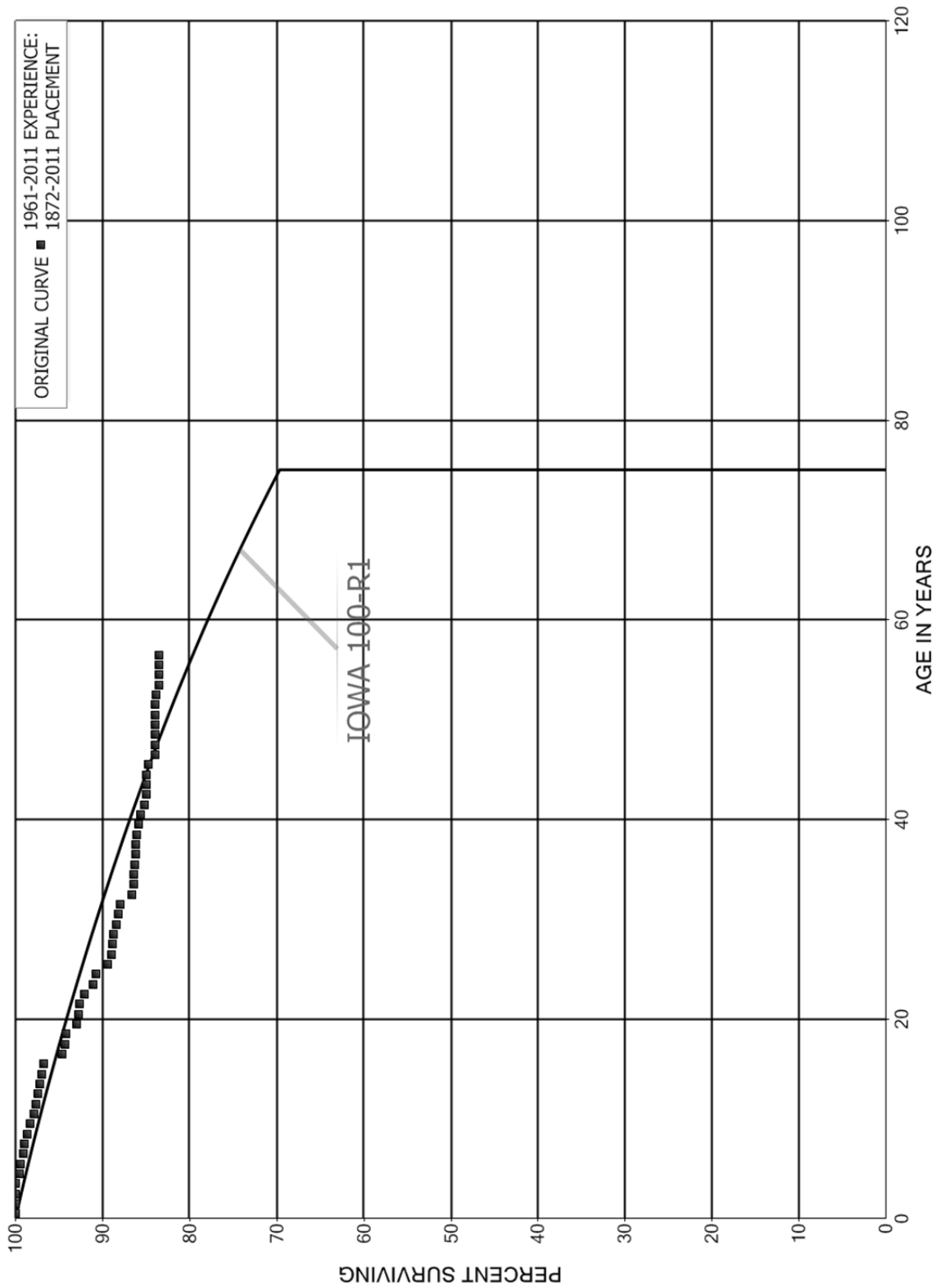
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1902-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	11,999	2,002	0.1669	0.8331	6.27	
80.5	9,997	114	0.0114	0.9886	5.22	
81.5	10,149	12	0.0012	0.9988	5.16	
82.5	10,137		0.0000	1.0000	5.16	
83.5	10,137	545	0.0538	0.9462	5.16	
84.5	9,591	343	0.0357	0.9643	4.88	
85.5	9,249		0.0000	1.0000	4.70	
86.5	9,249		0.0000	1.0000	4.70	
87.5	408		0.0000	1.0000	4.70	
88.5	408		0.0000	1.0000	4.70	
89.5	266		0.0000	1.0000	4.70	
90.5	266		0.0000	1.0000	4.70	
91.5	266		0.0000	1.0000	4.70	
92.5					4.70	

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1872-2011			EXPERIENCE BAND 1961-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	29,869,823		0.0000	1.0000	100.00
0.5	28,900,229	378	0.0000	1.0000	100.00
1.5	28,672,881	2,703	0.0001	0.9999	100.00
2.5	23,627,230	20,165	0.0009	0.9991	99.99
3.5	23,110,121	92,296	0.0040	0.9960	99.90
4.5	22,131,490	20,395	0.0009	0.9991	99.50
5.5	21,857,984	67,624	0.0031	0.9969	99.41
6.5	21,524,686	42,347	0.0020	0.9980	99.11
7.5	21,079,091	61,624	0.0029	0.9971	98.91
8.5	20,602,107	72,524	0.0035	0.9965	98.62
9.5	20,118,492	92,572	0.0046	0.9954	98.27
10.5	19,403,444	35,240	0.0018	0.9982	97.82
11.5	17,824,775	46,684	0.0026	0.9974	97.64
12.5	18,318,064	34,564	0.0019	0.9981	97.39
13.5	17,836,832	41,775	0.0023	0.9977	97.21
14.5	17,503,306	51,132	0.0029	0.9971	96.98
15.5	17,108,885	373,201	0.0218	0.9782	96.69
16.5	16,645,280	59,294	0.0036	0.9964	94.58
17.5	12,370,194	9,549	0.0008	0.9992	94.25
18.5	12,259,078	158,571	0.0129	0.9871	94.18
19.5	9,667,974	23,070	0.0024	0.9976	92.96
20.5	9,539,653	7,117	0.0007	0.9993	92.74
21.5	8,532,712	52,913	0.0062	0.9938	92.67
22.5	7,440,686	81,164	0.0109	0.9891	92.09
23.5	7,483,417	27,930	0.0037	0.9963	91.09
24.5	7,299,685	107,597	0.0147	0.9853	90.75
25.5	7,049,649	33,192	0.0047	0.9953	89.41
26.5	6,940,154	11,307	0.0016	0.9984	88.99
27.5	6,832,288	12,595	0.0018	0.9982	88.84
28.5	6,799,243	23,123	0.0034	0.9966	88.68
29.5	6,590,209	11,796	0.0018	0.9982	88.38
30.5	6,515,918	17,789	0.0027	0.9973	88.22
31.5	6,250,444	99,624	0.0159	0.9841	87.98
32.5	6,043,568	10,847	0.0018	0.9982	86.58
33.5	5,670,656	2,923	0.0005	0.9995	86.42
34.5	5,627,620	8,090	0.0014	0.9986	86.38
35.5	5,563,950	3,977	0.0007	0.9993	86.25
36.5	5,580,142	3,157	0.0006	0.9994	86.19
37.5	4,365,083	5,450	0.0012	0.9988	86.14
38.5	4,346,251	9,159	0.0021	0.9979	86.03

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1872-2011			EXPERIENCE BAND 1961-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	4,332,024	10,848	0.0025	0.9975	85.85	
40.5	4,283,370	24,191	0.0056	0.9944	85.64	
41.5	4,232,806	7,227	0.0017	0.9983	85.15	
42.5	4,173,662	2,252	0.0005	0.9995	85.01	
43.5	4,155,297	1,559	0.0004	0.9996	84.96	
44.5	4,129,204	7,368	0.0018	0.9982	84.93	
45.5	3,970,601	37,000	0.0093	0.9907	84.78	
46.5	2,363,749		0.0000	1.0000	83.99	
47.5	2,347,492	1,270	0.0005	0.9995	83.99	
48.5	2,328,310		0.0000	1.0000	83.94	
49.5	2,271,487	90	0.0000	1.0000	83.94	
50.5	1,708,612	446	0.0003	0.9997	83.94	
51.5	1,690,016	1,759	0.0010	0.9990	83.92	
52.5	1,679,388	5,610	0.0033	0.9967	83.83	
53.5	1,665,014		0.0000	1.0000	83.55	
54.5	1,647,651	116	0.0001	0.9999	83.55	
55.5	1,658,370		0.0000	1.0000	83.55	
56.5	892,446	495	0.0006	0.9994	83.55	
57.5	569,398		0.0000	1.0000	83.50	
58.5	528,506	5,000	0.0095	0.9905	83.50	
59.5	502,960	7,499	0.0149	0.9851	82.71	
60.5	476,333		0.0000	1.0000	81.48	
61.5	434,912	3,160	0.0073	0.9927	81.48	
62.5	392,153	200	0.0005	0.9995	80.88	
63.5	391,551		0.0000	1.0000	80.84	
64.5	384,604	15,429	0.0401	0.9599	80.84	
65.5	369,175		0.0000	1.0000	77.60	
66.5	345,045	100	0.0003	0.9997	77.60	
67.5	344,360		0.0000	1.0000	77.58	
68.5	334,635		0.0000	1.0000	77.58	
69.5	334,635	100	0.0003	0.9997	77.58	
70.5	334,535		0.0000	1.0000	77.55	
71.5	334,439	1,149	0.0034	0.9966	77.55	
72.5	333,290	8,587	0.0258	0.9742	77.29	
73.5	324,158	1,725	0.0053	0.9947	75.30	
74.5	322,190		0.0000	1.0000	74.90	
75.5	322,190		0.0000	1.0000	74.90	
76.5	318,066	2,898	0.0091	0.9909	74.90	
77.5	314,859		0.0000	1.0000	74.21	
78.5	314,032		0.0000	1.0000	74.21	

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1872-2011			EXPERIENCE BAND 1961-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	131,033		0.0000	1.0000	74.21
80.5	92,424		0.0000	1.0000	74.21
81.5	92,424		0.0000	1.0000	74.21
82.5	91,197		0.0000	1.0000	74.21
83.5	56,740		0.0000	1.0000	74.21
84.5	56,740		0.0000	1.0000	74.21
85.5	52,927		0.0000	1.0000	74.21
86.5	52,927		0.0000	1.0000	74.21
87.5	48,262		0.0000	1.0000	74.21
88.5	47,296		0.0000	1.0000	74.21
89.5	40,753		0.0000	1.0000	74.21
90.5	41,401		0.0000	1.0000	74.21
91.5	38,552	11,445	0.2969	0.7031	74.21
92.5	27,107		0.0000	1.0000	52.18
93.5	19,618		0.0000	1.0000	52.18
94.5	19,618		0.0000	1.0000	52.18
95.5	19,618		0.0000	1.0000	52.18
96.5	19,447		0.0000	1.0000	52.18
97.5	19,281		0.0000	1.0000	52.18
98.5	19,281		0.0000	1.0000	52.18
99.5	17,499		0.0000	1.0000	52.18
100.5	17,236		0.0000	1.0000	52.18
101.5	16,937		0.0000	1.0000	52.18
102.5	16,518		0.0000	1.0000	52.18
103.5	16,518		0.0000	1.0000	52.18
104.5	15,038		0.0000	1.0000	52.18
105.5	14,745		0.0000	1.0000	52.18
106.5	12,720		0.0000	1.0000	52.18
107.5	12,720		0.0000	1.0000	52.18
108.5	12,720		0.0000	1.0000	52.18
109.5	12,720		0.0000	1.0000	52.18
110.5	12,720		0.0000	1.0000	52.18
111.5	12,720		0.0000	1.0000	52.18
112.5	12,720		0.0000	1.0000	52.18
113.5	12,720		0.0000	1.0000	52.18
114.5	12,720		0.0000	1.0000	52.18
115.5	12,720		0.0000	1.0000	52.18
116.5	12,720		0.0000	1.0000	52.18
117.5	12,720		0.0000	1.0000	52.18
118.5	12,720		0.0000	1.0000	52.18

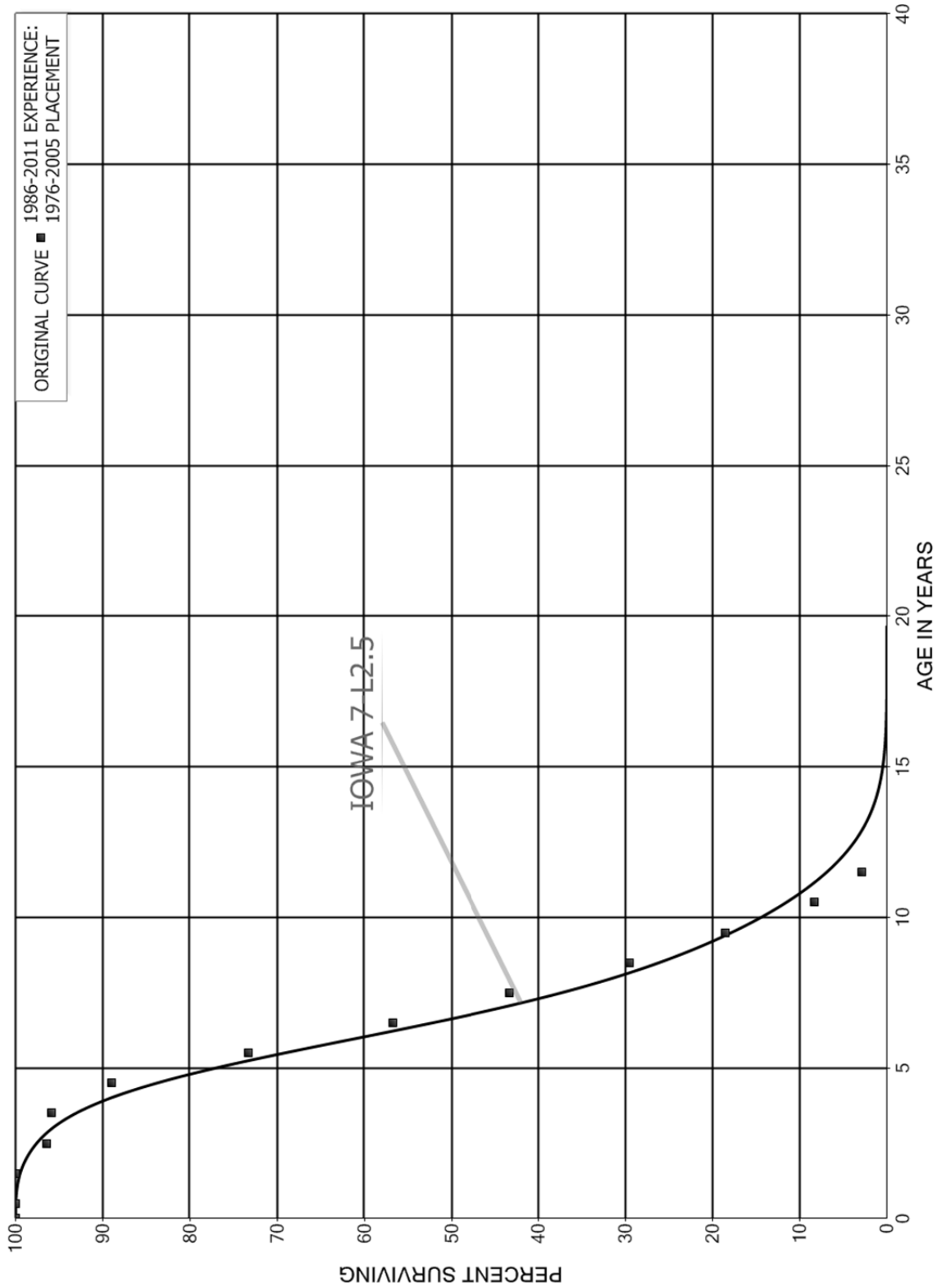
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1872-2011			EXPERIENCE BAND 1961-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	12,720		0.0000	1.0000	52.18
120.5	12,720		0.0000	1.0000	52.18
121.5	12,720		0.0000	1.0000	52.18
122.5	12,720		0.0000	1.0000	52.18
123.5	12,720		0.0000	1.0000	52.18
124.5	12,720		0.0000	1.0000	52.18
125.5	12,720		0.0000	1.0000	52.18
126.5	12,720		0.0000	1.0000	52.18
127.5	12,720		0.0000	1.0000	52.18
128.5	12,720		0.0000	1.0000	52.18
129.5	12,720		0.0000	1.0000	52.18
130.5	12,720		0.0000	1.0000	52.18
131.5	12,720		0.0000	1.0000	52.18
132.5	12,720		0.0000	1.0000	52.18
133.5	12,720		0.0000	1.0000	52.18
134.5	2,385		0.0000	1.0000	52.18
135.5	2,385		0.0000	1.0000	52.18
136.5	2,385		0.0000	1.0000	52.18
137.5	2,385		0.0000	1.0000	52.18
138.5	2,385		0.0000	1.0000	52.18
139.5					52.18

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



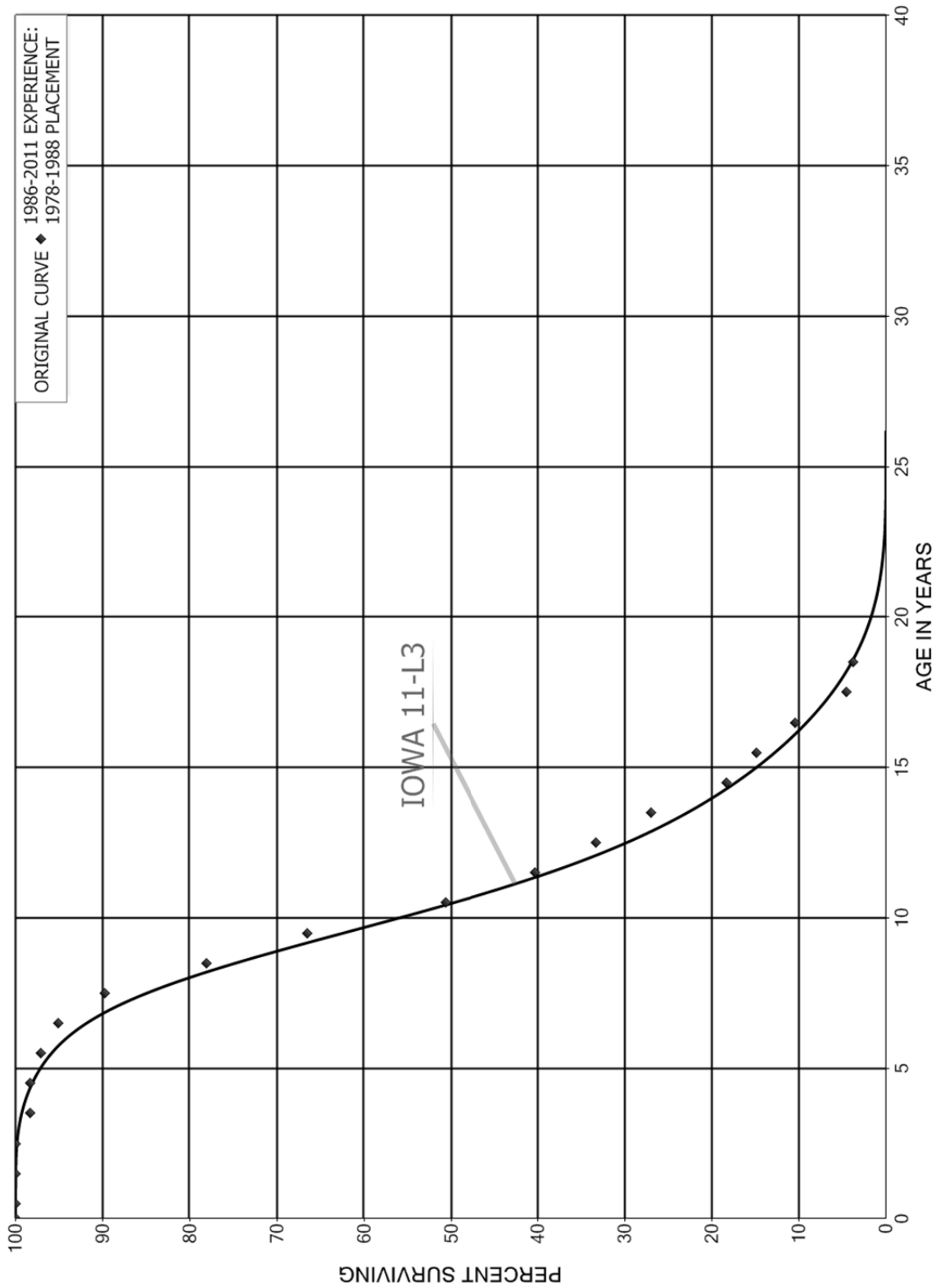
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1976-2005			EXPERIENCE BAND 1986-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	577,058		0.0000	1.0000	100.00
0.5	750,586		0.0000	1.0000	100.00
1.5	969,582	34,963	0.0361	0.9639	100.00
2.5	931,020	5,770	0.0062	0.9938	96.39
3.5	1,078,856	76,811	0.0712	0.9288	95.80
4.5	1,104,879	194,312	0.1759	0.8241	88.98
5.5	1,065,806	240,965	0.2261	0.7739	73.33
6.5	924,236	220,010	0.2380	0.7620	56.75
7.5	719,902	229,396	0.3186	0.6814	43.24
8.5	518,327	193,348	0.3730	0.6270	29.46
9.5	354,369	195,981	0.5530	0.4470	18.47
10.5	158,388	103,270	0.6520	0.3480	8.26
11.5	59,014	54,677	0.9265	0.0735	2.87
12.5	4,337		0.0000	1.0000	0.21
13.5	4,337		0.0000	1.0000	0.21
14.5	4,337		0.0000	1.0000	0.21
15.5	4,337		0.0000	1.0000	0.21
16.5	4,337	4,337	1.0000		0.21
17.5					

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRUCKS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



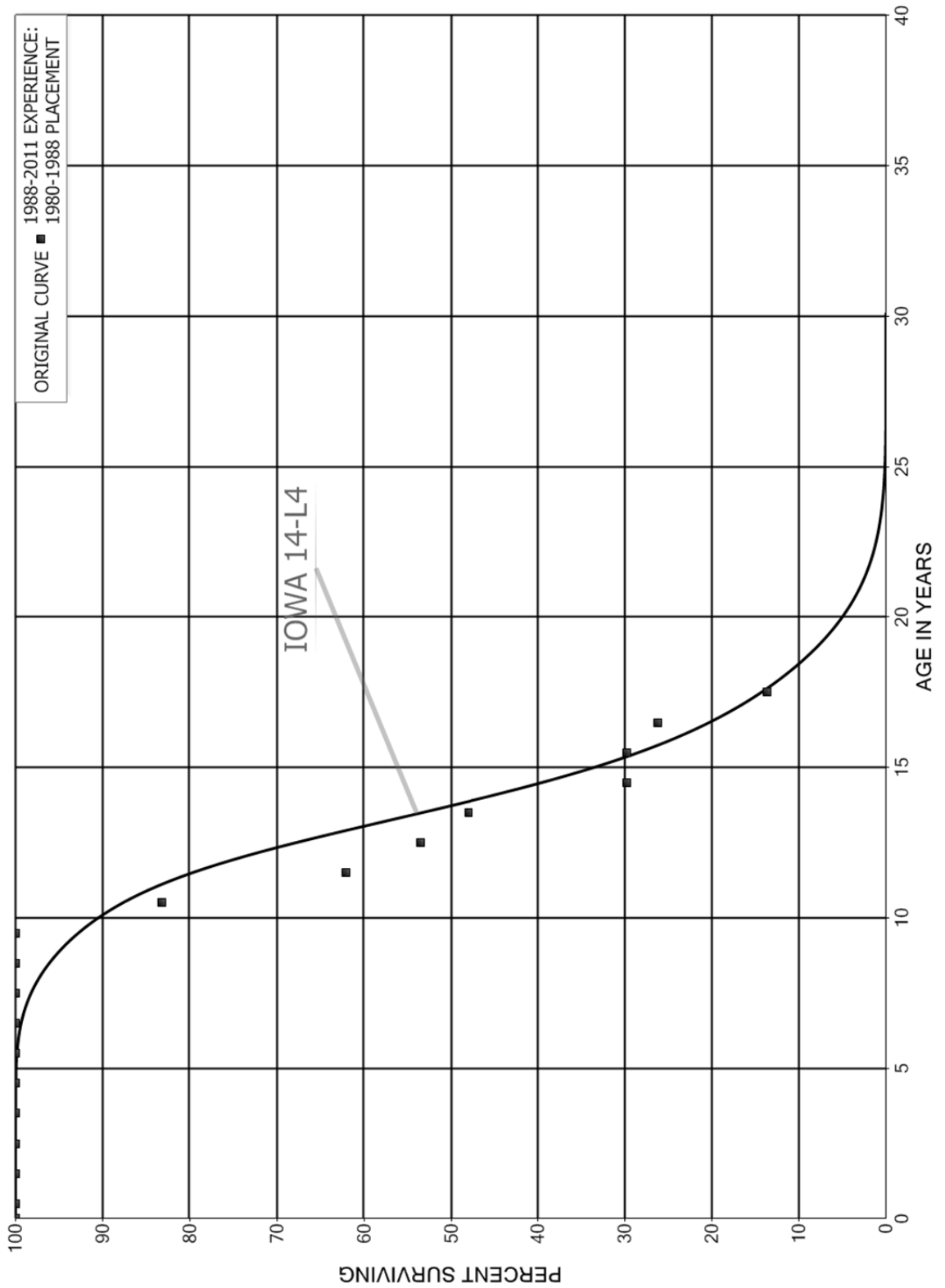
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRUCKS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1978-1988			EXPERIENCE BAND 1986-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,395,365		0.0000	1.0000	100.00
0.5	2,043,203		0.0000	1.0000	100.00
1.5	2,538,712		0.0000	1.0000	100.00
2.5	2,549,846	43,033	0.0169	0.9831	100.00
3.5	2,901,307		0.0000	1.0000	98.31
4.5	3,203,019	40,311	0.0126	0.9874	98.31
5.5	3,635,351	74,635	0.0205	0.9795	97.08
6.5	4,072,405	231,258	0.0568	0.9432	95.08
7.5	4,238,999	546,562	0.1289	0.8711	89.68
8.5	3,692,438	549,250	0.1487	0.8513	78.12
9.5	3,143,188	749,707	0.2385	0.7615	66.50
10.5	2,393,481	489,158	0.2044	0.7956	50.64
11.5	1,904,323	331,335	0.1740	0.8260	40.29
12.5	1,572,988	299,959	0.1907	0.8093	33.28
13.5	1,273,028	407,356	0.3200	0.6800	26.93
14.5	865,672	163,603	0.1890	0.8110	18.31
15.5	702,069	211,123	0.3007	0.6993	14.85
16.5	490,946	278,573	0.5674	0.4326	10.39
17.5	212,372	38,591	0.1817	0.8183	4.49
18.5	173,781	82,576	0.4752	0.5248	3.68
19.5	91,205	27,685	0.3035	0.6965	1.93
20.5	63,521		0.0000	1.0000	1.34
21.5	63,521		0.0000	1.0000	1.34
22.5	63,521	11,264	0.1773	0.8227	1.34
23.5	52,257		0.0000	1.0000	1.11
24.5	52,257		0.0000	1.0000	1.11
25.5	52,257		0.0000	1.0000	1.11
26.5	52,257	9,511	0.1820	0.8180	1.11
27.5	28,341		0.0000	1.0000	0.90
28.5	28,341		0.0000	1.0000	0.90
29.5	28,341		0.0000	1.0000	0.90
30.5	28,341		0.0000	1.0000	0.90
31.5	28,341		0.0000	1.0000	0.90
32.5	28,341		0.0000	1.0000	0.90
33.5					0.90

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



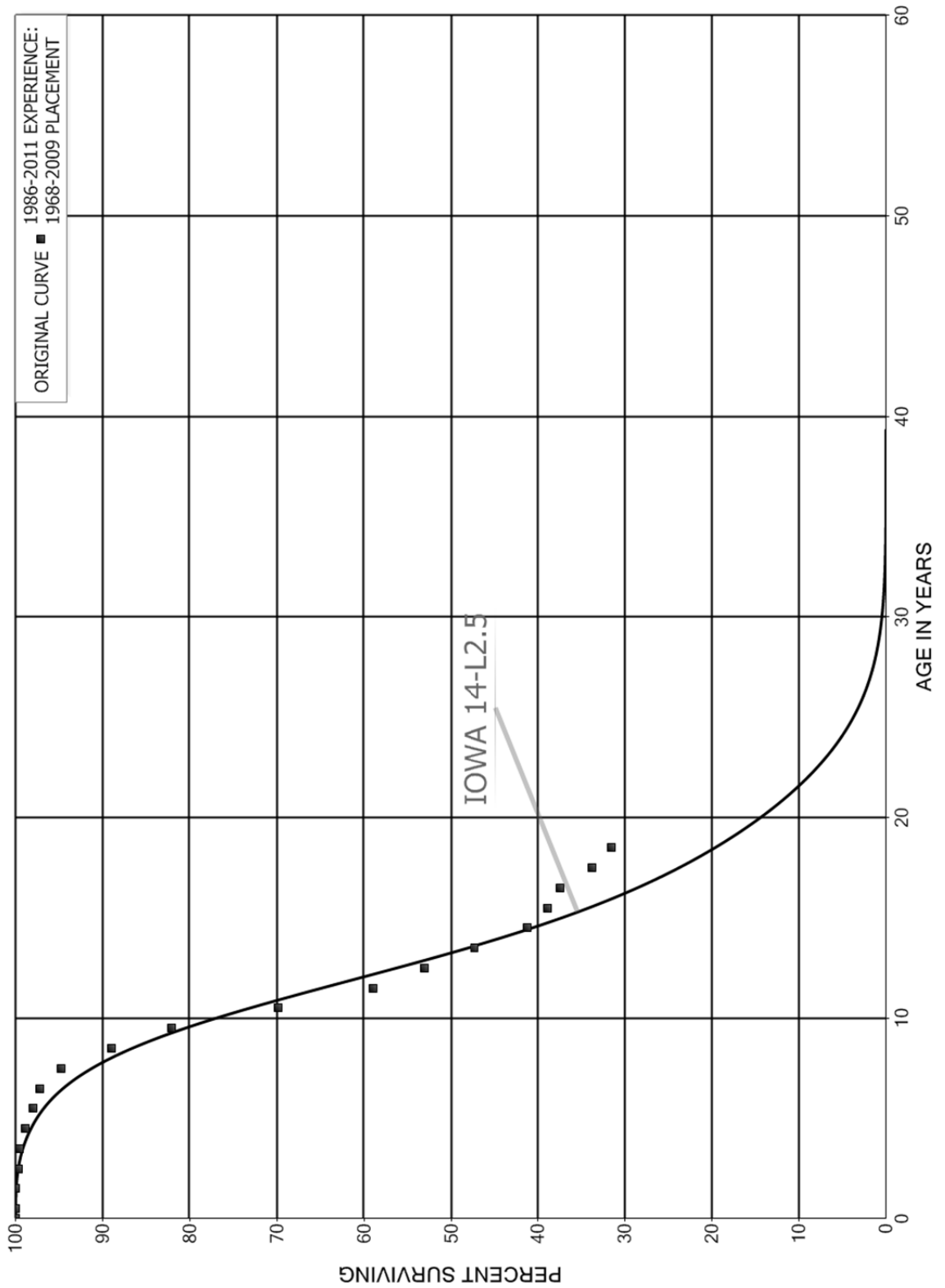
UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1980-1988			EXPERIENCE BAND 1988-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	316,555		0.0000	1.0000	100.00
0.5	316,555		0.0000	1.0000	100.00
1.5	316,555		0.0000	1.0000	100.00
2.5	316,555		0.0000	1.0000	100.00
3.5	316,555		0.0000	1.0000	100.00
4.5	316,555		0.0000	1.0000	100.00
5.5	316,555		0.0000	1.0000	100.00
6.5	316,555		0.0000	1.0000	100.00
7.5	316,555		0.0000	1.0000	100.00
8.5	316,555		0.0000	1.0000	100.00
9.5	316,555	53,290	0.1683	0.8317	100.00
10.5	263,265	66,673	0.2533	0.7467	83.17
11.5	196,592	27,248	0.1386	0.8614	62.10
12.5	169,344	17,567	0.1037	0.8963	53.50
13.5	163,984	62,400	0.3805	0.6195	47.95
14.5	101,584		0.0000	1.0000	29.70
15.5	101,584	12,208	0.1202	0.8798	29.70
16.5	89,377	42,777	0.4786	0.5214	26.13
17.5	46,600		0.0000	1.0000	13.62
18.5	46,600		0.0000	1.0000	13.62
19.5	46,600	34,050	0.7307	0.2693	13.62
20.5	12,549		0.0000	1.0000	3.67
21.5	12,549		0.0000	1.0000	3.67
22.5	12,549		0.0000	1.0000	3.67
23.5					3.67

UGI UTILITIES, INC. - GAS DIVISION
 ACCOUNT 396 POWER OPERATED EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 396 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1968-2009			EXPERIENCE BAND 1986-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,494,960		0.0000	1.0000	100.00
0.5	1,658,114		0.0000	1.0000	100.00
1.5	2,012,432	8,660	0.0043	0.9957	100.00
2.5	1,945,940	1,630	0.0008	0.9992	99.57
3.5	2,126,477	12,801	0.0060	0.9940	99.49
4.5	2,140,245	19,254	0.0090	0.9910	98.89
5.5	2,271,009	19,840	0.0087	0.9913	98.00
6.5	2,438,539	61,072	0.0250	0.9750	97.14
7.5	2,499,418	150,787	0.0603	0.9397	94.71
8.5	2,487,173	193,768	0.0779	0.9221	89.00
9.5	2,418,385	361,416	0.1494	0.8506	82.06
10.5	2,044,297	318,228	0.1557	0.8443	69.80
11.5	1,777,083	177,358	0.0998	0.9002	58.93
12.5	1,586,640	171,957	0.1084	0.8916	53.05
13.5	1,396,747	179,646	0.1286	0.8714	47.30
14.5	1,181,778	67,167	0.0568	0.9432	41.22
15.5	1,091,551	42,601	0.0390	0.9610	38.88
16.5	983,667	95,491	0.0971	0.9029	37.36
17.5	850,817	55,999	0.0658	0.9342	33.73
18.5	774,356	796	0.0010	0.9990	31.51
19.5	743,892	5,842	0.0079	0.9921	31.48
20.5	729,942	9,429	0.0129	0.9871	31.23
21.5	622,355	4,019	0.0065	0.9935	30.83
22.5	520,767	1,515	0.0029	0.9971	30.63
23.5	463,512	1,897	0.0041	0.9959	30.54
24.5	441,556		0.0000	1.0000	30.42
25.5	367,271		0.0000	1.0000	30.42
26.5	268,493		0.0000	1.0000	30.42
27.5	217,559	734	0.0034	0.9966	30.42
28.5	215,570	656	0.0030	0.9970	30.31
29.5	174,917		0.0000	1.0000	30.22
30.5	118,808		0.0000	1.0000	30.22
31.5	109,459		0.0000	1.0000	30.22
32.5	101,754	6,613	0.0650	0.9350	30.22
33.5	85,575		0.0000	1.0000	28.26
34.5	49,241		0.0000	1.0000	28.26
35.5	42,639		0.0000	1.0000	28.26
36.5	30,301		0.0000	1.0000	28.26
37.5	19,430		0.0000	1.0000	28.26
38.5	16,346		0.0000	1.0000	28.26

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 396 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1968-2009			EXPERIENCE BAND 1986-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	15,162		0.0000	1.0000	28.26
40.5	10,874		0.0000	1.0000	28.26
41.5	5,478		0.0000	1.0000	28.26
42.5	4,253		0.0000	1.0000	28.26
43.5					28.26

**PART VII. DETAILED DEPRECIATION
CALCULATIONS**

CUMULATIVE DEPRECIATED ORIGINAL COST

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	DEPRECIATED ORIGINAL COST		PCT OF COL 4 TOTAL (6)
			AMOUNT (2) - (3) (4)	CUMULATIVE AMOUNT (5)	
1850	2,795	2,795			0.0
1858	341	341			0.0
1859	2	2			0.0
1860	148	148			0.0
1867	31	31			0.0
1868	90	90			0.0
1869	5	5			0.0
1870	14	14			0.0
1873	46	46			0.0
1874	25	25			0.0
1875	2	2			0.0
1877	10,334	10,334			0.0
1879	2	2			0.0
1880	911	911			0.0
1881	229	229			0.0
1882	506	506			0.0
1883	81	81			0.0
1886	2	2			0.0
1888	55	53	2	2	0.0
1889	4,423	4,418	5	7	0.0
1890	30	29	1	8	0.0
1891	191	186	5	13	0.0
1892	8	7	1	14	0.0
1893	226	217	9	23	0.0
1894	1	1		23	0.0
1895	982	455	527	550	0.0
1896	4,685	2,106	2,579	3,129	0.0
1897	3,851	1,777	2,074	5,203	0.0
1898	4,433	2,090	2,343	7,546	0.0
1899	7,974	3,838	4,136	11,682	0.0
1900	19,936	8,466	11,470	23,152	0.0
1901	19,831	9,195	10,636	33,788	0.0
1902	10,201	5,687	4,514	38,302	0.0
1903	20,894	10,024	10,870	49,172	0.0
1904	26,374	14,258	12,116	61,288	0.0
1905	22,568	12,226	10,342	71,630	0.0
1906	19,511	11,653	7,858	79,488	0.0
1907	19,787	10,325	9,462	88,950	0.0
1908	30,958	16,133	14,825	103,775	0.0
1909	25,941	14,442	11,499	115,274	0.0
1910	34,365	18,554	15,811	131,085	0.0
1911	38,952	24,714	14,238	145,323	0.0
1912	36,241	21,462	14,779	160,102	0.0
1913	28,600	20,645	7,955	168,057	0.0
1914	63,775	49,579	14,196	182,253	0.0

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1915	50,322	30,792		19,530	201,783	0.0
1916	56,327	30,829		25,498	227,281	0.0
1917	37,246	19,499		17,747	245,028	0.0
1918	32,286	22,135		10,151	255,179	0.0
1919	40,630	21,839		18,791	273,970	0.0
1920	49,048	27,291		21,757	295,727	0.0
1921	75,391	47,925		27,466	323,193	0.0
1922	118,237	60,846		57,391	380,584	0.0
1923	113,632	57,410		56,222	436,806	0.0
1924	320,371	189,932	130,439		567,245	0.1
1925	146,349	74,580		71,769	639,014	0.1
1926	275,970	190,938		85,032	724,046	0.1
1927	140,000	83,372		56,628	780,674	0.1
1928	246,968	192,025		54,943	835,617	0.1
1929	249,448	169,760		79,688	915,305	0.1
1930	320,576	256,134		64,442	979,747	0.1
1931	209,676	184,880		24,796	1,004,543	0.1
1932	39,390	31,251		8,139	1,012,682	0.1
1933	27,543	21,034		6,509	1,019,191	0.1
1934	25,136	20,640		4,496	1,023,687	0.1
1935	24,492	18,691		5,801	1,029,488	0.1
1936	30,835	22,583		8,252	1,037,740	0.1
1937	42,486	32,453		10,033	1,047,773	0.1
1938	35,862	25,303		10,559	1,058,332	0.1
1939	53,507	35,890		17,617	1,075,949	0.1
1940	45,919	34,036		11,883	1,087,832	0.1
1941	80,226	55,187		25,039	1,112,871	0.1
1942	45,438	38,005		7,433	1,120,304	0.1
1943	20,594	16,208		4,386	1,124,690	0.1
1944	30,570	19,916		10,654	1,135,344	0.1
1945	38,304	31,942		6,362	1,141,706	0.1
1946	389,152	307,685		81,467	1,223,173	0.1
1947	183,273	126,082		57,191	1,280,364	0.1
1948	248,631	177,094		71,537	1,351,901	0.1
1949	393,992	311,660		82,332	1,434,233	0.1
1950	2,111,892	1,629,658		482,234	1,916,467	0.2
1951	654,146	483,861		170,285	2,086,752	0.2
1952	841,272	614,128		227,144	2,313,896	0.2
1953	1,051,547	745,353		306,194	2,620,090	0.3
1954	1,918,002	1,465,699		452,303	3,072,393	0.3
1955	2,200,035	1,659,556		540,479	3,612,872	0.3
1956	2,121,508	1,492,256		629,252	4,242,124	0.4
1957	1,854,200	1,279,441		574,759	4,816,883	0.5
1958	3,216,955	2,241,498		975,457	5,792,340	0.6
1959	2,337,556	1,596,425		741,131	6,533,471	0.6

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
			(4)			
1960	3,378,814	2,379,908		998,906	7,532,377	0.7
1961	2,806,504	2,042,630		763,874	8,296,251	0.8
1962	2,463,228	1,705,994		757,234	9,053,485	0.9
1963	2,887,046	1,965,050		921,996	9,975,481	1.0
1964	2,870,165	1,930,664		939,501	10,914,982	1.0
1965	5,191,745	3,499,620		1,692,125	12,607,107	1.2
1966	4,052,397	2,666,882		1,385,515	13,992,622	1.3
1967	4,202,699	2,726,874		1,475,825	15,468,447	1.5
1968	4,790,374	3,080,806		1,709,568	17,178,015	1.6
1969	5,285,677	3,339,306		1,946,371	19,124,386	1.8
1970	4,629,144	2,881,121		1,748,023	20,872,409	2.0
1971	4,635,825	2,838,336		1,797,489	22,669,898	2.2
1972	4,579,670	2,789,652		1,790,018	24,459,916	2.3
1973	4,876,678	2,943,434		1,933,244	26,393,160	2.5
1974	6,388,788	3,990,339		2,398,449	28,791,609	2.8
1975	3,964,813	2,307,389		1,657,424	30,449,033	2.9
1976	4,254,037	2,442,810		1,811,227	32,260,260	3.1
1977	6,019,934	3,441,438		2,578,496	34,838,756	3.3
1978	6,254,777	3,492,254		2,762,523	37,601,279	3.6
1979	10,104,612	5,578,742		4,525,870	42,127,149	4.0
1980	19,832,139	10,711,793		9,120,346	51,247,495	4.9
1981	17,151,849	9,276,826		7,875,023	59,122,518	5.7
1982	17,137,917	10,312,469		6,825,448	65,947,966	6.3
1983	9,557,047	5,730,907		3,826,140	69,774,106	6.7
1984	11,700,102	6,851,314		4,848,788	74,622,894	7.1
1985	14,045,033	8,131,367		5,913,666	80,536,560	7.7
1986	16,749,657	9,181,327		7,568,330	88,104,890	8.4
1987	18,840,661	10,383,861		8,456,800	96,561,690	9.2
1988	24,984,914	12,900,092		12,084,822	108,646,512	10.4
1989	31,242,808	15,962,673		15,280,135	123,926,647	11.9
1990	34,200,686	17,054,431		17,146,255	141,072,902	13.5
1991	25,741,436	12,488,475		13,252,961	154,325,863	14.8
1992	25,508,837	12,321,402		13,187,435	167,513,298	16.0
1993	15,293,667	7,058,306		8,235,361	175,748,659	16.8
1994	28,612,144	13,646,382		14,965,762	190,714,421	18.2
1995	38,585,641	16,263,764		22,321,877	213,036,298	20.4
1996	31,260,049	12,873,972		18,386,077	231,422,375	22.1
1997	32,628,652	12,855,271		19,773,381	251,195,756	24.0
1998	27,030,082	10,428,763		16,601,319	267,797,075	25.6
1999	26,787,787	10,159,570		16,628,217	284,425,292	27.2
2000	30,201,590	10,832,219		19,369,371	303,794,663	29.1
2001	29,820,733	10,003,324		19,817,409	323,612,072	31.0
2002	26,082,876	8,372,180		17,710,696	341,322,768	32.7
2003	34,910,134	10,160,373		24,749,761	366,072,529	35.0
2004	32,350,959	8,912,119		23,438,840	389,511,369	37.3

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST	
			(2)	(3)	CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
2005	32,152,125	8,366,056	23,786,069		413,297,438	39.5
2006	38,902,491	11,021,077	27,881,414		441,178,852	42.2
2007	36,402,841	8,121,977	28,280,864		469,459,716	44.9
2008	38,828,260	7,941,381	30,886,879		500,346,595	47.9
2009	39,370,045	6,974,367	32,395,678		532,742,273	51.0
2010	33,809,852	5,050,641	28,759,211		561,501,484	53.7
2011	49,772,118	6,799,512	42,972,606		604,474,090	57.8
2012	66,622,401	7,259,517	59,362,884		663,836,974	63.5
2013	84,218,472	7,239,574	76,978,898		740,815,872	70.9
2014	89,174,569	5,545,384	83,629,185		824,445,057	78.9
2015	91,328,906	3,557,607	87,771,299		912,216,356	87.3
2016	134,952,106	1,901,318	133,050,788		1,045,267,144	100.0
TOTAL	1,472,433,810	427,166,666	1,045,267,144			

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST	
			(2)	(3)	CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
1997	23,206	7,934	15,272		15,272	1.7
2001	25,355	6,890	18,465		33,737	3.7
2003	7,183	1,700	5,483		39,220	4.3
2004	38,772	29,483	9,289		48,509	5.4
2005	39,966	8,058	31,908		80,417	8.9
2006	2,469	454	2,015		82,432	9.1
2007	878	146	732		83,164	9.2
2008	23,109	20,716	2,393		85,557	9.5
2009	161,661	123,864	37,797		123,354	13.6
2010	750,306	87,423	662,883		786,237	86.9
2012	6,436	3,025	3,411		789,648	87.3
2013	126,305	46,173	80,132		869,780	96.1
2014	37,350	13,844	23,506		893,286	98.7
2015	13,608	2,132	11,476		904,762	100.0
TOTAL	1,256,604	351,842	904,762			

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1998	24,630	22,702		1,928	1,928	0.0
1999	6,159	5,370		789	2,717	0.0
2001	3,769	2,911		858	3,575	0.0
2002	6,694	4,836		1,858	5,433	0.0
2003	22,684	15,257		7,427	12,860	0.1
2004	5,699	3,549		2,150	15,010	0.1
2005	867,789	665,745		202,044	217,054	1.3
2006	1,916,402	1,392,791		523,611	740,665	4.6
2007	6,465,098	5,344,125		1,120,973	1,861,638	11.5
2008	3,168,505	1,894,964		1,273,541	3,135,179	19.3
2009	3,287,611	2,826,822		460,789	3,595,968	22.1
2010	324,586	234,759		89,827	3,685,795	22.7
2011	481,464	182,601		298,863	3,984,658	24.5
2012	4,390,574	2,430,265		1,960,309	5,944,967	36.6
2013	1,580,779	702,964		877,815	6,822,782	42.0
2014	2,497,719	838,570		1,659,149	8,481,931	52.2
2015	2,206,109	511,712		1,694,397	10,176,328	62.7
2016	6,420,000	354,505		6,065,495	16,241,823	100.0
TOTAL	33,676,271	17,434,448		16,241,823		

READING SERVICE CENTER – INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES
READING SERVICE CENTER

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1974	571,248	445,519	125,729		125,729	14.0
1975	7,114	5,517	1,597		127,326	14.2
1976	1,620	1,248	372		127,698	14.2
1977	2,093	1,603	490		128,188	14.3
1978	551	419	132		128,320	14.3
1979	6,669	5,038	1,631		129,951	14.5
1980	28,074	21,052	7,022		136,973	15.3
1981	44,621	33,210	11,411		148,384	16.6
1982	426	325	101		148,485	16.6
1983	1,266	955	311		148,796	16.6
1984	1,912	1,432	480		149,276	16.7
1985	15,464	11,472	3,992		153,268	17.1
1986	1,117	820	297		153,565	17.1
1987	100	73	27		153,592	17.1
1989	39,820	28,279	11,541		165,133	18.4
1990	23,219	16,268	6,951		172,084	19.2
1992	94,573	64,608	29,965		202,049	22.5
1993	1,831	1,233	598		202,647	22.6
1994	27,020	17,960	9,060		211,707	23.6
1995	4,562	2,981	1,581		213,288	23.8
1996	247	158	89		213,377	23.8
1998	681	419	262		213,639	23.8
2000	71,851	42,027	29,824		243,463	27.2
2001	73,045	41,571	31,474		274,937	30.7
2002	5,505	3,032	2,473		277,410	30.9
2003	201	107	94		277,504	31.0
2004	1,503	769	734		278,238	31.0
2005	4,794	2,350	2,444		280,682	31.3
2006	456	213	243		280,925	31.3
2007	377,927	166,672	211,255		492,180	54.9
2008	443,328	182,886	260,442		752,622	84.0
2009	13,966	5,338	8,628		761,250	84.9
2010	2,620	913	1,707		762,957	85.1
2011	3,548	1,101	2,447		765,404	85.4
2012	294	79	215		765,619	85.4
2014	5,411	919	4,492		770,111	85.9
2015	43,946	4,831	39,115		809,226	90.3
2016	90,927	3,703	87,224		896,450	100.0
TOTAL	2,013,550	1,117,100	896,450			

UTILITY PLANT IN SERVICE

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
1850	2,794.87	2,795	2,795			
1868	72.39	72	72			
1889	4,192.87	4,193	4,193			
1897	178.89	179	179			
1898	159.45	159	159			
1902	1,745.39	1,745	1,745			
1905	1,321.50	1,322	1,322			
1906	2,135.22	2,135	2,135			
1908	880.43	870	880			
1909	1,063.58	1,044	1,064			
1910	681.05	664	681			
1912	356.78	344	357			
1916	122.09	115	122			
1917	5,254.50	4,897	5,254			
1918	4,743.98	4,393	4,744			
1919	2,219.29	2,041	2,219			
1920	2,532.43	2,314	2,532			
1921	17,407.66	15,800	17,408			
1922	1,544.59	1,393	1,545			
1923	444.90	398	445			
1924	49,481.98	44,012	49,482			
1925	9,550.78	8,436	9,551			
1926	1,437.54	1,261	1,438			
1927	12,634.65	11,006	12,635			
1928	169.18	146	169			
1929	1,786.94	1,535	1,787			
1930	6,130.68	5,228	6,131			
1931	886.67	751	887			
1932	690.68	580	691			
1933	4,845.58	4,041	4,846			
1934	599.15	496	599			
1937	206.12	167	202	4	10.51	
1939	941.28	749	905	36	11.21	3
1941	1,497.83	1,173	1,418	80	11.92	7
1942	1,321.59	1,027	1,241	81	12.28	7
1943	3,799.03	2,926	3,536	263	12.64	21
1944	480.46	367	444	36	13.01	3
1945	7,388.06	5,592	6,759	629	13.37	47
1946	24,241.93	18,186	21,980	2,262	13.74	165
1947	1,212.46	901	1,089	123	14.11	9
1948	11,813.70	8,701	10,516	1,298	14.49	90
1949	155,416.10	113,426	137,092	18,324	14.86	1,233

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
1950	314,773.72	227,553	275,030	39,744	15.24	2,608
1951	117,565.93	84,156	101,715	15,851	15.63	1,014
1952	14,011.46	9,933	12,005	2,006	16.01	125
1953	64,035.02	44,941	54,318	9,717	16.40	592
1954	82,747.60	57,472	69,463	13,285	16.80	791
1955	21,708.32	14,923	18,037	3,671	17.19	214
1956	33,265.27	22,620	27,339	5,926	17.60	337
1957	17,019.75	11,450	13,839	3,181	18.00	177
1958	16,398.95	10,910	13,186	3,213	18.41	175
1959	36,119.98	23,760	28,717	7,403	18.82	393
1960	28,812.28	18,733	22,642	6,170	19.24	321
1961	30,404.90	19,537	23,613	6,792	19.66	345
1962	27,753.65	17,621	21,298	6,456	20.08	322
1963	14,913.85	9,352	11,303	3,611	20.51	176
1964	4,880.13	3,021	3,651	1,229	20.95	59
1965	18,536.25	11,331	13,695	4,841	21.38	226
1966	5,038.93	3,039	3,673	1,366	21.83	63
1967	4,718.58	2,807	3,393	1,326	22.28	60
1968	4,278.86	2,511	3,035	1,244	22.73	55
1969	8,771.59	5,073	6,131	2,641	23.19	114
1970	5,741.53	3,272	3,955	1,787	23.66	76
1971	36,049.81	20,234	24,456	11,594	24.13	480
1973	11,871.49	6,456	7,803	4,068	25.09	162
1974	25,525.37	13,654	16,503	9,022	25.58	353
1975	87,663.74	46,111	55,732	31,932	26.07	1,225
1976	4,598.73	2,377	2,873	1,726	26.57	65
1977	8,040.17	4,082	4,934	3,106	27.08	115
1978	13,389.00	6,670	8,062	5,327	27.60	193
1979	6,024.51	2,944	3,558	2,467	28.12	88
1980	2,625.97	1,258	1,520	1,106	28.65	39
1981	3,896.41	1,828	2,209	1,687	29.19	58
1982	4,195.18	2,442	2,952	1,243	24.58	51
1984	107,312.77	60,224	72,789	34,524	25.22	1,369
1985	3,250.91	1,788	2,161	1,090	25.57	43
1987	11,800.00	6,213	7,509	4,291	26.31	163
1989	18,115.32	9,083	10,978	7,137	27.10	263
1990	3,722.71	1,817	2,196	1,527	27.52	55
1993	4,421.64	1,984	2,398	2,024	28.71	70
1995	3,605.96	1,527	1,846	1,760	29.26	60
1996	28,053.64	11,446	13,834	14,220	29.75	478
1998	37,254.30	14,060	16,994	20,260	30.52	664
1999	24,770.91	8,930	10,793	13,978	31.04	450

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
2000	23,959.75	8,261	9,985	13,975	31.35	446
2001	34,304.98	11,273	13,625	20,680	31.67	653
2002	6,262.15	1,943	2,348	3,914	32.23	121
2003	8,507.00	2,493	3,013	5,494	32.58	169
2004	14,150.50	3,891	4,703	9,448	32.95	287
2005	14,063.28	3,606	4,358	9,705	33.35	291
2006	17,523.06	4,158	5,026	12,497	33.75	370
2007	55,195.64	12,011	14,517	40,679	34.17	1,190
2008	20,558.92	4,054	4,900	15,659	34.60	453
2011	27,987.49	3,725	4,502	23,485	35.82	656
2013	103,921.61	9,062	10,953	92,969	36.66	2,536
2014	195,329.76	12,345	14,920	180,410	37.03	4,872
	2,185,833.48	1,183,545	1,418,237	767,596		28,316
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						27.1 1.30

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
1924	19,276.83	16,557	17,582	1,695	10.16	167
1925	9,412.15	8,050	8,548	864	10.42	83
1926	148,297.95	126,280	134,097	14,201	10.69	1,328
1927	30,084.52	25,501	27,080	3,005	10.97	274
1928	124,660.28	105,182	111,693	12,967	11.25	1,153
1929	132,122.03	110,946	117,814	14,308	11.54	1,240
1930	250,232.96	209,085	222,028	28,205	11.84	2,382
1931	161,093.12	133,909	142,199	18,894	12.15	1,555
1932	26,461.92	21,882	23,237	3,225	12.46	259
1933	11,940.37	9,819	10,427	1,513	12.79	118
1934	17,356.50	14,194	15,073	2,284	13.12	174
1935	13,527.73	10,997	11,678	1,850	13.47	137
1936	16,595.52	13,408	14,238	2,358	13.83	170
1937	23,446.08	18,825	19,990	3,456	14.19	244
1938	15,783.99	12,590	13,369	2,415	14.57	166
1939	23,003.05	18,223	19,351	3,652	14.96	244
1940	21,927.19	17,249	18,317	3,610	15.36	235
1941	36,569.49	28,555	30,323	6,246	15.78	396
1942	30,669.40	23,769	25,240	5,429	16.20	335
1943	4,298.67	3,305	3,510	789	16.64	47
1944	5,419.41	4,133	4,389	1,030	17.09	60
1945	15,584.99	11,786	12,516	3,069	17.55	175
1946	329,760.41	247,182	262,484	67,276	18.03	3,731
1947	78,086.81	58,012	61,603	16,484	18.51	891
1948	138,357.69	101,827	108,131	30,227	19.01	1,590
1949	132,869.07	96,847	102,842	30,027	19.52	1,538
1950	1,578,467.61	1,139,133	1,209,650	368,818	20.04	18,404
1951	348,367.46	248,794	264,195	84,172	20.58	4,090
1952	630,901.28	445,839	473,438	157,463	21.12	7,456
1953	706,314.83	493,636	524,194	182,121	21.68	8,400
1954	1,295,898.14	895,608	951,050	344,848	22.24	15,506
1955	1,120,239.55	765,191	812,560	307,680	22.82	13,483
1956	1,722,115.45	1,162,187	1,234,132	487,983	23.41	20,845
1957	1,440,175.29	959,920	1,019,343	420,832	24.01	17,527
1958	2,819,085.95	1,855,128	1,969,969	849,117	24.62	34,489
1959	1,708,665.81	1,109,676	1,178,370	530,296	25.24	21,010
1960	2,824,501.66	1,809,630	1,921,654	902,848	25.87	34,899
1961	1,723,820.21	1,089,351	1,156,787	567,033	26.50	21,397
1962	1,852,002.94	1,153,650	1,225,066	626,937	27.15	23,092
1963	2,281,369.99	1,400,191	1,486,869	794,501	27.81	28,569
1964	2,242,802.89	1,355,954	1,439,894	802,909	28.47	28,202
1965	2,835,267.14	1,687,381	1,791,838	1,043,429	29.15	35,795

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
1966	2,947,055.12	1,726,061	1,832,912	1,114,143	29.83	37,350
1967	3,112,346.49	1,793,054	1,904,052	1,208,294	30.52	39,590
1968	3,495,271.92	1,979,687	2,102,239	1,393,033	31.22	44,620
1969	3,931,795.34	2,188,713	2,324,204	1,607,591	31.92	50,363
1970	3,303,615.80	1,805,988	1,917,787	1,385,829	32.64	42,458
1971	3,126,488.47	1,677,893	1,781,762	1,344,726	33.36	40,310
1972	3,028,017.34	1,594,342	1,693,039	1,334,978	34.09	39,160
1973	2,952,605.76	1,524,696	1,619,082	1,333,524	34.82	38,298
1974	3,170,463.39	1,604,603	1,703,935	1,466,528	35.56	41,241
1975	2,298,831.73	1,139,508	1,210,049	1,088,783	36.31	29,986
1976	2,107,579.38	1,022,471	1,085,767	1,021,812	37.07	27,564
1977	2,691,599.22	1,277,379	1,356,455	1,335,144	37.83	35,293
1978	2,794,501.66	1,296,341	1,376,590	1,417,912	38.60	36,733
1979	4,571,750.53	2,071,277	2,199,498	2,372,253	39.38	60,240
1980	9,622,741.74	4,255,369	4,518,796	5,103,946	40.16	127,090
1981	6,766,070.32	2,917,868	3,098,497	3,667,573	40.95	89,562
1982	7,019,145.57	3,414,112	3,625,461	3,393,685	36.17	93,826
1983	1,792,692.75	852,425	905,194	887,499	36.68	24,196
1984	2,316,580.97	1,068,407	1,134,546	1,182,035	37.68	31,370
1985	3,079,267.98	1,385,671	1,471,450	1,607,818	38.19	42,100
1986	4,882,414.41	2,141,427	2,273,991	2,608,423	38.72	67,366
1987	2,048,662.35	868,838	922,623	1,126,039	39.72	28,349
1988	4,186,442.78	1,726,489	1,833,367	2,353,076	40.25	58,462
1989	3,566,556.32	1,428,762	1,517,209	2,049,347	40.78	50,254
1990	3,361,032.97	1,305,761	1,386,594	1,974,439	41.32	47,784
1991	3,144,121.53	1,174,958	1,247,693	1,896,429	42.32	44,812
1992	2,519,383.32	910,253	966,602	1,552,781	42.87	36,221
1993	1,074,870.93	376,850	400,179	674,692	43.29	15,585
1994	982,465.18	333,842	354,508	627,957	43.72	14,363
1995	5,160,627.17	1,675,140	1,778,839	3,381,788	44.73	75,604
1996	5,007,057.30	1,560,199	1,656,782	3,350,275	45.29	73,974
1997	1,963,633.78	585,948	622,221	1,341,413	45.86	29,250
1998	2,337,792.93	666,037	707,268	1,630,525	46.44	35,110
1999	1,173,481.45	318,248	337,949	835,532	47.02	17,770
2000	2,582,639.07	660,639	701,535	1,881,104	48.01	39,182
2001	2,864,986.53	692,754	735,639	2,129,348	48.60	43,814
2002	1,058,744.81	240,970	255,887	802,858	49.20	16,318
2003	3,317,507.13	707,624	751,429	2,566,078	49.79	51,538
2004	1,751,953.77	348,288	369,849	1,382,105	50.39	27,428
2005	1,063,084.89	195,608	207,717	855,368	51.00	16,772
2006	2,697,199.58	455,827	484,045	2,213,155	51.61	42,882
2007	923,362.14	142,105	150,902	772,460	52.23	14,790

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
2008	2,249,035.75	311,716	331,012	1,918,024	52.85	36,292
2009	2,555,222.62	316,337	335,920	2,219,303	53.10	41,795
2010	2,267,772.17	244,693	259,840	2,007,932	53.74	37,364
2011	1,837,755.60	169,809	180,321	1,657,435	54.02	30,682
2012	2,603,033.27	199,132	211,459	2,391,574	54.32	44,028
2013	3,335,647.10	200,806	213,237	3,122,410	54.64	57,145
2014	5,156,140.99	225,839	239,819	4,916,322	54.64	89,977
2015	10,589,568.13	283,800	301,369	10,288,199	54.37	189,226
2016	21,949,393.97	206,324	219,096	21,730,298	52.41	414,621
	213,286,845.75	76,290,270	81,012,984	132,273,862		3,111,964
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						42.5 1.46

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1895	917.96	836	394	524	6.23	84
1896	4,484.59	4,067	1,916	2,569	6.52	394
1897	3,602.13	3,251	1,532	2,070	6.82	304
1898	4,037.23	3,627	1,709	2,328	7.12	327
1899	7,039.01	6,293	2,965	4,074	7.42	549
1900	19,720.03	17,542	8,266	11,454	7.73	1,482
1901	18,007.61	15,939	7,510	10,498	8.04	1,306
1902	7,597.47	6,691	3,153	4,444	8.35	532
1903	18,110.80	15,870	7,478	10,633	8.66	1,228
1904	19,514.97	17,011	8,016	11,499	8.98	1,281
1905	17,034.89	14,772	6,961	10,074	9.30	1,083
1906	12,459.24	10,747	5,064	7,395	9.62	769
1907	15,341.77	13,161	6,201	9,141	9.95	919
1908	23,607.14	20,140	9,490	14,117	10.28	1,373
1909	17,904.36	15,191	7,158	10,746	10.61	1,013
1910	24,457.24	20,631	9,721	14,736	10.95	1,346
1911	19,562.50	16,410	7,732	11,830	11.28	1,049
1912	21,663.19	18,064	8,512	13,151	11.63	1,131
1913	8,647.46	7,169	3,378	5,269	11.97	440
1914	11,234.50	9,257	4,362	6,872	12.32	558
1915	26,073.86	21,351	10,061	16,013	12.68	1,263
1916	36,568.49	29,762	14,024	22,544	13.03	1,730
1917	27,698.08	22,400	10,555	17,143	13.39	1,280
1918	15,263.57	12,263	5,778	9,486	13.76	689
1919	28,710.02	22,919	10,799	17,911	14.12	1,268
1920	34,093.48	27,031	12,737	21,356	14.50	1,473
1921	41,020.80	32,307	15,223	25,798	14.87	1,735
1922	86,749.76	67,850	31,971	54,779	15.25	3,592
1923	84,253.51	65,441	30,836	53,418	15.63	3,418
1924	188,904.07	145,671	68,640	120,264	16.02	7,507
1925	110,917.09	84,915	40,012	70,905	16.41	4,321
1926	110,278.61	83,812	39,492	70,787	16.80	4,214
1927	83,191.55	62,751	29,568	53,624	17.20	3,118
1928	64,849.80	48,545	22,874	41,976	17.60	2,385
1929	100,578.19	74,700	35,198	65,380	18.01	3,630
1930	55,510.73	40,904	19,274	36,237	18.42	1,967
1931	8,912.91	6,514	3,069	5,844	18.84	310
1932	7,465.95	5,413	2,551	4,915	19.25	255
1933	7,332.50	5,271	2,484	4,848	19.68	246
1934	3,330.48	2,374	1,119	2,211	20.10	110
1935	5,876.16	4,152	1,956	3,920	20.54	191
1936	8,798.55	6,163	2,904	5,895	20.97	281

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1937	9,752.03	6,769	3,190	6,562	21.41	306
1938	12,026.01	8,270	3,897	8,129	21.86	372
1939	20,515.67	13,977	6,586	13,930	22.31	624
1940	12,131.05	8,187	3,858	8,273	22.76	363
1941	27,314.39	18,254	8,601	18,713	23.22	806
1942	2,793.97	1,849	871	1,923	23.68	81
1943	4,812.11	3,152	1,485	3,327	24.15	138
1944	13,756.26	8,916	4,201	9,555	24.63	388
1945	3,688.60	2,366	1,115	2,574	25.10	103
1946	16,646.14	10,561	4,976	11,670	25.59	456
1947	54,898.99	34,453	16,234	38,665	26.07	1,483
1948	53,689.68	33,311	15,696	37,994	26.57	1,430
1949	42,583.74	26,122	12,309	30,275	27.06	1,119
1950	96,093.20	58,260	27,452	68,641	27.56	2,491
1951	89,908.17	53,855	25,376	64,532	28.07	2,299
1952	84,738.42	50,141	23,626	61,112	28.58	2,138
1953	145,277.31	84,884	39,997	105,280	29.10	3,618
1954	102,063.36	58,876	27,742	74,321	29.62	2,509
1955	118,929.88	67,706	31,903	87,027	30.15	2,886
1956	152,731.70	85,791	40,424	112,308	30.68	3,661
1957	164,325.32	91,036	42,896	121,429	31.22	3,889
1958	114,650.02	62,632	29,512	85,138	31.76	2,681
1959	183,379.68	98,737	46,524	136,856	32.31	4,236
1960	6,219.99	3,300	1,555	4,665	32.86	142
1961	52.37	27	13	39	33.41	1
1962	11,781.14	6,062	2,856	8,925	33.98	263
1963	8,300.78	4,205	1,982	6,319	34.54	183
1968	311.46	145	68	243	37.45	6
2012	6,010.29	584	275	5,735	41.80	137
2014	35,700.27	2,113	996	34,704	39.70	874
	3,006,404.25	2,013,719	948,859	2,057,545		101,834

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.2 3.39

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. 0						
1972	22,829.84	13,775	14,519	8,311	25.78	322
1973	52,080.87	30,840	32,506	19,575	26.51	738
1974	15,987.45	9,283	9,784	6,203	27.26	228
1975	62,101.14	35,341	37,250	24,851	28.01	887
1976	536,707.21	299,150	315,310	221,397	28.77	7,695
1977	487,020.26	265,689	280,041	206,979	29.54	7,007
1978	742,895.89	396,365	417,777	325,119	30.32	10,723
1979	612,108.00	319,141	336,381	275,727	31.11	8,863
1980	1,211,559.62	616,781	650,099	561,461	31.91	17,595
1981	1,571,923.15	780,884	823,067	748,856	32.71	22,894
1982	2,150,691.61	1,149,115	1,211,190	939,502	29.85	31,474
1983	2,506,177.81	1,308,225	1,378,895	1,127,283	30.45	37,021
1984	3,516,546.76	1,780,428	1,876,606	1,639,941	31.45	52,144
1985	3,687,220.78	1,820,750	1,919,107	1,768,114	32.04	55,185
1986	4,596,977.21	2,211,146	2,330,592	2,266,385	32.64	69,436
1987	7,935,118.48	3,713,635	3,914,245	4,020,873	33.25	120,929
1988	11,059,963.24	4,999,103	5,269,154	5,790,809	34.25	169,075
1989	13,616,772.06	5,973,678	6,296,375	7,320,397	34.86	209,994
1990	15,207,018.01	6,466,024	6,815,318	8,391,700	35.48	236,519
1991	9,270,456.53	3,791,617	3,996,439	5,274,018	36.48	144,573
1992	7,206,564.85	2,848,755	3,002,644	4,203,921	37.10	113,313
1993	5,385,630.89	2,064,851	2,176,394	3,209,237	37.60	85,352
1994	9,664,747.12	3,566,292	3,758,943	5,905,804	38.48	153,477
1995	15,483,157.74	5,493,424	5,790,178	9,692,980	39.10	247,902
1996	9,601,322.04	3,247,167	3,422,578	6,178,744	40.11	154,045
1997	14,330,099.40	4,638,653	4,889,232	9,440,867	40.74	231,735
1998	10,100,432.26	3,121,034	3,289,632	6,810,800	41.38	164,592
1999	10,719,879.58	3,132,349	3,301,558	7,418,322	42.38	175,043
2000	11,113,582.78	3,080,685	3,247,103	7,866,480	43.02	182,856
2001	11,209,539.39	2,936,899	3,095,550	8,113,989	43.67	185,802
2002	10,342,018.32	2,533,794	2,670,669	7,671,349	44.67	171,734
2003	14,515,375.02	3,331,279	3,511,234	11,004,141	45.32	242,810
2004	13,582,111.18	2,886,199	3,042,111	10,540,000	46.32	227,547
2005	14,502,681.62	2,851,227	3,005,250	11,497,432	46.98	244,730
2006	15,113,252.51	2,729,453	2,876,898	12,236,355	47.64	256,850
2007	14,271,968.84	2,332,040	2,458,016	11,813,953	48.64	242,886
2008	12,201,463.83	1,793,615	1,890,506	10,310,958	49.31	209,105
2009	11,863,298.60	1,539,856	1,623,039	10,240,260	50.30	203,584
2010	12,236,409.83	1,383,938	1,458,698	10,777,712	50.97	211,452
2011	17,058,838.86	1,641,060	1,729,710	15,329,129	51.65	296,789
2012	22,796,036.62	1,805,446	1,902,976	20,893,061	52.32	399,332
2013	30,182,699.25	1,871,327	1,972,415	28,210,284	52.99	532,370

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. 0						
2014	33,643,245.36	1,497,124	1,577,998	32,065,247	53.68	597,341
2015	25,057,037.98	671,529	707,805	24,349,233	54.37	447,843
2016	43,695,344.37	397,628	419,108	43,276,236	54.45	794,789
	474,738,894.16	99,376,594	104,744,900	369,993,994		7,976,581
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						46.4 1.68

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1858	340.82	341	341			
1859	2.19	2	2			
1860	148.27	148	148			
1867	31.45	31	31			
1868	17.63	18	18			
1869	5.30	5	5			
1870	14.18	14	14			
1873	45.78	46	46			
1874	24.59	25	25			
1875	1.83	2	2			
1879	2.43	2	2			
1880	910.61	891	911			
1881	229.23	223	229			
1882	506.05	491	506			
1883	81.10	78	81			
1886	2.33	2	2			
1888	54.70	51	53	2	4.13	
1889	230.23	216	225	5	4.44	1
1890	30.19	28	29	1	4.74	
1891	191.30	178	186	5	5.04	1
1892	7.56	7	7	1	5.34	
1893	226.47	208	217	9	5.64	2
1894	1.17	1	1			
1895	64.19	58	61	3	6.23	
1896	200.16	182	190	10	6.52	2
1897	70.07	63	66	4	6.82	1
1898	236.68	213	222	15	7.12	2
1899	934.80	836	873	62	7.42	8
1900	216.24	192	200	16	7.73	2
1901	1,823.44	1,614	1,685	138	8.04	17
1902	858.12	756	789	69	8.35	8
1903	2,783.58	2,439	2,546	238	8.66	27
1904	6,859.36	5,979	6,242	617	8.98	69
1905	2,828.98	2,453	2,561	268	9.30	29
1906	4,634.90	3,998	4,174	461	9.62	48
1907	3,011.94	2,584	2,698	314	9.95	32
1908	6,470.50	5,520	5,763	708	10.28	69
1909	6,566.28	5,571	5,816	750	10.61	71
1910	9,002.43	7,594	7,928	1,074	10.95	98
1911	19,368.44	16,247	16,961	2,407	11.28	213
1912	12,488.38	10,414	10,871	1,617	11.63	139
1913	19,952.20	16,540	17,267	2,685	11.97	224

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1914	52,379.23	43,160	45,056	7,323	12.32	594
1915	24,228.79	19,840	20,711	3,518	12.68	277
1916	19,636.02	15,981	16,683	2,953	13.03	227
1917	3,879.82	3,138	3,276	604	13.39	45
1918	4,097.87	3,292	3,437	661	13.76	48
1919	5,274.03	4,210	4,395	879	14.12	62
1920	2,322.08	1,841	1,922	400	14.50	28
1921	9,356.23	7,369	7,693	1,663	14.87	112
1922	14,230.62	11,130	11,619	2,612	15.25	171
1923	14,826.56	11,516	12,022	2,805	15.63	179
1924	43,232.64	33,338	34,801	8,432	16.02	526
	294,939.99	241,076	251,609	43,331		3,332
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 13.0 1.13						

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-S0.5						
NET SALVAGE PERCENT.. 0						
1961	2,845.46	1,946	1,738	1,107	15.80	70
1962	14,522.65	9,814	8,765	5,758	16.21	355
1963	13,052.86	8,717	7,785	5,268	16.61	317
1964	10,737.87	7,083	6,326	4,412	17.02	259
1965	9,874.57	6,430	5,742	4,133	17.44	237
1966	16,749.69	10,767	9,616	7,134	17.86	399
1967	37,785.67	23,964	21,402	16,384	18.29	896
1968	35,307.33	22,088	19,726	15,581	18.72	832
1969	21,514.65	13,275	11,856	9,659	19.15	504
1970	31,357.91	19,072	17,033	14,325	19.59	731
1971	149,802.25	89,762	80,164	69,638	20.04	3,475
1972	44,571.40	26,306	23,493	21,078	20.49	1,029
1973	10,063.54	5,847	5,222	4,842	20.95	231
1974	53,371.89	30,518	27,255	26,117	21.41	1,220
1975	48,906.24	27,505	24,564	24,342	21.88	1,113
1976	62,157.69	34,361	30,687	31,471	22.36	1,407
1977	36,946.04	20,069	17,923	19,023	22.84	833
1978	31,800.03	16,962	15,148	16,652	23.33	714
1979	29,944.87	15,673	13,997	15,948	23.83	669
1980	94,984.56	48,765	43,551	51,434	24.33	2,114
1981	165,898.68	83,480	74,554	91,345	24.84	3,677
1982	158,071.17	97,451	87,031	71,040	21.31	3,334
1983	34,177.11	20,684	18,472	15,705	21.69	724
1984	76,930.87	45,651	40,770	36,161	22.10	1,636
1985	170,549.90	99,669	89,012	81,538	22.22	3,670
1986	186,041.73	106,360	94,987	91,055	22.66	4,018
1987	139,401.17	77,883	69,555	69,846	23.10	3,024
1988	147,556.12	80,861	72,215	75,341	23.30	3,234
1989	320,193.80	171,016	152,730	167,464	23.77	7,045
1990	178,363.13	92,713	82,800	95,563	24.25	3,941
1991	190,040.10	96,445	86,132	103,908	24.50	4,241
1992	272,724.75	134,262	119,906	152,819	25.01	6,110
1993	83,657.33	40,281	35,974	47,683	25.17	1,894
1994	164,397.81	76,938	68,711	95,687	25.58	3,741
1995	389,158.72	176,522	157,647	231,512	25.90	8,939
1996	873,012.69	381,157	340,401	532,612	26.45	20,137
1997	287,261.52	120,995	108,057	179,205	26.80	6,687
1998	480,306.75	194,620	173,810	306,497	27.16	11,285
1999	145,976.40	56,712	50,648	95,328	27.55	3,460
2000	649,058.47	240,931	215,169	433,889	27.95	15,524
2001	417,769.91	147,640	131,853	285,917	28.36	10,082
2002	256,502.29	85,928	76,740	179,762	28.79	6,244

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-S0.5						
NET SALVAGE PERCENT.. 0						
2003	2,170,985.45	688,637	615,004	1,555,981	29.06	53,544
2004	1,164,640.92	346,481	309,433	855,208	29.52	28,970
2005	875,205.28	242,607	216,666	658,539	29.99	21,959
2006	858,048.21	220,690	197,092	660,956	30.32	21,799
2007	732,214.24	172,510	154,064	578,150	30.82	18,759
2008	1,451,233.97	310,854	277,616	1,173,618	31.18	37,640
2009	540,593.06	103,794	92,696	447,897	31.56	14,192
2010	551,628.37	93,225	83,257	468,371	31.96	14,655
2011	1,594,841.82	231,571	206,810	1,388,032	32.38	42,867
2012	2,263,919.37	273,029	243,835	2,020,084	32.81	61,569
2013	849,970.38	81,257	72,568	777,402	33.13	23,465
2014	1,379,861.18	95,900	85,646	1,294,215	33.47	38,668
2015	3,752,522.63	159,107	142,094	3,610,429	33.84	106,691
2016	5,304,032.71	76,378	68,211	5,235,822	34.10	153,543
	30,033,045.18	6,163,163	5,504,159	24,528,886		788,373
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						31.1 2.63

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.1 MEASURING AND REGULATING STATION EQUIPMENT - SCADA

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 13-S2						
NET SALVAGE PERCENT.. 0						
1994	10,571.75	10,323	9,665	907	0.54	907
1996	12,752.92	12,183	11,406	1,347	0.96	1,347
1998	11,549.47	10,726	10,042	1,507	1.42	1,061
2004	25,794.17	20,604	19,290	6,504	3.15	2,065
2005	9,749.58	7,478	7,001	2,749	3.49	788
2008	44,323.42	28,332	26,526	17,797	4.80	3,708
2010	28,605.06	14,966	14,012	14,593	5.92	2,465
2011	893,176.63	406,753	380,820	512,357	6.58	77,866
2012	138,484.45	52,790	49,424	89,060	7.31	12,183
2013	73,939.42	22,256	20,837	53,102	8.13	6,532
2015	14,530.87	1,904	1,783	12,748	9.95	1,281
2016	30,000.00	1,311	1,227	28,773	10.94	2,630
	1,293,477.74	589,626	552,033	741,445		112,833
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						6.6 8.72

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
1954	1,027.73	995	1,028			
1956	17,208.28	16,447	17,208			
1957	4,409.62	4,186	4,410			
1958	7,087.48	6,683	7,087			
1959	3,698.49	3,464	3,698			
1960	23,066.67	21,458	23,067			
1961	1,649.55	1,524	1,650			
1962	1,165.13	1,069	1,165			
1963	26.97	25	27			
1965	37,208.90	33,395	37,209			
1966	17,663.79	15,734	17,664			
1967	13,075.00	11,555	13,075			
1968	750.03	657	750			
1969	14,709.52	12,779	14,710			
1970	514.07	442	514			
1972	34,528.31	29,107	34,528			
1973	36,141.59	30,115	36,142			
1974	18,087.99	14,891	18,088			
1975	24,201.43	19,664	24,201			
1976	12,299.16	9,855	12,299			
1977	142.57	113	141	2	8.43	
1978	4,101.04	3,185	3,978	123	8.93	14
1979	1,495.58	1,142	1,426	70	9.45	7
1980	4,510.21	3,383	4,226	284	10.00	28
1981	78,172.84	57,516	71,842	6,331	10.57	599
1982	138,718.73	106,897	133,522	5,197	10.20	510
1983	6,659.75	5,027	6,279	381	10.80	35
1984	196,168.26	145,518	181,763	14,405	11.23	1,283
1985	426,048.80	308,885	385,821	40,228	11.85	3,395
1986	261,593.12	185,156	231,274	30,319	12.49	2,427
1987	780,342.21	538,670	672,839	107,503	13.12	8,194
1988	18,522.81	12,507	15,622	2,901	13.59	213
1989	37,362.68	24,536	30,647	6,716	14.24	472
1990	127,109.49	81,083	101,279	25,830	14.90	1,734
1991	255,233.98	157,888	197,214	58,020	15.57	3,726
1992	196,496.17	117,701	147,017	49,479	16.23	3,049
1993	32,721.37	19,044	23,787	8,934	16.79	532
1994	6,152.67	3,475	4,341	1,812	17.34	104
1995	263,552.87	143,373	179,084	84,469	18.02	4,688
1996	387,744.91	202,713	253,204	134,541	18.71	7,191
1998	8,361.66	3,991	4,985	3,377	20.26	167
2003	277,520.39	100,018	124,930	152,590	23.96	6,369

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
2008	144,041.91	33,792	42,209	101,833	27.73	3,672
2009	23,251.05	4,832	6,035	17,216	28.60	602
2013	86,954.40	8,643	10,796	76,158	31.71	2,402
2014	80,981.14	5,790	7,232	73,749	32.47	2,271
2016	384,931.33	5,697	7,116	377,815	33.40	11,312
	4,497,411.65	2,514,620	3,117,129	1,380,283		64,996
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					21.2	1.45

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1947	5,892.26	5,267	5,181	711	4.99	142
1948	9,700.96	8,611	8,470	1,231	5.28	233
1949	14,178.09	12,495	12,290	1,888	5.58	338
1950	18,785.79	16,440	16,170	2,616	5.87	446
1951	19,499.89	16,940	16,662	2,838	6.17	460
1952	21,147.40	18,236	17,937	3,210	6.47	496
1953	20,028.09	17,139	16,858	3,170	6.78	468
1954	33,048.80	28,063	27,602	5,447	7.09	768
1955	51,555.97	43,428	42,715	8,841	7.41	1,193
1956	86,082.46	71,906	70,726	15,356	7.74	1,984
1957	105,005.12	86,976	85,548	19,457	8.07	2,411
1958	150,630.26	123,676	121,646	28,984	8.41	3,446
1959	266,098.50	216,503	212,949	53,150	8.76	6,067
1960	353,290.53	284,660	279,987	73,304	9.13	8,029
1961	386,452.59	308,339	303,277	83,176	9.50	8,755
1962	379,306.86	299,573	294,655	84,652	9.88	8,568
1963	426,162.92	333,042	327,574	98,589	10.27	9,600
1964	445,267.51	344,089	338,440	106,828	10.68	10,003
1965	561,385.63	428,921	421,879	139,507	11.09	12,580
1966	652,642.52	492,673	484,585	168,058	11.52	14,588
1967	644,015.71	480,133	472,251	171,765	11.96	14,362
1968	729,389.37	536,641	527,831	201,558	12.42	16,229
1969	780,254.72	566,434	557,135	223,120	12.88	17,323
1970	815,329.97	583,564	573,984	241,346	13.36	18,065
1971	922,653.03	650,766	640,082	282,571	13.85	20,402
1972	1,134,789.29	788,077	775,139	359,650	14.36	25,045
1973	1,505,418.04	1,029,134	1,012,239	493,179	14.87	33,166
1974	1,588,404.93	1,067,948	1,050,416	537,989	15.40	34,934
1975	1,171,654.44	774,042	761,335	410,319	15.95	25,725
1976	1,337,576.47	868,007	853,757	483,819	16.50	29,322
1977	2,523,345.06	1,606,891	1,580,511	942,834	17.07	55,233
1978	2,308,154.93	1,441,374	1,417,711	890,444	17.65	50,450
1979	3,976,093.58	2,433,011	2,393,068	1,583,026	18.24	86,789
1980	6,426,394.03	3,850,374	3,787,163	2,639,231	18.84	140,087
1981	6,581,691.16	3,857,990	3,794,653	2,787,038	19.45	143,292
1982	5,836,481.07	3,857,914	3,794,579	2,041,902	17.56	116,281
1983	4,235,208.15	2,731,709	2,686,863	1,548,345	18.30	84,609
1984	4,376,879.83	2,766,626	2,721,206	1,655,674	18.77	88,209
1985	4,921,008.51	3,045,120	2,995,128	1,925,881	19.25	100,046
1986	5,067,691.72	3,065,953	3,015,619	2,052,073	19.75	103,902
1987	5,944,464.28	3,511,989	3,454,333	2,490,131	20.26	122,909
1988	7,206,759.13	4,153,255	4,085,071	3,121,688	20.77	150,298

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1989	10,099,403.73	5,669,805	5,576,724	4,522,680	21.29	212,432
1990	11,136,679.57	6,080,627	5,980,802	5,155,878	21.83	236,183
1991	9,974,978.69	5,288,734	5,201,909	4,773,070	22.37	213,369
1992	10,156,044.78	5,221,223	5,135,506	5,020,539	22.92	219,046
1993	6,522,607.39	3,247,606	3,194,290	3,328,317	23.57	141,210
1994	12,604,063.24	6,097,846	5,997,738	6,606,325	24.01	275,149
1995	13,693,331.55	6,389,309	6,284,416	7,408,916	24.58	301,421
1996	11,715,211.01	5,260,130	5,173,775	6,541,436	25.16	259,993
1997	12,295,472.87	5,299,349	5,212,350	7,083,123	25.75	275,073
1998	9,913,829.96	4,090,446	4,023,293	5,890,537	26.34	223,635
1999	10,072,040.05	3,983,492	3,918,095	6,153,945	26.75	230,054
2000	10,331,320.95	3,886,643	3,822,836	6,508,485	27.36	237,883
2001	10,488,645.15	3,739,202	3,677,816	6,810,829	27.98	243,418
2002	10,853,295.60	3,666,243	3,606,054	7,247,242	28.42	255,005
2003	10,058,646.95	3,190,603	3,138,223	6,920,424	29.06	238,143
2004	11,601,726.51	3,451,514	3,394,851	8,206,876	29.52	278,011
2005	10,353,020.59	2,869,857	2,822,743	7,530,278	29.99	251,093
2006	10,838,863.18	2,766,078	2,720,667	8,118,196	30.65	264,868
2007	10,717,915.54	2,504,777	2,463,656	8,254,260	31.15	264,984
2008	13,995,449.88	2,974,033	2,925,208	11,070,242	31.50	351,436
2009	14,270,461.20	2,708,534	2,664,068	11,606,393	32.02	362,473
2010	14,491,280.67	2,420,044	2,380,314	12,110,967	32.41	373,680
2011	22,201,057.49	3,188,072	3,135,734	19,065,323	32.81	581,083
2012	32,387,624.08	3,876,799	3,813,154	28,574,470	33.09	863,538
2013	42,110,857.72	4,008,954	3,943,139	38,167,719	33.26	1,147,556
2014	41,028,632.97	2,872,004	2,824,854	38,203,779	33.21	1,150,370
2015	43,415,649.72	1,901,605	1,870,386	41,545,264	32.75	1,268,558
2016	50,093,925.48	801,503	788,345	49,305,580	30.85	1,598,236
	551,461,856.09	154,278,961	151,746,171	399,715,685		13,885,153
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						28.8 2.52

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
1934	145.21	145	145			
1935	445.07	445	445			
1936	767.63	768	768			
1937	1,387.03	1,387	1,387			
1938	1,422.94	1,423	1,423			
1939	1,885.56	1,886	1,886			
1940	2,199.21	2,199	2,199			
1941	3,230.58	3,231	3,231			
1942	1,258.48	1,258	1,258			
1943	373.21	373	373			
1944	1,059.43	1,058	1,027	32	0.05	32
1945	1,188.10	1,176	1,141	47	0.38	47
1946	2,370.71	2,325	2,256	115	0.70	115
1947	3,032.70	2,946	2,859	174	1.03	169
1948	2,029.71	1,953	1,895	135	1.36	99
1949	4,321.54	4,117	3,996	326	1.70	192
1950	3,942.06	3,720	3,610	332	2.03	164
1951	4,709.68	4,406	4,276	434	2.32	187
1952	6,633.61	6,160	5,978	656	2.57	255
1953	5,212.12	4,805	4,663	549	2.81	195
1954	1,909.29	1,748	1,696	213	3.04	70
1955	3,468.09	3,154	3,061	407	3.26	125
1956	3,737.05	3,375	3,275	462	3.49	132
1957	3,675.87	3,295	3,198	478	3.73	128
1958	4,452.58	3,962	3,845	608	3.97	153
1959	9,462.76	8,351	8,105	1,358	4.23	321
1960	5,330.87	4,666	4,528	803	4.49	179
1961	6,830.62	5,927	5,752	1,079	4.76	227
1962	9,541.50	8,206	7,964	1,578	5.04	313
1963	8,517.30	7,259	7,045	1,472	5.32	277
1964	10,736.68	9,064	8,797	1,940	5.61	346
1965	39,038.19	32,629	31,666	7,372	5.91	1,247
1966	91,708.23	75,889	73,650	18,058	6.21	2,908
1967	163,929.05	134,286	130,324	33,605	6.51	5,162
1968	246,724.62	199,916	194,017	52,708	6.83	7,717
1969	234,857.99	188,213	182,659	52,199	7.15	7,301
1970	207,478.30	164,368	159,518	47,960	7.48	6,412
1971	110,169.60	86,239	83,694	26,476	7.82	3,386
1972	59,327.10	45,847	44,494	14,833	8.18	1,813
1973	98,059.71	74,798	72,591	25,469	8.54	2,982
1974	100,497.43	75,596	73,365	27,132	8.92	3,042
1975	74,594.89	55,304	53,672	20,923	9.31	2,247

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
1976	40,148.42	29,320	28,455	11,693	9.71	1,204
1977	59,544.77	42,806	41,543	18,002	10.12	1,779
1978	153,093.39	108,228	105,035	48,058	10.55	4,555
1979	166,501.39	115,625	112,213	54,288	11.00	4,935
1980	778,024.37	530,356	514,707	263,317	11.46	22,977
1981	447,295.28	299,066	290,241	157,054	11.93	13,165
1982	255,918.58	193,705	187,989	67,930	11.00	6,175
1983	35,739.57	26,619	25,834	9,906	11.39	870
1984	135,596.29	98,823	95,907	39,689	12.00	3,307
1985	412,975.29	295,525	286,805	126,170	12.42	10,159
1986	348,513.34	244,587	237,370	111,143	12.85	8,649
1987	501,914.75	345,016	334,836	167,079	13.30	12,562
1988	434,804.05	293,580	284,917	149,887	13.59	11,029
1989	649,064.07	427,993	415,364	233,700	14.07	16,610
1990	1,070,784.62	688,622	668,303	402,482	14.57	27,624
1991	1,035,207.61	648,247	629,119	406,089	15.07	26,947
1992	980,951.43	597,105	579,486	401,465	15.59	25,751
1993	762,950.60	452,964	439,598	323,353	16.00	20,210
1994	1,046,571.66	605,128	587,272	459,300	16.41	27,989
1995	1,087,872.78	610,514	592,500	495,373	16.81	29,469
1996	752,642.28	407,330	395,311	357,331	17.38	20,560
1997	1,050,230.17	548,850	532,655	517,575	17.81	29,061
1998	907,059.66	456,432	442,964	464,096	18.26	25,416
1999	1,106,197.65	532,302	516,595	589,603	18.87	31,246
2000	1,016,401.58	467,951	454,143	562,259	19.34	29,072
2001	1,287,432.65	564,668	548,006	739,427	19.84	37,270
2002	920,028.15	384,204	372,867	547,161	20.22	27,060
2003	1,005,890.36	396,522	384,822	621,068	20.75	29,931
2004	917,631.43	340,625	330,574	587,057	21.17	27,731
2005	1,083,530.11	376,310	365,206	718,324	21.61	33,240
2006	1,507,052.52	487,381	473,000	1,034,053	21.97	47,067
2007	771,415.24	230,113	223,323	548,092	22.35	24,523
2008	3,023,203.90	822,311	798,047	2,225,157	22.75	97,809
2009	1,478,880.03	362,621	351,921	1,126,959	23.08	48,828
2010	1,685,252.78	367,048	356,218	1,329,035	23.35	56,918
2011	2,984,694.46	564,704	548,041	2,436,653	23.57	103,379
2012	2,555,056.86	408,298	396,250	2,158,807	23.67	91,204
2013	3,144,767.47	405,046	393,095	2,751,672	23.67	116,251

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
2014	3,224,188.58	311,134	301,953	2,922,236	23.41	124,829
2015	2,481,402.19	153,847	149,308	2,332,094	22.71	102,690
2016	2,095,687.67	50,087	48,609	2,047,079	20.42	100,249
	46,943,780.30	16,529,486	16,042,134	30,901,646		1,528,243
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						20.2 3.26

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381.2 ELECTRONIC METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S2						
NET SALVAGE PERCENT.. 0						
1995	199,786.21	167,940	195,291	4,495	4.08	1,102
1996	155,868.67	128,124	148,990	6,879	4.44	1,549
1997	157,756.30	126,741	147,382	10,374	4.77	2,175
1998	169,652.11	133,075	154,748	14,904	5.08	2,934
1999	318,986.44	242,812	282,357	36,629	5.49	6,672
2000	449,389.03	331,469	385,452	63,937	5.87	10,892
2001	521,298.88	370,852	431,249	90,050	6.29	14,316
2002	640,696.95	438,493	509,906	130,791	6.69	19,550
2003	242,889.48	158,704	184,551	58,338	7.16	8,148
2004	236,374.42	146,552	170,420	65,954	7.66	8,610
2005	211,665.51	123,401	143,498	68,168	8.22	8,293
2006	5,289,752.43	2,877,096	3,345,663	1,944,089	8.81	220,668
2008	15,369.24	7,028	8,173	7,196	10.09	713
2016	1,399,999.89	39,760	46,235	1,353,765	17.11	79,121
	10,009,485.56	5,292,047	6,153,915	3,855,571		384,743
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 10.0						3.84

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1917	413.53	414	414			
1918	703.82	704	704			
1919	4,426.31	4,426	4,426			
1920	7,107.57	7,108	7,108			
1921	6,609.32	6,609	6,609			
1922	7,826.80	7,827	7,827			
1923	9,505.00	9,505	9,505			
1924	12,268.65	12,269	12,269			
1925	13,397.78	13,398	13,398			
1926	9,265.96	9,266	9,266			
1927	11,054.39	11,054	11,054			
1928	9,994.34	9,994	9,994			
1929	10,661.72	10,641	10,662			
1930	6,601.37	6,563	6,601			
1931	5,116.34	5,060	5,116			
1932	3,652.22	3,592	3,652			
1933	1,992.34	1,948	1,992			
1934	2,467.62	2,399	2,468			
1935	3,257.57	3,149	3,258			
1936	3,376.18	3,244	3,376			
1937	5,854.99	5,591	5,855			
1938	4,781.45	4,537	4,781			
1939	5,811.71	5,480	5,812			
1940	8,033.80	7,528	8,034			
1941	9,724.16	9,052	9,724			
1942	7,739.18	7,156	7,739			
1943	5,665.36	5,204	5,665			
1944	7,491.74	6,835	7,492			
1945	7,840.44	7,105	7,803	37	4.41	8
1946	12,461.53	11,215	12,318	144	4.70	31
1947	26,356.74	23,558	25,874	483	4.99	97
1948	24,759.46	21,978	24,139	620	5.28	117
1949	29,729.95	26,200	28,776	954	5.58	171
1950	35,588.33	31,144	34,206	1,382	5.87	235
1951	41,420.54	35,983	39,520	1,901	6.17	308
1952	45,998.98	39,667	43,567	2,432	6.47	376
1953	39,847.58	34,099	37,451	2,397	6.78	354
1954	54,756.20	46,496	51,067	3,689	7.09	520
1955	67,848.87	57,152	62,770	5,079	7.41	685
1956	73,948.15	61,770	67,842	6,106	7.74	789
1957	76,773.65	63,592	69,844	6,930	8.07	859
1958	71,986.69	59,105	64,915	7,072	8.41	841

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1959	78,400.90	63,789	70,060	8,341	8.76	952
1960	75,642.93	60,949	66,941	8,702	9.13	953
1961	65,496.90	52,258	57,395	8,102	9.50	853
1962	58,083.30	45,874	50,384	7,699	9.88	779
1963	67,255.95	52,560	57,727	9,529	10.27	928
1964	76,377.03	59,022	64,824	11,553	10.68	1,082
1965	93,948.96	71,781	78,838	15,111	11.09	1,363
1966	97,761.78	73,799	81,054	16,708	11.52	1,450
1967	107,720.81	80,309	88,204	19,517	11.96	1,632
1968	124,228.65	91,400	100,385	23,844	12.42	1,920
1969	127,493.12	92,555	101,654	25,839	12.88	2,006
1970	113,096.35	80,948	88,906	24,190	13.36	1,811
1971	99,584.23	70,239	77,144	22,440	13.85	1,620
1972	91,585.66	63,603	69,856	21,730	14.36	1,513
1973	124,723.52	85,263	93,645	31,079	14.87	2,090
1974	132,645.36	89,183	97,950	34,695	15.40	2,253
1975	91,350.56	60,350	66,283	25,068	15.95	1,572
1976	47,581.33	30,877	33,912	13,669	16.50	828
1977	82,259.76	52,384	57,534	24,726	17.07	1,449
1978	96,212.43	60,082	65,988	30,224	17.65	1,712
1979	302,291.02	184,975	203,159	99,132	18.24	5,435
1980	571,217.29	342,245	375,890	195,327	18.84	10,368
1981	645,106.05	378,142	415,316	229,790	19.45	11,814
1982	518,217.88	342,542	376,216	142,002	17.56	8,087
1983	538,405.64	347,272	381,411	156,995	18.30	8,579
1984	471,410.32	297,978	327,271	144,139	18.77	7,679
1985	662,010.86	409,652	449,924	212,087	19.25	11,018
1986	677,534.94	409,909	450,206	227,329	19.75	11,510
1987	758,515.89	448,131	492,185	266,331	20.26	13,146
1988	977,459.12	563,310	618,687	358,772	20.77	17,274
1989	1,061,453.17	595,900	654,481	406,972	21.29	19,116
1990	1,324,377.75	723,110	794,197	530,181	21.83	24,287
1991	1,318,485.03	699,061	767,783	550,702	22.37	24,618
1992	1,236,374.08	635,620	698,106	538,268	22.92	23,485
1993	960,696.45	478,331	525,354	435,342	23.57	18,470
1994	1,363,383.93	659,605	724,449	638,935	24.01	26,611
1995	1,507,389.53	703,348	772,492	734,898	24.58	29,898
1996	1,403,220.39	630,046	691,984	711,236	25.16	28,269
1997	1,652,525.93	712,239	782,257	870,269	25.75	33,797
1998	1,826,910.28	753,783	827,885	999,025	26.34	37,928
1999	1,793,433.99	709,303	779,032	1,014,402	26.75	37,922
2000	1,827,107.26	687,358	754,930	1,072,177	27.36	39,188

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
2001	1,773,042.63	632,090	694,229	1,078,814	27.98	38,557
2002	1,025,316.97	346,352	380,401	644,916	28.42	22,692
2003	1,425,705.00	452,234	496,691	929,014	29.06	31,969
2004	1,119,568.52	333,072	365,815	753,754	29.52	25,534
2005	1,293,624.81	358,593	393,845	899,780	29.99	30,003
2006	1,357,605.19	346,461	380,520	977,085	30.65	31,879
2007	7,170,168.58	1,675,668	1,840,397	5,329,772	31.15	171,100
2008	3,016,465.25	640,999	704,013	2,312,452	31.50	73,411
2009	2,211,849.06	419,809	461,079	1,750,770	32.02	54,677
2010	1,434,811.78	239,614	263,170	1,171,642	32.41	36,151
2011	1,796,462.53	257,972	283,332	1,513,131	32.81	46,118
2012	2,216,390.21	265,302	291,383	1,925,007	33.09	58,175
2013	2,731,659.78	260,054	285,619	2,446,041	33.26	73,543
2014	2,027,154.26	141,901	155,851	1,871,303	33.21	56,348
2015	2,702,989.66	118,391	130,029	2,572,961	32.75	78,564
2016	3,207,189.43	51,315	56,360	3,150,829	30.85	102,134
	62,553,098.32	20,288,529	22,269,526	40,283,572		1,413,511
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						28.5 2.26

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1957	2.97	2	1	2	8.07	
1962	1,733.96	1,369	908	826	9.88	84
1964	14,930.00	11,537	7,656	7,274	10.68	681
1965	17,659.96	13,493	8,954	8,706	11.09	785
1966	25,423.11	19,192	12,736	12,687	11.52	1,101
1967	29,258.84	21,813	14,475	14,784	11.96	1,236
1968	24,336.87	17,906	11,882	12,455	12.42	1,003
1969	25,814.54	18,740	12,436	13,379	12.88	1,039
1970	41,261.87	29,533	19,598	21,664	13.36	1,622
1971	38,002.71	26,804	17,787	20,216	13.85	1,460
1972	27,618.72	19,180	12,728	14,891	14.36	1,037
1973	19,573.36	13,381	8,879	10,694	14.87	719
1974	22,240.49	14,953	9,923	12,317	15.40	800
1975	30,816.13	20,358	13,509	17,307	15.95	1,085
1976	6,569.87	4,263	2,829	3,741	16.50	227
1977	16,577.44	10,557	7,005	9,572	17.07	561
1978	21,790.86	13,608	9,030	12,761	17.65	723
1979	80,166.24	49,055	32,552	47,614	18.24	2,610
1980	165,678.40	99,266	65,872	99,806	18.84	5,298
1981	80,976.39	47,466	31,498	49,478	19.45	2,544
1982	123,468.16	81,612	54,157	69,311	17.56	3,947
1983	60,452.80	38,992	25,875	34,578	18.30	1,890
1984	56,563.25	35,754	23,726	32,837	18.77	1,749
1985	118,910.66	73,582	48,828	70,083	19.25	3,641
1986	135,680.07	82,086	54,471	81,209	19.75	4,112
1987	132,612.04	78,347	51,990	80,622	20.26	3,979
1988	170,497.64	98,258	65,203	105,295	20.77	5,070
1989	207,898.89	116,714	77,450	130,449	21.29	6,127
1990	208,944.93	114,084	75,705	133,240	21.83	6,104
1991	76,522.71	40,572	26,923	49,600	22.37	2,217
1992	94,698.95	48,685	32,307	62,392	22.92	2,722
1993	142,936.48	71,168	47,226	95,710	23.57	4,061
1994	156,160.92	75,551	50,135	106,026	24.01	4,416
1995	44,008.39	20,534	13,626	30,382	24.58	1,236
1996	89,044.64	39,981	26,531	62,514	25.16	2,485
1997	55,136.54	23,764	15,769	39,368	25.75	1,529
1998	103,151.38	42,560	28,242	74,909	26.34	2,844
1999	91,790.11	36,303	24,090	67,700	26.75	2,531
2000	168,503.62	63,391	42,065	126,439	27.36	4,621
2001	54,270.04	19,347	12,838	41,432	27.98	1,481
2002	131,972.14	44,580	29,583	102,389	28.42	3,603
2003	227,849.62	72,274	47,960	179,890	29.06	6,190

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
2004	203,171.93	60,444	40,110	163,062	29.52	5,524
2005	194,685.23	53,967	35,812	158,873	29.99	5,298
2008	539,906.75	114,730	76,133	463,774	31.50	14,723
2009	433,262.96	82,233	54,569	378,694	32.02	11,827
2010	537,655.07	89,788	59,582	478,073	32.41	14,751
2012	184,971.43	22,141	14,692	170,279	33.09	5,146
2013	64,664.11	6,156	4,085	60,579	33.26	1,821
2016	1,043,883.13	16,702	11,083	1,032,800	30.85	33,478
	6,543,707.32	2,216,776	1,471,024	5,072,683		193,738
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						26.2 2.96

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1920	143.03	143	143			
1921	571.46	571	571			
1922	1,344.53	1,345	1,345			
1923	2,334.01	2,334	2,334			
1924	2,698.77	2,699	2,699			
1925	3,070.85	3,071	3,071			
1926	2,953.14	2,953	2,953			
1927	3,034.76	3,035	3,035			
1928	2,503.36	2,503	2,503			
1929	2,931.16	2,926	2,931			
1930	2,099.97	2,088	2,100			
1931	1,720.43	1,701	1,720			
1932	881.64	867	882			
1933	774.06	757	774			
1934	927.40	902	927			
1935	997.45	964	997			
1936	1,297.25	1,246	1,297			
1937	1,718.21	1,641	1,718			
1938	1,365.52	1,296	1,366			
1939	1,349.84	1,273	1,350			
1940	1,531.54	1,435	1,532			
1941	1,889.62	1,759	1,890			
1942	1,655.63	1,531	1,656			
1943	1,091.33	1,002	1,091			
1944	2,131.77	1,945	2,132			
1945	2,379.00	2,156	2,379			
1946	3,671.02	3,304	3,671			
1947	7,921.57	7,081	7,922			
1948	7,652.03	6,792	7,652			
1949	8,849.19	7,799	8,849			
1950	9,281.46	8,122	9,281			
1951	12,165.83	10,569	12,166			
1952	12,701.76	10,953	12,702			
1953	10,305.04	8,818	10,305			
1954	8,713.95	7,399	8,714			
1955	14,206.44	11,967	14,184	22	7.41	3
1956	18,271.06	15,262	18,090	181	7.74	23
1957	20,097.88	16,647	19,731	367	8.07	45
1958	19,164.86	15,735	18,650	515	8.41	61
1959	27,278.98	22,195	26,307	972	8.76	111
1960	20,549.66	16,558	19,626	924	9.13	101
1961	13,649.75	10,891	12,909	741	9.50	78

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1962	14,101.87	11,138	13,202	900	9.88	91
1963	17,270.64	13,497	15,998	1,273	10.27	124
1964	19,648.70	15,184	17,997	1,652	10.68	155
1965	20,681.91	15,802	18,730	1,952	11.09	176
1966	22,057.65	16,651	19,736	2,322	11.52	202
1967	23,777.41	17,727	21,012	2,765	11.96	231
1968	28,394.93	20,891	24,762	3,633	12.42	293
1969	29,368.87	21,321	25,271	4,098	12.88	318
1970	24,093.44	17,245	20,440	3,653	13.36	273
1971	31,340.99	22,105	26,201	5,140	13.85	371
1972	37,283.99	25,893	30,691	6,593	14.36	459
1973	45,710.71	31,249	37,039	8,672	14.87	583
1974	40,460.59	27,203	32,243	8,218	15.40	534
1975	27,985.18	18,488	21,914	6,071	15.95	381
1976	20,338.64	13,199	15,645	4,694	16.50	284
1977	29,880.66	19,028	22,554	7,327	17.07	429
1978	40,113.85	25,050	29,691	10,423	17.65	591
1979	67,785.54	41,479	49,164	18,622	18.24	1,021
1980	129,516.05	77,600	91,978	37,538	18.84	1,992
1981	109,122.43	63,964	75,815	33,307	19.45	1,712
1982	187,877.94	124,187	147,197	40,681	17.56	2,317
1983	139,804.17	90,174	106,882	32,922	18.30	1,799
1984	95,472.02	60,348	71,529	23,943	18.77	1,276
1985	155,618.46	96,297	114,139	41,479	19.25	2,155
1986	141,470.74	85,590	101,448	40,023	19.75	2,026
1987	166,663.06	98,465	116,709	49,954	20.26	2,466
1988	175,213.23	100,975	119,684	55,529	20.77	2,674
1989	243,649.71	136,785	162,129	81,521	21.29	3,829
1990	198,574.28	108,422	128,511	70,063	21.83	3,209
1991	126,907.74	67,286	79,753	47,155	22.37	2,108
1992	192,777.59	99,107	117,470	75,308	22.92	3,286
1993	109,596.12	54,568	64,679	44,917	23.57	1,906
1994	158,181.39	76,528	90,707	67,474	24.01	2,810
1995	224,135.17	104,581	123,958	100,177	24.58	4,076
1996	145,293.26	65,237	77,324	67,969	25.16	2,701
1997	182,636.36	78,716	93,301	89,335	25.75	3,469
1998	241,704.20	99,727	118,205	123,499	26.34	4,689
1999	162,189.77	64,146	76,031	86,159	26.75	3,221
2000	129,091.99	48,564	57,562	71,530	27.36	2,614
2001	174,568.59	62,234	73,765	100,804	27.98	3,603
2002	177,383.60	59,920	71,022	106,362	28.42	3,743
2003	461,801.42	146,483	173,624	288,177	29.06	9,917

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
2004	580,733.17	172,768	204,779	375,954	29.52	12,736
2005	459,975.93	127,505	151,130	308,846	29.99	10,298
2006	270,313.24	68,984	81,766	188,547	30.65	6,152
2008	798,994.08	169,786	201,244	597,750	31.50	18,976
2009	188,816.51	35,837	42,477	146,340	32.02	4,570
2010	213,139.86	35,594	42,189	170,951	32.41	5,275
2011	310,057.54	44,524	52,774	257,284	32.81	7,842
2012	513,051.52	61,412	72,790	440,262	33.09	13,305
2013	417,156.67	39,713	47,071	370,086	33.26	11,127
2014	465,971.85	32,618	38,662	427,310	33.21	12,867
2015	456,090.56	19,977	23,678	432,413	32.75	13,203
2016	792,591.53	12,681	15,031	777,561	30.85	25,205
	10,496,313.53	3,488,688	4,125,458	6,370,856		222,092
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						28.7 2.12

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R2						
NET SALVAGE PERCENT.. 0						
1953	551.39	498	551			
1956	1,941.02	1,713	1,941			
1957	4,183.12	3,662	4,183			
1960	14,970.00	12,782	14,970			
1961	11,516.57	9,745	11,517			
1962	19,946.77	16,727	19,947			
1963	22,023.33	18,295	22,023			
1964	20,089.52	16,526	20,090			
1965	13,206.54	10,754	13,207			
1966	21,113.65	17,011	21,114			
1967	31,262.26	24,913	31,262			
1968	73,060.27	57,544	73,060			
1969	74,755.74	58,185	74,756			
1970	53,333.75	40,991	52,861	473	9.72	49
1971	47,730.42	36,195	46,676	1,054	10.15	104
1972	70,679.97	52,876	68,187	2,493	10.58	236
1973	5,576.33	4,112	5,303	273	11.03	25
1974	2,326.53	1,690	2,179	148	11.50	13
1975	3,303.40	2,361	3,045	258	11.98	22
1976	1,850.42	1,301	1,678	172	12.47	14
1979	125,456.91	83,518	107,702	17,755	14.04	1,265
1980	265,772.52	173,448	223,672	42,101	14.59	2,886
1981	272,967.33	174,505	225,035	47,932	15.15	3,164
1982	226,052.39	160,271	206,680	19,372	14.06	1,378
1983	87,047.31	60,776	78,375	8,672	14.37	603
1984	46,178.38	31,572	40,714	5,464	14.92	366
1985	98,917.88	66,156	85,312	13,606	15.48	879
1986	77,035.20	50,335	64,910	12,125	16.05	755
1987	154,665.29	99,079	127,769	26,896	16.41	1,639
1988	278,743.03	174,019	224,409	54,334	17.00	3,196
1989	180,474.37	109,674	141,432	39,042	17.59	2,220
1990	200,914.86	119,183	153,694	47,221	18.00	2,623
1991	218,479.47	125,779	162,200	56,279	18.61	3,024
1992	120,123.30	67,005	86,407	33,716	19.23	1,753
1993	67,001.68	36,489	47,055	19,947	19.55	1,020
1994	213,283.76	112,784	145,442	67,842	20.05	3,384
1995	280,660.02	143,024	184,438	96,222	20.69	4,651
1996	631,998.51	310,943	400,981	231,018	21.17	10,913
1997	113,926.55	53,762	69,329	44,598	21.82	2,044
1998	88,366.33	40,048	51,644	36,722	22.32	1,645
1999	210,196.81	90,847	117,153	93,044	22.99	4,047
2000	60,652.36	25,019	32,264	28,388	23.50	1,208

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R2						
NET SALVAGE PERCENT.. 0						
2001	5,649.02	2,216	2,858	2,791	24.02	116
2002	123,438.75	45,820	59,088	64,351	24.56	2,620
2005	16,887.45	5,147	6,637	10,250	26.23	391
2007	36,076.35	9,322	12,021	24,055	27.26	882
2008	122,755.23	28,798	37,137	85,618	27.73	3,088
2012	13,059.71	1,734	2,236	10,824	29.40	368
2014	217,090.17	16,890	21,781	195,309	29.65	6,587
2015	96,511.31	4,690	6,048	90,463	29.36	3,081
2016	575,343.58	10,184	13,133	562,211	27.75	20,260
	5,719,146.83	2,820,918	3,626,106	2,093,041		92,519
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					22.6	1.62

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.0 OTHER PROPERTY ON CUSTOMERS PREMISES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1966	1,968.69	1,486	1,720	249	11.52	22
1967	207.34	155	179	28	11.96	2
1968	820.82	604	699	122	12.42	10
1969	4,348.68	3,157	3,654	695	12.88	54
1970	585.40	419	485	100	13.36	7
1971	1,925.29	1,358	1,572	353	13.85	25
1972	16,780.77	11,654	13,489	3,292	14.36	229
1999	15,161.48	5,996	6,940	8,221	26.75	307
2004	19,260.94	5,730	6,632	12,629	29.52	428
2005	276,907.83	76,759	88,847	188,061	29.99	6,271
	337,967.24	107,318	124,217	213,750		7,355

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 29.1 2.18

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1929	141.00	141	141			
1955	2,275.45	1,917	2,275			
1956	989.22	826	987	2	7.74	
1957	545.83	452	540	6	8.07	1
1958	236.59	194	232	5	8.41	1
1959	739.15	601	718	21	8.76	2
1960	6,231.82	5,021	5,997	235	9.13	26
1961	5,465.73	4,361	5,209	257	9.50	27
1962	1,776.66	1,403	1,676	101	9.88	10
1963	1,519.13	1,187	1,418	101	10.27	10
1964	1,895.48	1,465	1,750	145	10.68	14
1965	611.14	467	558	53	11.09	5
1966	1,500.19	1,132	1,352	148	11.52	13
1967	7,810.50	5,823	6,955	856	11.96	72
1968	5,156.86	3,794	4,532	625	12.42	50
1969	2,743.23	1,991	2,378	365	12.88	28
1970	1,104.82	791	945	160	13.36	12
1971	31,924.90	22,517	26,895	5,030	13.85	363
1972	2,029.09	1,409	1,683	346	14.36	24
1973	5,741.28	3,925	4,688	1,053	14.87	71
1974	677.56	456	545	133	15.40	9
1975	501.75	331	395	107	15.95	7
1976	3,733.18	2,423	2,894	839	16.50	51
1977	1,421.54	905	1,081	341	17.07	20
1978	182.88	114	136	47	17.65	3
1979	5,235.99	3,204	3,827	1,409	18.24	77
1980	17,091.10	10,240	12,231	4,860	18.84	258
1981	121,509.06	71,225	85,075	36,434	19.45	1,873
1982	95,200.74	62,928	75,165	20,036	17.56	1,141
1983	6,768.10	4,365	5,214	1,554	18.30	85
1984	6,649.28	4,203	5,020	1,629	18.77	87
1985	25,257.56	15,629	18,668	6,590	19.25	342
1986	23,743.92	14,365	17,158	6,586	19.75	333
1987	25,830.88	15,261	18,229	7,602	20.26	375
1988	26,270.40	15,140	18,084	8,186	20.77	394
1989	52,802.47	29,643	35,407	17,395	21.29	817
1990	55,497.04	30,301	36,193	19,304	21.83	884
1991	30,826.21	16,344	19,522	11,304	22.37	505
1992	56,752.96	29,177	34,851	21,902	22.92	956
1993	45,455.69	22,632	27,033	18,423	23.57	782
1994	30,338.27	14,678	17,532	12,806	24.01	533
1995	22,678.63	10,582	12,640	10,039	24.58	408

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1996	22,335.06	10,028	11,978	10,357	25.16	412
1997	8,544.26	3,683	4,399	4,145	25.75	161
1998	8,784.27	3,624	4,329	4,455	26.34	169
1999	13,041.26	5,158	6,161	6,880	26.75	257
2000	2,551.99	960	1,147	1,405	27.36	51
2004	347.18	103	123	224	29.52	8
2005	3,317.00	919	1,098	2,219	29.99	74
2006	3,670.43	937	1,119	2,551	30.65	83
2010	54.74	9	11	44	32.41	1
2012	115,202.00	13,790	16,471	98,731	33.09	2,984
2013	22,348.33	2,128	2,541	19,807	33.26	596
2014	10,178.04	712	851	9,327	33.21	281
2015	1,657.77	73	87	1,571	32.75	48
	946,895.61	475,687	568,144	378,752		15,794

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 24.0 1.67

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R3						
NET SALVAGE PERCENT.. 0						
1989	290.57	255	285	6	3.81	2
1990	10,556.06	9,116	10,202	354	4.15	85
1991	4,510.10	3,815	4,270	240	4.60	52
1992	3,050.56	2,530	2,832	219	4.99	44
1993	5,858.48	4,765	5,332	526	5.36	98
1994	335.37	266	298	37	5.83	6
1997	104.02	75	84	20	7.46	3
	24,705.16	20,822	23,303	1,402		290
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						4.8 1.17

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-L2						
NET SALVAGE PERCENT.. 0						
1949	3,995.63	3,456	3,611	385	4.32	89
1950	2,222.95	1,909	1,995	228	4.52	50
1951	486.87	415	434	53	4.71	11
1952	478.45	405	423	55	4.91	11
1953	14,574.21	12,247	12,796	1,778	5.11	348
1954	2,940.95	2,453	2,563	378	5.31	71
1955	345.46	286	299	46	5.52	8
1956	5,080.11	4,170	4,357	723	5.73	126
1957	1,218.43	992	1,036	182	5.94	31
1958	433.59	350	366	68	6.15	11
1959	10,876.60	8,712	9,103	1,774	6.37	278
1960	1,313.52	1,043	1,090	224	6.58	34
1961	1,434.63	1,129	1,180	255	6.81	37
1962	215.40	168	176	39	7.03	6
1963	792.36	613	640	152	7.26	21
1964	4,472.90	3,426	3,580	893	7.49	119
1965	1,379.15	1,046	1,093	286	7.72	37
1966	3,123.18	2,346	2,451	672	7.96	84
1967	3,932.27	2,925	3,056	876	8.20	107
1968	6,593.99	4,855	5,073	1,521	8.44	180
1969	1,307.17	952	995	312	8.69	36
1970	1,907.64	1,375	1,437	471	8.93	53
1971	9,244.00	6,592	6,888	2,356	9.18	257
1972	3,437.41	2,424	2,533	904	9.43	96
1974	1,424.62	982	1,026	399	9.94	40
1975	7,362.88	5,018	5,243	2,120	10.19	208
1976	6,946.24	4,680	4,890	2,056	10.44	197
1977	2,161.58	1,439	1,504	658	10.69	62
1978	1,118.81	736	769	350	10.94	32
1979	668.98	435	455	214	11.19	19
1980	1,534.46	986	1,030	504	11.43	44
1981	9,115.43	5,791	6,051	3,064	11.67	263
1982	10,832.15	8,347	8,721	2,111	10.20	207
1983	1,586.98	1,208	1,262	325	10.42	31
1984	27,961.63	21,100	22,046	5,916	10.49	564
1985	11,887.75	8,842	9,238	2,650	10.76	246
1986	17,849.86	13,121	13,709	4,141	10.90	380
1987	21,566.07	15,707	16,411	5,155	10.91	473
1988	12,165.88	8,730	9,121	3,045	11.12	274
1989	14,664.07	10,389	10,855	3,809	11.21	340
1990	30,663.34	21,409	22,369	8,294	11.35	731
1991	23,987.43	16,475	17,214	6,773	11.51	588

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-L2						
NET SALVAGE PERCENT.. 0						
1992	13,903.63	9,374	9,794	4,110	11.72	351
1993	22,202.66	14,738	15,399	6,804	11.84	575
1994	47,462.39	30,860	32,244	15,218	12.10	1,258
1995	65,203.87	41,496	43,357	21,847	12.28	1,779
1996	42,455.12	26,284	27,463	14,992	12.61	1,189
1997	79,296.81	47,784	49,927	29,370	12.86	2,284
1998	71,068.74	41,547	43,410	27,659	13.15	2,103
1999	113,327.00	63,860	66,724	46,603	13.56	3,437
2000	190,381.03	103,339	107,973	82,408	13.90	5,929
2001	111,089.62	57,678	60,264	50,826	14.35	3,542
2002	40,883.29	20,213	21,119	19,764	14.83	1,333
2003	215,015.44	100,434	104,938	110,077	15.40	7,148
2004	106,857.20	46,889	48,992	57,865	15.99	3,619
2005	68,941.27	28,225	29,491	39,450	16.59	2,378
2006	83,657.23	31,706	33,127	50,530	17.20	2,938
2007	36,830.04	12,806	13,380	23,450	17.82	1,316
2008	96,913.92	30,479	31,846	65,068	18.53	3,511
2009	42,151.46	11,853	12,384	29,767	19.17	1,553
2011	14,910.25	3,140	3,281	11,629	20.61	564
2016	295,996.40	5,861	6,124	289,872	24.82	11,679
	2,043,852.40	938,250	980,326	1,063,526		65,286

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.3 3.19

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1980	53,900.00	53,900	53,900			
1981	184,018.30	184,018	184,018			
1982	328,563.00	328,563	328,563			
1983	92,573.18	92,573	92,573			
1984	103,914.03	103,914	103,914			
1985	109,975.52	109,976	109,976			
1986	113,888.51	113,889	113,889			
1987	112,021.79	112,022	112,022			
1988	167,324.21	167,324	167,324			
1989	77,363.35	77,363	77,363			
1990	11,534.69	11,535	11,535			
1991	1,588.30	1,588	1,588			
1992	3,540.35	3,434	3,540			
1993	514.88	481	515			
1995	4,074.64	3,504	3,792	283	3.50	81
1998	10,727.14	7,938	8,589	2,138	6.50	329
2001	13,978.74	8,667	9,378	4,601	9.50	484
2002	7,564.41	4,387	4,747	2,817	10.50	268
2003	93,599.07	50,543	54,691	38,908	11.50	3,383
	1,490,664.11	1,435,619	1,441,917	48,747		4,545
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 10.7 0.30						

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LANCASTER BUILDING NO. 8						
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1877	10,334.49	10,334	10,334			
1905	1,382.43	1,382	1,382			
1918	6,964.78	6,965	6,965			
1920	2,849.28	2,849	2,849			
1922	6,205.34	6,205	6,205			
1923	1,971.44	1,971	1,971			
1931	27,998.18	27,998	27,998			
1944	230.75	231	231			
1945	27.52	28	28			
1949	486.95	487	487			
1950	40,677.28	40,677	40,677			
1951	8,990.41	8,990	8,990			
1952	13,587.20	13,587	13,587			
1953	10,839.39	10,839	10,839			
1954	3,441.34	3,441	3,441			
1955	836.25	836	836			
1957	3,161.96	3,162	3,162			
1958	258.36	258	258			
1959	1,265.61	1,266	1,266			
1960	1,818.24	1,818	1,818			
1961	1,773.80	1,774	1,774			
1963	2,738.31	2,738	2,738			
1964	4,461.66	4,462	4,462			
1965	5,035.99	5,036	5,036			
1967	125.74	126	126			
1968	799.24	799	799			
1969	92.87	93	93			
1980	321.52	322	322			
1996	2,259.68	2,260	2,260			
2000	8,328.00	8,328	8,328			
2001	5,102.05	5,102	5,102			
2004	21,968.00	21,968	21,968			
2005	27,391.56	27,392	27,392			
	223,725.62	223,724	223,726			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HAZLETON PLANT						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2026						
NET SALVAGE PERCENT.. 0						
1935	387.66	340	357	31	9.28	3
1937	121.33	106	111	10	9.29	1
1938	86.71	76	80	7	9.30	1
1947	5,817.76	5,015	5,266	552	9.37	59
1948	342.98	295	310	33	9.38	4
1949	1,561.27	1,341	1,408	153	9.39	16
1950	1,917.05	1,644	1,726	191	9.39	20
1953	2,574.69	2,195	2,305	270	9.41	29
1957	1,241.98	1,049	1,101	141	9.44	15
1958	2,270.62	1,914	2,010	261	9.44	28
1960	214.71	180	189	26	9.45	3
1961	605.33	506	531	74	9.46	8
1962	8,807.30	7,350	7,718	1,090	9.46	115
1963	6,811.31	5,668	5,952	860	9.47	91
1964	2,748.53	2,281	2,395	353	9.47	37
1967	1,211.01	995	1,045	166	9.49	17
1971	1,480.97	1,200	1,260	221	9.50	23
1972	1,047.23	845	887	160	9.51	17
1976	3,339.89	2,649	2,782	558	9.52	59
1977	3,331.02	2,629	2,761	571	9.53	60
1978	6,036.89	4,741	4,978	1,059	9.53	111
1979	3,019.84	2,359	2,477	543	9.53	57
1980	3,021.59	2,347	2,464	557	9.54	58
1983	361.14	281	295	66	9.49	7
1988	332.44	249	261	71	9.49	7
1991	3,086.87	2,245	2,357	730	9.47	77
1994	17,141.83	12,034	12,636	4,506	9.55	472
1995	5,007.58	3,467	3,640	1,367	9.56	143
1997	19,818.31	13,294	13,959	5,859	9.57	612
1998	20,047.43	13,239	13,901	6,146	9.51	646
1999	9,143.58	5,920	6,216	2,927	9.53	307
2001	14,134.97	8,741	9,178	4,957	9.56	519
2002	35,866.47	21,635	22,717	13,149	9.54	1,378
2003	18,037.63	10,568	11,097	6,941	9.54	728
2005	45,388.92	24,846	26,089	19,300	9.51	2,029
2007	2,150.79	1,075	1,129	1,022	9.51	107
2012	1,921.36	618	649	1,272	9.49	134
2013	5,228.56	1,413	1,484	3,745	9.45	396

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HAZLETON PLANT						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2026						
NET SALVAGE PERCENT.. 0						
2014	20,741.92	4,352	4,570	16,172	9.42	1,717
2015	3,327.07	460	483	2,844	9.36	304
2016	217,109.02	11,246	11,809	205,300	9.14	22,462
	496,843.56	183,408	192,583	304,261		32,877
ALLENTOWN PLANT						
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1922	250.95	251	251			
1923	297.04	297	297			
1928	44,791.52	44,792	44,792			
1929	1,227.11	1,227	1,227			
1932	237.64	238	238			
1934	309.40	309	309			
1940	95.93	96	96			
1943	273.84	274	274			
1947	54.16	54	54			
1951	233.36	233	233			
1953	21.18	21	21			
1958	3,297.09	3,297	3,297			
1959	1,512.13	1,512	1,512			
1960	3,343.71	3,344	3,344			
1963	5,682.26	5,682	5,682			
1964	134.45	134	134			
1966	2,516.15	2,516	2,516			
1968	419.83	420	420			
1970	80.61	81	81			
1980	1,953.60	1,954	1,954			
1986	5,526.05	5,526	5,526			
	72,258.01	72,258	72,258			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HARRISBURG SERVICE BUILDING						
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1989	11,535.55	11,536	11,536			
1997	18,828.66	18,829	18,828			
	30,364.21	30,365	30,364			
LANCASTER SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2021						
NET SALVAGE PERCENT.. 0						
1906	281.83	267	280		4.56	
1907	1,433.08	1,358	1,426		4.56	2
1909	406.91	385	404		4.57	1
1910	224.76	213	224		4.57	
1911	21.22	20	21			
1912	1,732.22	1,639	1,722		4.58	2
1914	161.74	153	161		4.58	
1915	19.61	19	20			
1918	511.98	483	507		4.60	1
1921	425.30	401	421		4.60	1
1922	84.13	79	83		4.61	
1924	4,507.93	4,245	4,459		4.61	11
1926	3,737.08	3,515	3,692		4.62	10
1931	3,948.35	3,704	3,891		4.63	13
1938	394.93	369	388		4.65	2
1943	280.51	261	274		4.66	1
1945	207.06	192	202		4.66	1
1950	9,978.57	9,231	9,696		4.67	60
1951	7,180.41	6,636	6,970		4.67	45
1952	6,883.15	6,355	6,675		4.67	45
1953	11,300.72	10,423	10,948		4.67	75
1954	296,127.84	272,849	286,601		4.67	2,040
1955	322.77	297	312		4.67	2
1956	1,000.64	920	966		4.68	7
1957	756.79	695	730		4.68	6
1958	1,722.68	1,580	1,660		4.68	13
1959	1,399.93	1,282	1,347		4.68	11
1960	3,937.73	3,602	3,784		4.68	33
1961	16,222.22	14,818	15,565		4.68	140
1962	12,860.86	11,732	12,323		4.68	115
1963	6,269.36	5,711	5,999		4.68	58

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LANCASTER SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2021						
NET SALVAGE PERCENT.. 0						
1964	6,975.89	6,343	6,663	313	4.69	67
1965	867.64	788	828	40	4.69	9
1966	355.45	322	338	17	4.69	4
1967	368.39	333	350	19	4.69	4
1968	1,010.90	913	959	52	4.69	11
1969	7,468.30	6,734	7,073	395	4.69	84
1970	3,002.66	2,702	2,838	164	4.69	35
1971	1,467.05	1,318	1,384	83	4.69	18
1972	592.62	531	558	35	4.69	7
1973	3,183.46	2,847	2,990	193	4.69	41
1978	1,697.63	1,499	1,575	123	4.70	26
1980	5,865.52	5,148	5,407	458	4.70	97
1983	15,237.60	13,376	14,050	1,187	4.63	256
1985	12,562.62	10,914	11,464	1,099	4.72	233
1988	52,486.58	44,929	47,194	5,293	4.75	1,114
1989	8,382.04	7,149	7,509	873	4.70	186
1990	122,915.31	104,220	109,473	13,442	4.71	2,854
1992	47,623.61	39,842	41,850	5,773	4.74	1,218
1994	1,717,494.68	1,422,086	1,493,762	223,733	4.67	47,909
1995	22,073.20	18,129	19,043	3,030	4.68	647
1998	25,688.76	20,484	21,516	4,172	4.70	888
2001	26,632.28	20,432	21,462	5,170	4.70	1,100
2002	46,765.25	35,326	37,107	9,659	4.69	2,059
2003	136,113.98	100,888	105,973	30,141	4.71	6,399
2004	124,843.41	90,661	95,230	29,613	4.71	6,287
2005	59,767.76	42,411	44,549	15,219	4.71	3,231
2006	2,595.93	1,794	1,884	712	4.70	151
2014	122,985.38	42,774	44,930	78,055	4.69	16,643
2015	9,309.12	2,260	2,374	6,935	4.68	1,482
2016	161,747.44	15,770	16,565	145,183	4.63	31,357
	3,142,422.77	2,426,357	2,548,650	593,773		127,112

READING SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2030
NET SALVAGE PERCENT.. 0

1951	812.19	656	689	123	13.04	9
1955	794,466.19	634,890	666,890	127,577	13.09	9,746

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
READING SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1956	1,038.58	828	870	169	13.10	13
1957	10,164.88	8,074	8,481	1,684	13.12	128
1958	2,462.52	1,950	2,048	414	13.13	32
1959	5,142.63	4,059	4,264	879	13.14	67
1960	4,909.57	3,862	4,057	853	13.15	65
1961	535,302.19	419,591	440,739	94,563	13.16	7,186
1962	336.50	263	276	60	13.17	5
1963	275.90	215	226	50	13.18	4
1966	3,833.38	2,947	3,096	738	13.21	56
1967	2,772.14	2,122	2,229	543	13.22	41
1969	860.99	653	686	175	13.24	13
1970	7,981.68	6,028	6,332	1,650	13.24	125
1971	8,068.85	6,063	6,369	1,700	13.25	128
1972	3,367.65	2,517	2,644	724	13.26	55
1973	2,843.98	2,114	2,221	623	13.27	47
1974	1,205,803.08	891,330	936,255	269,549	13.28	20,297
1975	22,620.48	16,627	17,465	5,155	13.28	388
1976	32,602.82	23,818	25,018	7,584	13.29	571
1977	35,031.29	25,427	26,709	8,323	13.30	626
1978	14,191.15	10,234	10,750	3,441	13.30	259
1979	147,425.47	105,560	110,880	36,545	13.31	2,746
1980	457,800.49	325,382	341,782	116,019	13.32	8,710
1981	57,115.86	40,292	42,323	14,793	13.32	1,111
1982	38,402.57	27,754	29,153	9,250	13.14	704
1983	2,900.20	2,073	2,177	723	13.26	55
1984	89,308.34	63,364	66,558	22,751	13.20	1,724
1985	30,499.20	21,444	22,525	7,974	13.20	604
1986	139,411.79	97,003	101,892	37,520	13.23	2,836
1987	3,314.66	2,278	2,393	922	13.30	69
1988	2,082.62	1,418	1,489	593	13.24	45
1989	959,774.92	646,024	678,585	281,190	13.23	21,254
1990	707,135.43	469,609	493,278	213,857	13.28	16,104
1991	55,079.62	36,160	37,983	17,097	13.21	1,294
1992	343,514.27	222,425	233,636	109,879	13.20	8,324
1993	36,855.81	23,518	24,703	12,152	13.26	916
1994	334,568.85	210,778	221,402	113,167	13.21	8,567
1995	34,423.09	21,315	22,389	12,034	13.22	910
1996	43,177.97	26,200	27,521	15,657	13.28	1,179
1997	10,179.72	6,055	6,360	3,820	13.29	287
1998	246,929.12	143,910	151,163	95,766	13.24	7,233

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
READING SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
2000	1,453,703.72	805,933	846,553	607,150	13.26	45,788
2001	374,628.21	202,074	212,259	162,369	13.24	12,264
2002	173,040.09	90,327	94,880	78,160	13.28	5,886
2003	199,632.53	100,794	105,874	93,758	13.24	7,081
2004	199,674.51	96,842	101,723	97,952	13.27	7,381
2005	506,342.79	235,247	247,104	259,239	13.25	19,565
2006	72,465.64	32,030	33,644	38,821	13.25	2,930
2007	743,193.93	310,655	326,313	416,881	13.23	31,510
2008	545,926.01	213,457	224,216	321,710	13.24	24,298
2009	131,877.68	47,766	50,173	81,704	13.20	6,190
2010	91,930.59	30,355	31,885	60,046	13.19	4,552
2011	74,849.08	22,021	23,131	51,718	13.19	3,921
2012	248,703.50	63,469	66,668	182,036	13.14	13,854
2013	35,885.67	7,572	7,954	27,932	13.08	2,135
2014	373,050.92	60,061	63,088	309,963	13.03	23,788
2015	374,373.71	39,010	40,976	333,398	12.89	25,865
2016	569,164.93	21,970	23,077	546,088	12.45	43,862
	12,603,232.15	6,936,413	7,286,020	5,317,212		405,403

BETHLEHEM SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2040
NET SALVAGE PERCENT.. 0

1951	677.35	481	505	172	21.56	8
1957	158.80	110	116	43	21.78	2
1962	39,924.84	26,892	28,247	11,677	21.95	532
1965	1,530,987.01	1,013,223	1,064,291	466,696	22.04	21,175
1966	139,777.64	91,928	96,561	43,216	22.07	1,958
1967	15,613.23	10,202	10,716	4,897	22.10	222
1968	9,265.14	6,013	6,316	2,949	22.13	133
1969	18,295.20	11,795	12,389	5,906	22.15	267
1970	12,655.74	8,100	8,508	4,147	22.18	187
1971	7,087.96	4,502	4,729	2,359	22.21	106
1975	425.18	261	274	151	22.30	7
1976	3,602.18	2,195	2,306	1,297	22.33	58
1977	2,729.12	1,648	1,731	998	22.35	45
1981	862.16	499	524	338	22.43	15
1982	6,081.92	3,708	3,895	2,187	21.93	100

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BETHLEHEM SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2040						
NET SALVAGE PERCENT.. 0						
1984	25,694.24	15,247	16,015	9,679	22.10	438
1987	83,709.19	47,748	50,155	33,555	22.03	1,523
1990	145,529.64	79,081	83,067	62,463	22.06	2,832
1991	1,822.38	971	1,020	802	22.14	36
1992	58,035.30	30,399	31,931	26,104	22.05	1,184
1996	313,715.75	151,148	158,766	154,950	22.05	7,027
1997	207,408.22	97,067	101,959	105,449	22.17	4,756
1998	100,603.10	45,784	48,092	52,511	22.15	2,371
1999	77,089.67	34,135	35,855	41,234	22.02	1,873
2000	1,462.54	625	657	806	22.11	36
2001	99,072.22	40,847	42,906	56,166	22.09	2,543
2002	58,085.51	23,077	24,240	33,845	22.00	1,538
2003	67,216.12	25,502	26,787	40,429	22.09	1,830
2004	164,857.64	59,761	62,773	102,085	21.98	4,644
2005	180,619.74	62,097	65,227	115,393	21.95	5,257
2006	25,192.10	8,147	8,558	16,634	21.97	757
2007	26,091.74	7,882	8,279	17,812	21.95	811
2008	2,102.06	588	618	1,484	21.90	68
2009	1,650.35	422	443	1,207	21.82	55
2010	11,520.60	2,651	2,785	8,736	21.75	402
2011	102,429.74	20,732	21,777	80,653	21.67	3,722
2013	46,094.42	6,472	6,798	39,296	21.44	1,833
2014	311,828.82	32,991	34,654	277,175	21.14	13,111
2015	314,991.23	21,230	22,300	292,691	20.77	14,092
2016	600,560.64	14,954	15,708	584,853	19.58	29,870
	4,815,526.43	2,011,115	2,112,479	2,703,047		127,424

OTHER BUILDINGS

SURVIVOR CURVE.. IOWA 40-R2

NET SALVAGE PERCENT.. 0

1953	19,863.70	18,379	19,305	558	2.99	187
1954	16,648.24	15,283	16,053	595	3.28	181
1955	2,721.80	2,479	2,604	118	3.57	33
1959	386.69	341	358	29	4.74	6
1970	605.98	479	503	103	8.38	12
1971	8,517.00	6,650	6,985	1,532	8.77	175
1975	156.25	115	121	35	10.48	3
1976	19,802.90	14,382	15,107	4,696	10.95	429

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER BUILDINGS						
SURVIVOR CURVE.. IOWA 40-R2						
NET SALVAGE PERCENT.. 0						
1977	3,569.08	2,549	2,677	892	11.43	78
1978	1,753.81	1,231	1,293	461	11.92	39
1979	938.66	647	680	259	12.43	21
1980	8,276.68	5,597	5,879	2,398	12.95	185
1985	26,444.45	18,263	19,183	7,261	14.00	519
1989	33,759.98	21,252	22,323	11,437	16.04	713
1990	1,174.86	722	758	416	16.49	25
1991	1,994.10	1,188	1,248	746	17.12	44
1992	7,564.56	4,384	4,605	2,960	17.59	168
1994	31,259.26	17,093	17,955	13,305	18.65	713
1995	23,190.69	12,266	12,884	10,306	19.15	538
1997	7,870.23	3,867	4,062	3,808	20.18	189
1998	18,950.09	8,941	9,392	9,558	20.71	462
1999	62,858.13	28,274	29,699	33,159	21.41	1,549
2000	38,644.15	16,578	17,414	21,231	21.96	967
2001	95,889.41	39,085	41,055	54,834	22.52	2,435
2002	7,166.49	2,764	2,903	4,263	23.09	185
2003	16,818.78	6,130	6,439	10,380	23.54	441
2004	52,362.58	17,866	18,766	33,596	24.13	1,392
2005	255,389.48	81,061	85,147	170,243	24.73	6,884
2006	138,315.63	40,665	42,715	95,601	25.21	3,792
2007	75,464.46	20,360	21,386	54,078	25.71	2,103
2011	148,425.26	24,653	25,896	122,530	27.61	4,438
2014	71,407.08	5,798	6,090	65,317	28.27	2,310
2016	195,667.20	3,639	3,822	191,845	26.45	7,253
	1,393,857.66	442,981	465,308	928,550		38,469

LEBANON SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. 0

1933	657.93	486	510	147	22.17	7
1992	1,969,044.37	993,186	1,043,245	925,800	23.83	38,850
1993	15,226.14	7,546	7,926	7,300	23.79	307
1994	10,056.65	4,888	5,134	4,922	23.80	207
2000	1,880.00	772	811	1,069	23.66	45
2001	34,203.52	13,517	14,198	20,005	23.72	843
	2,031,068.61	1,020,395	1,071,825	959,244		40,259

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
STONE RIDGE SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2059						
NET SALVAGE PERCENT.. 0						
2009	4,758,270.80	831,746	873,667	3,884,604	35.42	109,673
2011	173,040.12	23,603	24,793	148,247	34.82	4,258
2014	13,495.19	942	989	12,506	33.34	375
2015	16,504.48	736	773	15,731	32.17	489
2016	423,642.25	7,117	7,476	416,167	29.35	14,179
	5,384,952.84	864,144	907,698	4,477,255		128,974
	30,194,251.86	14,211,160	14,910,911	15,283,342		900,518
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 17.0						2.98

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 2-2020						
NET SALVAGE PERCENT.. 0						
2015	11,241.26	3,429	3,664	7,577	3.42	2,215
	11,241.26	3,429	3,664	7,577		2,215
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.4 19.70

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1997	28,523.09	27,810	27,777	746	0.50	746
1998	152,564.09	141,122	140,957	11,607	1.50	7,738
1999	431,825.70	377,847	377,405	54,421	2.50	21,768
2000	17,374.10	14,334	14,317	3,057	3.50	873
2001	28,832.75	22,345	22,319	6,514	4.50	1,448
2002	10,131.48	7,345	7,336	2,795	5.50	508
2003	58,882.74	39,746	39,700	19,183	6.50	2,951
2004	19,545.79	12,216	12,202	7,344	7.50	979
2005	12,973.40	7,460	7,451	5,522	8.50	650
2006	15,741.19	8,264	8,254	7,487	9.50	788
2007	98,862.25	46,960	46,905	51,957	10.50	4,948
2008	10,904.48	4,634	4,629	6,275	11.50	546
2009	366,901.89	137,588	137,427	229,475	12.50	18,358
2010	51,285.03	16,668	16,648	34,637	13.50	2,566
2013	49,177.44	8,606	8,596	40,581	16.50	2,459
2014	158,472.16	19,809	19,786	138,686	17.50	7,925
2015	279,924.16	20,994	20,969	258,955	18.50	13,998
2016	252,500.00	6,312	6,305	246,195	19.50	12,625
	2,044,421.74	920,060	918,983	1,125,439		101,874
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						11.0 4.98

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2012	8,397.64	7,558	8,398			
2013	66,396.58	46,478	66,397			
2016	22,000.00	2,200	72,447	50,447-		
	96,794.22	56,236	147,242	50,448-		
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L2.5						
NET SALVAGE PERCENT.. 0						
2002	3,600.00	3,419	3,600			
2005	37,042.80	33,398	37,002	41	1.26	33
	40,642.80	36,817	40,602	41		33
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					1.2	0.08

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 11-L3						
NET SALVAGE PERCENT.. 0						
1978	14,177.75	14,178	14,178			
2012	16,490.72	7,361	3,636	12,855	5.58	2,304
2016	400,000.00	20,600	10,174	389,826	9.21	42,326
	430,668.47	42,139	27,988	402,680		44,630
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						9.0 10.36

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L4						
NET SALVAGE PERCENT.. 0						
1988	12,549.34	12,514	12,549			
	12,549.34	12,514	12,549			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1997	124,174.53	121,070	120,345	3,830	0.50	3,830
1998	125,968.97	116,521	115,823	10,146	1.50	6,764
1999	224,987.76	196,864	195,685	29,303	2.50	11,721
2000	129,059.40	106,474	105,837	23,222	3.50	6,635
2001	155,343.66	120,391	119,670	35,674	4.50	7,928
2002	160,394.15	116,286	115,590	44,804	5.50	8,146
2003	344,961.13	232,849	231,455	113,506	6.50	17,462
2004	376,497.34	235,311	233,902	142,595	7.50	19,013
2005	585,131.98	336,451	334,437	250,695	8.50	29,494
2006	582,434.35	305,778	303,947	278,487	9.50	29,314
2007	647,841.19	307,725	305,883	341,958	10.50	32,567
2008	251,796.92	107,014	106,373	145,424	11.50	12,646
2009	269,695.20	101,136	100,530	169,165	12.50	13,533
2010	162,964.81	52,964	52,647	110,318	13.50	8,172
2011	453,581.01	124,735	123,988	329,593	14.50	22,731
2012	368,654.37	82,947	82,451	286,203	15.50	18,465
2013	792,113.30	138,620	137,790	654,323	16.50	39,656
2014	465,207.03	58,151	57,803	407,404	17.50	23,280
2015	1,711,974.99	128,398	127,629	1,584,346	18.50	85,640
2016	1,103,895.00	27,597	27,432	1,076,463	19.50	55,203
	9,036,677.09	3,017,282	2,999,217	6,037,460		452,200
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.4 5.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L2.5						
NET SALVAGE PERCENT.. 0						
1948	284.76	285	285			
1950	163.89	164	164			
1951	2,128.37	2,128	2,128			
1952	4,189.81	4,190	4,190			
1953	801.30	801	801			
1954	18,678.25	18,678	18,678			
1955	1,110.31	1,110	1,110			
1956	4,099.12	4,099	4,099			
1957	1,282.34	1,282	1,282			
1958	2,816.60	2,817	2,817			
1959	3,128.28	3,128	3,128			
1960	4,659.72	4,660	4,660			
1961	2,981.33	2,981	2,981			
1962	9,367.11	9,367	9,367			
1963	4,062.29	4,062	4,062			
1964	4,005.49	4,005	4,005			
1965	6,056.27	6,056	6,056			
1966	2,108.18	2,108	2,108			
1967	2,768.86	2,769	2,769			
1968	4,253.21	4,253	4,253			
1969	1,224.82	1,225	1,225			
1970	5,396.21	5,396	5,396			
1971	4,287.65	4,288	4,288			
1972	1,183.75	1,184	1,184			
1973	3,084.10	3,084	3,084			
1974	10,871.60	10,872	10,872			
1975	12,337.16	12,337	12,337			
1976	6,602.41	6,602	6,602			
1977	36,334.50	36,205	36,334			
1978	9,564.97	9,333	9,565			
1979	7,705.05	7,435	7,705			
1980	9,349.56	8,909	9,350			
1981	56,108.25	52,782	56,108			
1982	39,997.86	39,042	39,998			
1983	1,254.54	1,214	1,255			
1984	50,934.31	49,116	50,934			
1985	92,625.70	88,569	92,626			
1986	74,284.84	70,556	74,285			
1987	20,058.95	18,952	20,059			
1988	55,741.09	52,436	55,741			
1989	83,290.65	77,627	83,291			
1990	98,157.25	90,953	98,157			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L2.5						
NET SALVAGE PERCENT.. 0						
1991	8,107.66	7,452	8,108			
1992	29,668.19	26,980	29,668			
1993	20,462.77	18,464	20,463			
1994	53,507.60	47,793	53,508			
1995	71,703.19	63,206	71,703			
1996	32,883.58	28,582	32,884			
1997	35,224.58	30,152	35,017	208	3.28	63
1998	22,379.15	18,839	21,879	500	3.48	144
1999	21,409.68	17,723	20,583	827	3.64	227
2000	6,498.36	5,286	6,139	359	3.78	95
2001	30,317.91	24,200	28,105	2,213	3.92	565
2002	3,719.59	2,907	3,376	344	4.05	85
2003	47,178.73	36,111	41,938	5,241	4.14	1,266
2004	66,887.60	49,831	57,872	9,016	4.28	2,107
2005	14,736.28	10,643	12,360	2,376	4.42	538
2006	28,808.32	19,935	23,152	5,656	4.67	1,211
2007	37,931.66	24,898	28,916	9,016	4.97	1,814
2009	64,652.45	36,218	42,062	22,590	5.89	3,835
2013	15,373.86	4,445	5,162	10,212	8.61	1,186
	1,370,791.87	1,200,725	1,302,234	68,558		13,136
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						5.2 0.96

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2007	56,157.92	53,350	52,890	3,268	0.50	3,268
2008	283,427.93	240,914	238,836	44,592	1.50	29,728
2009	105,386.95	79,040	78,358	27,029	2.50	10,812
2011	3,293.70	1,812	1,796	1,498	4.50	333
2012	82,937.84	37,322	37,001	45,937	5.50	8,352
2013	31,838.36	11,143	11,047	20,791	6.50	3,199
	563,042.70	423,581	419,928	143,115		55,692
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						2.6 9.89

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2008	14,386.49	12,229	12,140	2,246	1.50	1,497
2009	63,823.07	47,867	47,518	16,305	2.50	6,522
2010	45,540.21	29,601	29,385	16,155	3.50	4,616
2011	96,716.37	53,194	52,807	43,909	4.50	9,758
2012	102,456.20	46,105	45,769	56,687	5.50	10,307
2013	51,777.87	18,122	17,990	33,788	6.50	5,198
2014	172,905.94	43,226	42,911	129,995	7.50	17,333
2015	39,299.63	5,895	5,852	33,448	8.50	3,935
2016	137,500.00	6,875	6,825	130,675	9.50	13,755
	724,405.78	263,114	261,197	463,209		72,921
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						6.4 10.07

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 3-2019						
NET SALVAGE PERCENT.. 0						
2009	156,908.12	117,681	123,239	33,669	2.50	13,468
2010	2,987.32	2,158	2,260	727	2.50	291
	159,895.44	119,839	125,499	34,396		13,759
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						2.5 8.60

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1997	23,206.36	22,626	7,934	15,272	0.50	15,272
2001	25,355.20	19,650	6,890	18,465	4.50	4,103
2003	7,182.75	4,848	1,700	5,483	6.50	844
2004	11,896.38	7,435	2,607	9,289	7.50	1,239
2005	39,965.68	22,980	8,058	31,908	8.50	3,754
2006	2,468.81	1,296	454	2,015	9.50	212
2007	878.14	417	146	732	10.50	70
2008	572.40	243	85	487	11.50	42
2009	4,753.12	1,782	625	4,128	12.50	330
2010	747,318.56	242,879	85,163	662,156	13.50	49,049
	863,597.40	324,156	113,662	749,935		74,915

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 10.0 8.67

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2012	6,435.64	5,792	3,025	3,411	0.50	3,411
2013	126,304.80	88,413	46,173	80,132	1.50	53,421
2014	15,124.84	7,562	3,950	11,175	2.50	4,470
2015	13,608.38	4,083	2,132	11,476	3.50	3,279
	161,473.66	105,850	55,280	106,194		64,581
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						1.6 39.99

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 392 TRANSPORTATION EQUIPMENT - CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L2.5						
NET SALVAGE PERCENT.. 0						
2004	26,875.84	24,726	26,876			
2008	22,536.44	18,561	20,631	1,905	1.82	1,047
2014	22,224.80	8,901	9,894	12,331	3.74	3,297
	71,637.08	52,188	57,401	14,236		4,344
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					3.3	6.06

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1998	24,630.46	22,783	22,702	1,928	1.50	1,285
1999	6,158.53	5,389	5,370	789	2.50	316
2001	3,769.21	2,921	2,911	858	4.50	191
2002	6,694.08	4,853	4,836	1,858	5.50	338
2003	22,684.22	15,312	15,257	7,427	6.50	1,143
2004	5,698.56	3,562	3,549	2,150	7.50	287
2007	1,760.05	836	833	927	10.50	88
	71,395.11	55,656	55,458	15,937		3,648
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						4.4 5.11

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2012	965,686.61	869,118	822,434	143,253	0.50	143,253
2013	621,616.37	435,131	411,758	209,858	1.50	139,905
2014	1,020,522.82	510,261	482,853	537,670	2.50	215,068
2015	1,226,704.17	368,011	348,244	878,460	3.50	250,989
	3,834,529.97	2,182,521	2,065,289	1,769,241		749,215
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						2.4 19.54

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CIS SOFTWARE						
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 9-2017						
NET SALVAGE PERCENT.. 0						
2006	255,504.00	233,285	229,400	26,104	1.00	26,104
2007	51,330.00	46,441	45,668	5,662	1.00	5,662
2009	2,512,072.91	2,216,528	2,179,614	332,459	1.00	332,459
	2,818,906.91	2,496,254	2,454,681	364,226		364,225
ALL OTHER						
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2007	3,369,356.05	3,200,888	3,369,356			
2008	259,506.50	220,581	245,441	14,065	1.50	9,377
2009	775,538.10	581,654	647,209	128,329	2.50	51,332
2010	324,586.33	210,981	234,759	89,827	3.50	25,665
2011	24,265.04	13,346	14,850	9,415	4.50	2,092
2012	2,890,937.57	1,300,922	1,447,541	1,443,397	5.50	262,436
2013	431,236.80	150,933	167,944	263,293	6.50	40,507
2014	981,639.65	245,410	273,069	708,571	7.50	94,476
2015	979,404.89	146,911	163,468	815,936	8.50	95,992
2016	6,300,000.00	315,000	350,502	5,949,498	9.50	626,263
	16,336,470.93	6,386,626	6,914,139	9,422,332		1,208,140
	19,155,377.84	8,882,880	9,368,820	9,786,558		1,572,365
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.2						8.21

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2005	867,789.26	665,308	665,745	202,044	3.50	57,727
2006	1,660,897.57	1,162,628	1,163,391	497,507	4.50	110,557
2007	3,042,652.35	1,927,003	1,928,268	1,114,384	5.50	202,615
2008	2,908,998.47	1,648,442	1,649,523	1,259,475	6.50	193,765
2011	457,198.79	167,641	167,751	289,448	9.50	30,468
2012	533,950.04	160,185	160,290	373,660	10.50	35,587
2013	527,925.94	123,181	123,262	404,664	11.50	35,188
2014	495,556.48	82,594	82,648	412,908	12.50	33,033
2016	120,000.00	4,000	4,003	115,997	14.50	8,000
	10,614,968.90	5,940,982	5,944,881	4,670,088		706,940
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						6.6 6.66

READING SERVICE CENTER – INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES
READING SERVICE CENTER

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1974	571,247.78	422,266	445,519	125,729	13.28	9,468
1975	7,113.97	5,229	5,517	1,597	13.28	120
1976	1,619.65	1,183	1,248	372	13.29	28
1977	2,093.41	1,519	1,603	490	13.30	37
1978	550.94	397	419	132	13.30	10
1979	6,668.56	4,775	5,038	1,631	13.31	123
1980	28,073.63	19,953	21,052	7,022	13.32	527
1981	44,620.83	31,477	33,210	11,411	13.32	857
1982	425.54	308	325	101	13.14	8
1983	1,266.37	905	955	311	13.26	23
1984	1,912.33	1,357	1,432	480	13.20	36
1985	15,464.47	10,873	11,472	3,992	13.20	302
1986	1,117.05	777	820	297	13.23	22
1987	99.74	69	73	27	13.30	2
1989	39,819.71	26,803	28,279	11,541	13.23	872
1990	23,218.59	15,419	16,268	6,951	13.28	523
1992	94,573.36	61,236	64,608	29,965	13.20	2,270
1993	1,831.27	1,169	1,233	598	13.26	45
1994	27,020.20	17,023	17,960	9,060	13.21	686
1995	4,561.77	2,825	2,981	1,581	13.22	120
1996	247.42	150	158	89	13.28	7
1998	680.63	397	419	262	13.24	20
2000	71,851.22	39,834	42,027	29,824	13.26	2,249
2001	73,045.46	39,401	41,571	31,474	13.24	2,377
2002	5,505.03	2,874	3,032	2,473	13.28	186
2003	200.64	101	107	94	13.24	7
2004	1,502.92	729	769	734	13.27	55
2005	4,794.10	2,227	2,350	2,444	13.25	184
2006	456.45	202	213	243	13.25	18
2007	377,926.55	157,973	166,672	211,255	13.23	15,968
2008	443,328.00	173,341	182,886	260,442	13.24	19,671
2009	13,966.30	5,059	5,338	8,628	13.20	654
2010	2,620.42	865	913	1,707	13.19	129
2011	3,548.41	1,044	1,101	2,447	13.19	186
2012	293.76	75	79	215	13.14	16

UGI UTILITIES, INC. - INFORMATION SERVICES
 READING SERVICE CENTER

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2016

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
2014	5,411.34	871	919	4,492	13.03	345
2015	43,945.91	4,579	4,831	39,115	12.89	3,035
2016	90,926.75	3,510	3,703	87,224	12.45	7,006
	2,013,550.48	1,058,795	1,117,100	896,450		68,192
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.1 3.39

**PART VIII. EXPERIENCED AND ESTIMATED
NET SALVAGE**

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2012 TRANSACTION YEAR				
305.00		439,982.00		439,982.00-
376.10	965,846.00	221,790.00		221,790.00-
376.20	210,877.00	122,349.00		122,349.00-
376.30	375,635.00	11,061.00		11,061.00-
378.00	237,165.00	96,905.00	18,148.00	78,757.00-
378.10	1,490,938.00			
380.00	3,662,161.00	1,067,901.00		1,067,901.00-
381.00	917,422.00	13,752.00	11,238.00	2,514.00-
382.00	40,757.00	3,072.00		3,072.00-
383.00		41,383.00		41,383.00-
384.00	164.00	1,357.00		1,357.00-
387.00	7,080.00			
387.10	127,795.00			
390.10	108,894.00	39,977.00		39,977.00-
391.00	488,232.00			
391.10	185,896.00			
392.20	14,405.00			
394.00	53,401.00			
398.00	1,060.00			
	8,887,728.00	2,059,529.00	29,386.00	2,030,143.00-
2013 TRANSACTION YEAR				
305.00		56,278.00		56,278.00-
376.10	1,114,460.00	350,176.00	40,693.00-	390,869.00-
376.20	347,588.00	169,031.00		169,031.00-
376.30	461,810.00	17,575.00		17,575.00-
378.00	94,284.00	87,047.00	19,268.00	67,779.00-
380.00	5,752,899.00	1,861,217.00	16,310.00	1,844,907.00-
381.00	783,644.00	3,554.00		3,554.00-
382.00	1,697.00	23,765.00		23,765.00-
383.00		21,364.00		21,364.00-
384.00	287.00	3,620.00		3,620.00-
390.10		21,204.00		21,204.00-
391.00	51,861.00			
391.10	142,175.00			
392.20		10.00	4,509.00	4,499.00
394.00	30,020.00	965.00-	12,050.00	13,015.00
398.00	111,923.00			
	8,892,648.00	2,613,876.00	11,444.00	2,602,432.00-

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2014 TRANSACTION YEAR				
305.00		223,599.00		223,599.00-
376.10	775,573.00	108,084.00	3,004.00-	111,088.00-
376.20	281,809.00	155,935.00		155,935.00-
376.30	630,903.00	28,517.00		28,517.00-
378.00	82,900.00	66,952.00	27,231.00	39,721.00-
380.00	7,425,348.00	4,210,886.00		4,210,886.00-
381.00	800,494.00			
382.00	287.00	11,418.00		11,418.00-
383.00		266.00		266.00-
384.00	55.00	19,227.00		19,227.00-
390.10		91,839.00		91,839.00-
391.00	297,873.00			
391.10	90,547.00			
392.20			8,445.00	8,445.00
394.00	101,885.00			
396.00	6,152.00			
397.00	1,044.00			
	10,494,870.00	4,916,723.00	32,672.00	4,884,051.00-
2015 TRANSACTION YEAR				
305.00		206,178.00		206,178.00-
376.10	1,330,604.00	36,113.00		36,113.00-
376.20	205,693.00	182,638.00		182,638.00-
376.30	428,255.00	73,057.00		73,057.00-
378.00	136,104.00	125,153.00	30,924.00	94,229.00-
380.00	6,048,284.00	4,358,882.00		4,358,882.00-
381.00	839,723.00			
382.00	290.00	6,395.00		6,395.00-
383.00		793,334.00		793,334.00-
384.00	45.00	4,676.00		4,676.00-
386.30		2,588.00		2,588.00-
390.10		244,059.00		244,059.00-
390.20	229,762.00			
391.00	247,136.00			
392.20	14,163.00		2,963.00	2,963.00
394.00	163,099.00			
396.00	14,278.00			
398.00	2,080.00			
	9,659,516.00	6,033,073.00	33,887.00	5,999,186.00-

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2016 TRANSACTION YEAR				
305.00		553,000.00		553,000.00-
376.10	4,997,244.00	883,316.00		883,316.00-
376.20	273,310.00	137,431.00		137,431.00-
376.30	772,088.00	46,335.00		46,335.00-
378.00	988,340.00	547,834.00	126,672.00	421,162.00-
378.10	5,588.00			
379.00	71,718.00	39,753.00	9,192.00	30,561.00-
380.00	6,580,347.00	3,548,892.00	4,121.00	3,544,771.00-
381.00	459,212.00	2,140.00	1,390.00	750.00-
381.20	306,142.00	1,427.00	927.00	500.00-
382.00	421,148.00	227,132.00	264.00	226,868.00-
383.00	137,141.00	73,962.00	86.00	73,876.00-
384.00	104,081.00	56,133.00	65.00	56,068.00-
385.00	107,297.00	59,474.00	13,752.00	45,722.00-
387.00	153,628.00	71,883.00		71,883.00-
390.10	217,270.00	21,727.00		21,727.00-
391.00	34,367.00			
391.10	2,726.00			
394.00	111,608.00			
398.00	53,248.00			
	15,796,503.00	6,270,439.00	156,469.00	6,113,970.00-
TOTAL	53,731,265.00	21,893,640.00	263,858.00	21,629,782.00-

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2012 TRANSACTION YEAR				
391.10	31,128.00			
	31,128.00			
2013 TRANSACTION YEAR				
391.10	23,992.00			
	23,992.00			
2014 TRANSACTION YEAR				
391.00	4,540.00			
391.10	12,429.00			
	16,969.00			
2015 TRANSACTION YEAR				
390.20	1,448,677.00			
391.00	812,862.00			
391.10	93,647.00			
	2,355,186.00			
2016 TRANSACTION YEAR				
391.00	22,768.00			
391.10	653,875.00			
	676,643.00			
TOTAL	3,103,918.00			

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2012 TRANSACTION YEAR				
391.10	670,272.00			
398.00	2,008.00			
	672,280.00			
2013 TRANSACTION YEAR				
391.00	22,224.00			
391.10	1,692,864.00			
	1,715,088.00			
2014 TRANSACTION YEAR				
391.00	4,810.00			
391.10	781,032.00			
	785,842.00			
2015 TRANSACTION YEAR				
391.00	36,527.00			
391.10	925,747.00			
	962,274.00			
2016 TRANSACTION YEAR				
391.00	13,272.00			
391.10	1,428,497.00			
391.30	10,262,832.00			
	11,704,601.00			
TOTAL	15,840,085.00			

UGI UTILITIES, INC. – GAS DIVISION

DOCKET NO. R-2015-2518438

2015 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION
ACCRUALS RELATED TO GAS PLANT
AS OF SEPTEMBER 30, 2015

Prepared by:



*Excellence Delivered **As Promised***

UGI UTILITIES, INC. - GAS DIVISION
Reading, Pennsylvania

2015 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT
AS OF SEPTEMBER 30, 2015

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
Valley Forge, Pennsylvania



*Excellence Delivered **As Promised***

January 11, 2016

Ms. Ann P. Kelly, Controller
UGI Utilities, Inc. – Gas Division
2525 N. 12th Street, Suite 360
Reading, PA 19605-2771

Ladies and Gentlemen:

Pursuant to your request, we have determined the annual depreciation accruals applicable to gas plant as of September 30, 2015. Summaries of the original cost, annual accruals and the book depreciation reserve are presented in Tables 1 and 2 of the attached report.

A description of the methods and procedures upon which the study was based is set forth in a companion report, "2016 Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant as of September 30, 2016".

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink that reads "John F. Wiedmayer".

JOHN F. WIEDMAYER
Project Manager – Depreciation Studies

JFW:krm

060799.100

Gannett Fleming Valuation and Rate Consultants, LLC

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PART I. INTRODUCTION

**UGI UTILITIES, INC. - GAS DIVISION
DEPRECIATION STUDY**

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study for UGI Utilities, Inc. – Gas Division, Inc. to determine the annual depreciation accrual rates and amounts for ratemaking purposes applicable to the original cost of gas plant at September 30, 2015.

BASIS

Depreciation

The annual depreciation accruals and accrued depreciation were calculated using the straight line method, the remaining life basis, the average service life (ASL) procedure for plant installed prior to 1982 and the equal life group procedure (ELG) for 1982 and subsequent vintages. The calculations were based on the attained ages and estimated service life characteristics for each depreciable group of gas property.

Service Life Estimates

The service life and survivor curve estimates used for the calculation of depreciation as of September 30, 2015, are set forth in Table 1 and are based on company data through 2011. The company is not proposing any changes to the service life estimates. The service life estimates are the same estimates as submitted to the Pennsylvania Public Utility Commission (PA PUC) in the company's most recent service life study report in March 2012.

Remaining Life Annual Accruals

For the purpose of calculating remaining life accruals as of September 30, 2015, the book reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation for the average service life procedure are presented in Exhibit C (Future). The detailed calculations as of September 30, 2015, are set forth in Part III of this report.

Amortization of Net Salvage

In accordance with Pennsylvania rate regulation practice, under which experienced costs of negative net salvage are amortized after their occurrence, no adjustments for expected net salvage were made to either the annual depreciation accrual or the calculated accrued depreciation for the individual accounts. The annual provision for recovering negative net salvage is based on the amortization of experienced net salvage over a five-year period.

PART II. RESULTS OF STUDY

PART II. RESULTS OF STUDY

DESCRIPTION OF SUMMARY TABULATIONS

The tables on pages II-3 through II-6 summarize the results of the depreciation studies for gas plant at September 30, 2015. Table 1 sets forth, by depreciable group, the estimated survivor curves, original cost, book depreciation reserve, and calculated annual accrual at September 30, 2015.

Table 2 presents the amortization of experienced net salvage based on the five-year period, 2011-2015. The total amortization amount is incorporated at the end of the annual accrual amount column in Table 1 on page II-4.

DETAILED TABULATIONS OF DEPRECIATION CALCULATIONS

Supporting data for the original cost depreciation calculations in account sequence are presented in Part III of this report. The tables indicate the estimated survivor curves used in the calculations and set forth, for each installation year, the original cost, calculated accrued depreciation, allocated book reserve, future book accruals, and calculated remaining life accrual rate and amount.

Detailed tabulations setting forth the experienced cost of removal and salvage amounts by year and account are presented in Part IV of this report. The net salvage amounts are carried forward to Table 2 which presents the five-year amortization.

UGI UTILITIES, INC. - GAS DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2015

	ACCOUNT (1)	SURVIVOR CURVE (2)	ORIGINAL COST (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	CALCULATED ANNUAL ACCRUAL RATE (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)
GAS PLANT							
DISTRIBUTION PLANT							
375	STRUCTURES AND IMPROVEMENTS	55 - S0.5	2,185,833	1,389,165	796,668	1.33	29,006
376.1	MAINS - PRIMARILY STEEL	72 - R2.5	196,322,666	83,875,413	112,447,253	1.38	2,714,852
376.2	MAINS - CAST IRON	70 - R1	3,279,714	1,120,934	2,158,780	3.55	116,302
376.3	MAINS - PLASTIC	65 - R3	431,810,019	97,965,541	333,844,478	1.67	7,224,352
376.5	MAINS - PRIMARILY WROUGHT IRON	70 - R1	294,940	248,099	46,841	1.19	3,511
378	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	50 - S0.5	25,715,714	6,158,825	19,556,889	2.48	638,890
378.1	MEASURING AND REGULATING STATION EQUIPMENT - SCADA	13 - S2	1,269,066	439,103	829,963	9.25	117,388
379	MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	40 - R3	4,184,130	3,165,582	1,018,548	1.24	52,088
380	SERVICES	47 - R2	507,886,675	146,121,579	361,765,096	2.49	12,635,254
381	METERS	36 - R1.5	45,302,992	14,974,198	30,328,794	3.31	1,501,481
381.2	ELECTRONIC METERS	20 - S2	8,915,628	6,120,851	2,794,777	3.59	319,989
382	METER INSTALLATIONS	47 - R2	59,764,251	21,543,086	38,221,165	2.23	1,334,093
383	HOUSE REGULATORS	47 - R2	5,635,556	1,268,799	4,366,757	3.05	171,946
384	HOUSE REGULATOR INSTALLATIONS	47 - R2	9,807,087	4,072,597	5,734,490	2.03	199,182
385	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	42 - R2	5,250,444	3,705,080	1,545,364	1.35	70,807
386	OTHER PROPERTY ON CUSTOMERS PREMISES	47 - R2	337,967	116,782	221,185	2.20	7,447
386.1	OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	47 - R2	946,896	551,952	394,944	1.71	16,156
386.2	OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	25 - R3	24,705	22,972	1,733	1.34	330
387	OTHER EQUIPMENT	32 - L2	1,901,480	1,153,484	747,996	2.61	49,581
387.1	OTHER EQUIPMENT - GRAPHIC DATA BASE	25 - SQ	1,490,664	1,437,296	53,368	0.31	4,562
	TOTAL DISTRIBUTION PLANT		1,312,326,427	395,451,338	916,875,089	2.07	27,207,217
GENERAL PLANT							
390.1	STRUCTURES AND IMPROVEMENTS	VARIOUS*	28,238,823	14,281,590	13,957,233	2.70	761,874
390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	SQUARE	11,241	1,448	9,793	19.71	2,216
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20 - SQ	1,826,289	857,550	968,739	4.95	90,485
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5 - SQ	77,520	149,988	(72,448)	0.00	0
392.1	TRANSPORTATION EQUIPMENT - CARS	7 - L2.5	40,643	40,509	134	0.23	92
392.2	TRANSPORTATION EQUIPMENT - TRUCKS	11 - L3	30,668	27,778	2,890	1.47	452
392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	14 - L4	12,549	12,549	0	0	0
394	TOOLS, SHOP AND GARAGE EQUIPMENT	20 - SQ	8,044,390	2,686,401	5,357,989	5.00	402,383
396	POWER OPERATED EQUIPMENT	14 - L2.5	1,370,792	1,287,018	83,774	1.11	15,250
397	COMMUNICATION EQUIPMENT	10 - SQ	563,043	361,315	201,728	10.41	58,613
398	MISCELLANEOUS EQUIPMENT	10 - SQ	640,154	249,628	390,526	9.50	60,805
	TOTAL GENERAL PLANT		40,856,112	19,955,754	20,900,358	3.41	1,392,170
	TOTAL DEPRECIABLE GAS PLANT		1,353,182,539	415,407,092	937,775,447	2.11	28,599,387
NONDEPRECIABLE PLANT							
302.1	FRANCHISES AND CONSENTS - PERPETUAL		20,149				
302.2	FRANCHISES AND CONSENTS - LIMITED TERM		8,107				
304.1	LAND AND LAND RIGHTS - LAND		375,198				
304.2	LAND AND LAND RIGHTS - LAND RIGHTS		6,454				
374.1	LAND AND LAND RIGHTS - LAND		232,579				

UGI UTILITIES, INC. - GAS DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2015

ACCOUNT (1)	SURVIVOR CURVE (2)	ORIGINAL COST (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	CALCULATED ANNUAL ACCRUAL RATE (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)
374.2 LAND AND LAND RIGHTS - LAND RIGHTS		2,040,764				
389.1 LAND AND LAND RIGHTS - LAND		1,491,454				
389.2 LAND AND LAND RIGHTS - LAND RIGHTS		1,313				
TOTAL NONDEPRECIABLE PLANT		4,176,018				
TOTAL GAS PLANT		1,357,358,557				
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION						
COMMON PLANT						
301 ORGANIZATION (NONDEPRECIABLE)		138,964				
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	SQUARE	111,748	111,748	48,147	8.60	13,757
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20 - SQ	886,365	134,896	751,469	8.56	75,892
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5 - SQ	815,349	636,137	179,212	14.95	121,879
392.1 TRANSPORTATION EQUIPMENT - CARS	7 - L2.5	71,637	51,742	19,895	7.90	5,658
TOTAL COMMON PLANT		2,072,210	934,523	998,723	11.23	217,186
TOTAL COMMON PLANT ALLOCATED TO GAS DIVISION - 15.36%		318,291	143,543	153,404		33,360
INFORMATION SERVICES (IS)						
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20 - SQ	84,667	65,195	19,472	4.53	3,833
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5 - SQ	5,263,027	2,718,219	2,544,808	17.05	897,357
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	10 - SQ	23,118,210	18,463,294	4,654,916	**	919,891
391.4 OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	15 - SQ	10,494,969	5,241,920	5,253,049	**	698,944
TOTAL INFORMATION SERVICES		38,960,873	26,488,628	12,472,245	6.47	2,520,025
TOTAL INFORMATION SERVICES ALLOCATED TO GAS DIVISION - 48.83%		19,024,594	12,934,397	6,090,197		1,230,528
LESS READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS						
390.1 STRUCTURES AND IMPROVEMENTS	100 - R1	1,931,591	1,063,282	868,309	3.19	61,545
TOTAL READING SERVICE CENTER ALLOCATED TO OTHER DIVISIONS - 51.74%		999,405	550,142	449,263		31,843
TOTAL OTHER PLANT ALLOCATED TO GAS DIVISION		18,343,480	12,527,798	5,794,338	6.72	1,232,045
TOTAL PLANT IN SERVICE		1,375,702,037	427,934,890	943,569,795	2.17	29,831,432
ENVIRONMENTAL EXPENDITURES FOR SITE REMEDIATION - ACCOUNT 305			(275,831)			
AMORTIZATION OF NEGATIVE NET SALVAGE						
GRAND TOTAL		1,375,702,037	427,659,059	943,569,795		33,328,933

* SURVIVOR CURVES FOR ACCOUNT 390.1 ARE INTERIM SURVIVOR CURVES. INDIVIDUAL BUILDINGS ARE LIFE SPANNED.
 ** ASSETS IN ACCOUNTS 391.3 AND 391.4 ARE INDIVIDUALLY DEPRECIATED BASED ON THE SERVICE LIVES SHOWN IN THIS REPORT. ALSO, UGI PLANS TO REPLACE THEIR CUSTOMER INFORMATION SYSTEM IN ACCOUNT 391.3 IN 2017. UGI PLANS TO AMORTIZE THE UNRECOVERED COSTS RELATED TO CIS PROJECTS OVER THEIR ESTIMATED REMAINING LIVES. CIS IS EXPECTED TO BE RETIRED IN SEPTEMBER 2015.

UGI UTILITIES, INC. - GAS DIVISION

TABLE 2. AMORTIZATION OF EXPERIENCED NET SALVAGE

ACCOUNT (1)	2011		2012		2013		2014		2015		NET SALVAGE ACCURAL (13)=(12)/5	
	GROSS SALVAGE (2)	COST OF REMOVAL (3)	GROSS SALVAGE (4)	COST OF REMOVAL (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	GROSS SALVAGE (8)	COST OF REMOVAL (9)	GROSS SALVAGE (10)	COST OF REMOVAL (11)		NET SALVAGE (12)*
GAS PLANT												
305	0	154,467	0	439,982	0	56,278	0	223,599	0	206,178	1,080,504	216,101
375	0	0	0	0	0	0	0	0	0	0	0	0
376.1	0	199,265	0	221,790	40,693	350,176	3,004	108,084	0	36,113	959,125	191,825
376.2	0	5,480	0	122,349	0	169,031	0	155,935	0	182,638	635,433	127,087
376.3	0	10,285	0	11,061	0	17,575	0	28,517	0	73,057	140,495	28,099
376.5	0	0	0	0	0	0	0	0	0	0	0	0
378	0	37,270	(18,148)	96,905	(19,268)	87,047	(27,231)	66,952	(30,924)	125,153	317,756	63,551
378.1	0	0	0	0	0	0	0	0	0	0	0	0
379	0	0	0	0	0	0	0	0	0	0	0	0
380	0	1,321,529	0	1,067,901	(16,310)	1,861,217	0	4,210,886	0	4,358,882	12,804,105	2,560,821
381	0	0	(11,238)	13,752	0	3,554	0	0	0	0	6,068	1,214
381.2	0	0	0	0	0	0	0	0	0	0	0	0
382	0	8,440	0	3,072	0	23,765	0	11,418	0	6,395	53,090	10,618
383	0	281,192	0	41,383	0	21,364	0	266	0	793,334	1,137,539	227,508
384	0	5,772	0	1,357	0	3,620	0	19,227	0	4,676	34,652	6,930
385	0	0	0	0	0	0	0	0	0	0	0	0
386	0	0	0	0	0	0	0	0	0	0	0	0
386.1	0	0	0	0	0	0	0	0	0	0	0	0
386.2	0	0	0	0	0	0	0	0	0	0	0	0
386.3	0	0	0	0	0	0	0	0	0	2,588	2,588	518
387	0	4,330	0	0	0	0	0	0	0	0	4,330	866
387.1	0	0	0	0	0	0	0	0	0	0	0	0
390.1	0	0	0	39,977	0	21,204	0	91,839	0	244,059	397,079	79,416
390.2	0	0	0	0	0	0	0	0	0	0	0	0
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
392.1	0	0	0	0	0	0	0	0	0	0	0	0
392.2	0	0	0	0	(4,509)	10	(8,445)	0	(2,963)	0	(15,907)	(3,181)
392.4	0	0	0	0	0	0	0	0	0	0	0	0
393	0	0	0	0	0	0	0	0	0	0	0	0
394	0	0	0	0	0	0	0	0	0	0	0	0
396	0	0	0	0	(12,050)	(965)	0	0	0	0	(13,015)	(2,603)
397	0	0	0	0	0	0	0	0	0	0	0	0
398	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	2,028,030	(29,386)	2,059,529	(11,444)	2,613,876	(32,672)	4,916,723	(33,887)	6,033,073	17,543,842	3,508,770

UGI UTILITIES, INC. - GAS DIVISION

TABLE 2. AMORTIZATION OF EXPERIENCED NET SALVAGE

ACCOUNT (1)	2011		2012		2013		2014		2015		NET SALVAGE ACCURAL (13)=(12)/5	
	GROSS SALVAGE (2)	COST OF REMOVAL (3)	GROSS SALVAGE (4)	COST OF REMOVAL (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	GROSS SALVAGE (8)	COST OF REMOVAL (9)	GROSS SALVAGE (10)	COST OF REMOVAL (11)		NET SALVAGE (12)*
OTHER UTILITY PLANT ALLOCATED TO GAS DIVISION												
COMMON PLANT												
390.2	0	0	0	0	0	0	0	0	0	0	0	0
391	(366,822)	0	0	0	0	0	0	0	0	0	(366,822)	(73,364)
391.1	0	0	0	0	0	0	0	0	0	0	0	0
392.1	0	0	0	0	0	0	0	0	0	0	0	0
397	0	0	0	0	0	0	0	0	0	0	0	0
398	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	(366,822)	0	0	0	0	0	0	0	0	0	(366,822)	(73,364)
COMMON PLANT ALLOCATED TO GAS DIVISION - 15.36%												
	(56,344)	0	0	0	0	0	0	0	0	0	(56,344)	(11,269)
INFORMATION SERVICES												
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
391.2	0	0	0	0	0	0	0	0	0	0	0	0
391.3	0	0	0	0	0	0	0	0	0	0	0	0
391.4	0	0	0	0	0	0	0	0	0	0	0	0
398	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER UTILITY PLANT	(56,344)	0	0	0	0	0	0	0	0	0	(56,344)	(11,269)
GRAND TOTAL	(56,344)	2,028,030	(29,386)	2,059,529	(11,444)	2,613,876	(32,672)	4,916,723	(33,887)	6,033,073	17,487,498	3,497,501

* COLUMN (12) EQUALS THE SUMMATION OF COLUMNS (2) THROUGH (11).

**PART III. DETAILED DEPRECIATION
CALCULATIONS**

CUMULATIVE DEPRECIATED ORIGINAL COST

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1850	2,795	2,795				0.0
1856	73	73				0.0
1858	341	341				0.0
1859	85	85				0.0
1860	3,897	3,897				0.0
1865	683	683				0.0
1867	116	115		1	1	0.0
1868	693	693			1	0.0
1869	532	532			1	0.0
1870	3,071	3,071			1	0.0
1871	556	556			1	0.0
1872	7,587	7,514		73	74	0.0
1873	15,550	15,551		1-	73	0.0
1874	27	27			73	0.0
1875	3,499	1,739		1,760	1,833	0.0
1876	1,156	572		584	2,417	0.0
1877	14,801	12,534		2,267	4,684	0.0
1878	1,723	845		878	5,562	0.0
1879	164	81		83	5,645	0.0
1880	1,610	1,251		359	6,004	0.0
1881	1,728	953		775	6,779	0.0
1882	2,156	1,298		858	7,637	0.0
1883	3,580	1,754		1,826	9,463	0.0
1884	183	87		96	9,559	0.0
1885	970	460		510	10,069	0.0
1886	3,838	1,809		2,029	12,098	0.0
1887	2,932	1,375		1,557	13,655	0.0
1888	2,782	1,337		1,445	15,100	0.0
1889	5,769	5,051		718	15,818	0.0
1890	4,128	1,924		2,204	18,022	0.0
1891	4,166	2,013		2,153	20,175	0.0
1892	1,711	789		922	21,097	0.0
1893	4,274	2,060		2,214	23,311	0.0
1894	3,033	1,385		1,648	24,959	0.0
1895	8,969	4,253		4,716	29,675	0.0
1896	12,150	5,614		6,536	36,211	0.0
1897	7,201	3,384		3,817	40,028	0.0
1898	7,232	3,531		3,701	43,729	0.0
1899	11,366	5,487		5,879	49,608	0.0
1900	27,849	12,555		15,294	64,902	0.0
1901	25,856	12,313		13,543	78,445	0.0
1902	12,651	7,108		5,543	83,988	0.0
1903	25,775	12,735		13,040	97,028	0.0
1904	31,271	16,997		14,274	111,302	0.0
1905	27,274	15,231		12,043	123,345	0.0

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1906	23,313	14,301		9,012	132,357	0.0
1907	25,118	14,380		10,738	143,095	0.0
1908	36,622	19,959		16,663	159,758	0.0
1909	36,121	23,298		12,823	172,581	0.0
1910	40,296	22,803		17,493	190,074	0.0
1911	45,814	30,164		15,650	205,724	0.0
1912	42,430	26,298		16,132	221,856	0.0
1913	32,989	24,348		8,641	230,497	0.0
1914	68,677	53,303		15,374	245,871	0.0
1915	57,285	36,271		21,014	266,885	0.0
1916	65,863	38,573		27,290	294,175	0.0
1917	46,544	27,643		18,901	313,076	0.0
1918	37,830	27,060		10,770	323,846	0.0
1919	52,349	32,470		19,879	343,725	0.0
1920	60,534	37,616		22,918	366,643	0.0
1921	87,243	58,375		28,868	395,511	0.0
1922	137,986	77,688		60,298	455,809	0.0
1923	142,917	83,535		59,382	515,191	0.1
1924	503,329	358,202	145,127		660,318	0.1
1925	189,589	113,831	75,758		736,076	0.1
1926	488,465	389,827	98,638		834,714	0.1
1927	189,000	128,910	60,090		894,804	0.1
1928	346,336	285,703	60,633		955,437	0.1
1929	342,234	256,980	85,254		1,040,691	0.1
1930	447,189	376,443	70,746		1,111,437	0.1
1931	287,020	258,671	28,349		1,139,786	0.1
1932	51,931	43,229	8,702		1,148,488	0.1
1933	35,543	28,668	6,875		1,155,363	0.1
1934	33,763	28,908	4,855		1,160,218	0.1
1935	36,264	29,793	6,471		1,166,689	0.1
1936	41,693	32,853	8,840		1,175,529	0.1
1937	56,122	45,256	10,866		1,186,395	0.1
1938	47,613	36,346	11,267		1,197,662	0.1
1939	64,101	45,756	18,345		1,216,007	0.1
1940	57,033	44,426	12,607		1,228,614	0.1
1941	97,999	71,650	26,349		1,254,963	0.1
1942	57,857	49,373	8,484		1,263,447	0.1
1943	25,792	20,876	4,916		1,268,363	0.1
1944	36,618	25,368	11,250		1,279,613	0.1
1945	44,902	37,906	6,996		1,286,609	0.1
1946	446,008	359,705	86,303		1,372,912	0.1
1947	215,395	154,978	60,417		1,433,329	0.2
1948	282,052	207,127	74,925		1,508,254	0.2
1949	444,706	358,097	86,609		1,594,863	0.2
1950	2,337,421	1,828,286	509,135		2,103,998	0.2

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
1951	718,765	539,668		179,097	2,283,095	0.2
1952	942,438	701,567		240,871	2,523,966	0.3
1953	1,177,797	852,674		325,123	2,849,089	0.3
1954	2,127,056	1,637,389		489,667	3,338,756	0.4
1955	2,353,187	1,787,262		565,925	3,904,681	0.4
1956	2,400,324	1,721,146		679,178	4,583,859	0.5
1957	2,028,347	1,426,089		602,258	5,186,117	0.6
1958	3,509,808	2,485,569	1,024,239		6,210,356	0.7
1959	2,528,753	1,758,011		770,742	6,981,098	0.7
1960	3,672,022	2,621,893	1,050,129		8,031,227	0.9
1961	3,019,319	2,212,109		807,210	8,838,437	0.9
1962	2,661,988	1,865,771		796,217	9,634,654	1.0
1963	3,090,434	2,129,861		960,573	10,595,227	1.1
1964	3,060,176	2,081,718		978,458	11,573,685	1.2
1965	5,451,270	3,694,432	1,756,838		13,330,523	1.4
1966	4,284,625	2,844,941	1,439,684		14,770,207	1.6
1967	4,434,090	2,901,766	1,532,324		16,302,531	1.7
1968	5,033,777	3,263,370	1,770,407		18,072,938	1.9
1969	5,528,938	3,517,796	2,011,142		20,084,080	2.1
1970	4,837,231	3,029,639	1,807,592		21,891,672	2.3
1971	4,852,143	2,995,234	1,856,909		23,748,581	2.5
1972	4,773,154	2,927,811	1,845,343		25,593,924	2.7
1973	5,071,663	3,074,071	1,997,592		27,591,516	2.9
1974	6,593,243	4,116,152	2,477,091		30,068,607	3.2
1975	4,103,784	2,394,917	1,708,867		31,777,474	3.4
1976	4,391,387	2,522,654	1,868,733		33,646,207	3.6
1977	6,215,647	3,550,636	2,665,011		36,311,218	3.9
1978	6,433,430	3,583,095	2,850,335		39,161,553	4.2
1979	10,384,247	5,717,423	4,666,824		43,828,377	4.7
1980	20,314,388	10,927,684	9,386,704		53,215,081	5.7
1981	17,560,958	9,453,438	8,107,520		61,322,601	6.5
1982	17,497,103	10,493,507	7,003,596		68,326,197	7.3
1983	9,748,573	5,795,900	3,952,673		72,278,870	7.7
1984	11,904,681	6,924,519	4,980,162		77,259,032	8.2
1985	14,280,219	8,204,446	6,075,773		83,334,805	8.9
1986	16,993,957	9,224,222	7,769,735		91,104,540	9.7
1987	19,086,704	10,373,718	8,712,986		99,817,526	10.6
1988	25,268,209	12,866,034	12,402,175		112,219,701	12.0
1989	31,589,244	15,878,856	15,710,388		127,930,089	13.6
1990	34,549,720	16,865,306	17,684,414		145,614,503	15.5
1991	26,016,092	12,395,977	13,620,115		159,234,618	17.0
1992	25,758,574	12,199,117	13,559,457		172,794,075	18.4
1993	15,440,767	6,951,304	8,489,463		181,283,538	19.3
1994	28,868,981	13,419,142	15,449,839		196,733,377	21.0
1995	38,904,807	15,976,266	22,928,541		219,661,918	23.4

UGI UTILITIES, INC. - GAS DIVISION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST	
			(2)	(3)	CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
1996	31,677,158	12,836,122	18,841,036		238,502,954	25.4
1997	32,859,847	12,555,576	20,304,271		258,807,225	27.6
1998	27,220,869	10,166,311	17,054,558		275,861,783	29.4
1999	26,965,541	9,848,426	17,117,115		292,978,898	31.2
2000	30,403,052	10,502,812	19,900,240		312,879,138	33.4
2001	30,000,156	9,642,363	20,357,793		333,236,931	35.5
2002	26,235,454	8,026,977	18,208,477		351,445,408	37.5
2003	35,090,608	9,724,912	25,365,696		376,811,104	40.2
2004	32,496,536	8,451,378	24,045,158		400,856,262	42.7
2005	32,273,655	7,828,522	24,445,133		425,301,395	45.4
2006	39,168,013	10,389,828	28,778,185		454,079,580	48.4
2007	36,511,535	7,474,667	29,036,868		483,116,448	51.5
2008	38,961,680	7,197,497	31,764,183		514,880,631	54.9
2009	39,507,953	6,216,642	33,291,311		548,171,942	58.5
2010	33,900,248	4,391,776	29,508,472		577,680,414	61.6
2011	49,905,146	5,723,590	44,181,556		621,861,970	66.3
2012	66,780,838	5,858,555	60,922,283		682,784,253	72.8
2013	84,391,900	5,452,643	78,939,257		761,723,510	81.2
2014	89,337,949	3,479,869	85,858,080		847,581,590	90.4
2015	91,488,668	1,294,814	90,193,854		937,775,444	100.0
TOTAL	1,353,182,535	415,407,091	937,775,444			

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST	
			(2)	(3)	CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
1996	22,767	9,877		12,890	12,890	1.3
1997	23,206	9,551		13,655	26,545	2.7
2001	25,355	8,179		17,176	43,721	4.4
2003	7,183	1,997		5,186	48,907	4.9
2004	38,772	29,344		9,428	58,335	5.8
2005	39,966	9,336		30,630	88,965	8.9
2006	2,469	522		1,947	90,912	9.1
2007	878	166		712	91,624	9.2
2008	23,109	19,507		3,602	95,226	9.5
2009	161,661	110,469		51,192	146,418	14.7
2010	750,306	93,408		656,898	803,316	80.4
2011	653,875	565,460		88,415	891,731	89.3
2012	6,436	4,329		2,107	893,838	89.5
2013	126,305	60,681		65,624	959,462	96.1
2014	37,350	10,389		26,961	986,423	98.8
2015	13,608	1,308		12,300	998,723	100.0
TOTAL	1,933,246	934,523		998,723		

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
			(2)	(3)		
			(4)			
1996	13,272	12,973		299	299	0.0
1998	24,630	21,607		3,023	3,322	0.0
1999	6,159	5,094		1,065	4,387	0.0
2000	802,206	802,206			4,387	0.0
2001	3,322,495	3,321,466		1,029	5,416	0.0
2002	1,053,034	1,050,870		2,164	7,580	0.1
2003	461,534	453,065		8,469	16,049	0.1
2004	1,623,704	1,621,291		2,413	18,462	0.1
2005	1,286,077	1,026,274		259,803	278,265	2.2
2006	4,536,819	3,876,232		660,587	938,852	7.5
2007	6,465,098	5,135,765		1,329,333	2,268,185	18.2
2008	3,168,505	1,697,793		1,470,712	3,738,897	30.0
2009	3,287,611	2,474,351		813,260	4,552,157	36.5
2010	324,586	221,986		102,600	4,654,757	37.3
2011	1,909,961	1,444,574		465,387	5,120,144	41.1
2012	4,390,574	2,063,094		2,327,480	7,447,624	59.7
2013	1,580,779	534,882		1,045,897	8,493,521	68.1
2014	2,497,719	540,774		1,956,945	10,450,466	83.8
2015	2,206,109	184,333		2,021,776	12,472,242	100.0
TOTAL	38,960,872	26,488,630		12,472,242		

READING SERVICE CENTER - INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES
READING SERVICE CENTER

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT		DEPRECIATED ORIGINAL COST	
			(2)	(3)	CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
1974	574,898	441,859	133,039		133,039	15.3
1975	7,159	5,467	1,692		134,731	15.5
1976	1,630	1,236	394		135,125	15.6
1977	2,106	1,586	520		135,645	15.6
1978	554	415	139		135,784	15.6
1979	6,707	4,977	1,730		137,514	15.8
1980	28,234	20,779	7,455		144,969	16.7
1981	44,870	32,741	12,129		157,098	18.1
1982	428	320	108		157,206	18.1
1983	1,273	941	332		157,538	18.1
1984	1,922	1,409	513		158,051	18.2
1985	15,545	11,279	4,266		162,317	18.7
1986	1,123	805	318		162,635	18.7
1987	100	71	29		162,664	18.7
1989	40,014	27,660	12,354		175,018	20.2
1990	23,330	15,953	7,377		182,395	21.0
1992	95,013	62,883	32,130		214,525	24.7
1993	1,840	1,198	642		215,167	24.8
1994	27,142	17,419	9,723		224,890	25.9
1995	4,582	2,884	1,698		226,588	26.1
1996	248	154	94		226,682	26.1
1998	684	403	281		226,963	26.1
2000	72,144	40,180	31,964		258,927	29.8
2001	73,339	39,562	33,777		292,704	33.7
2002	5,527	2,872	2,655		295,359	34.0
2003	201	100	101		295,460	34.0
2004	1,509	720	789		296,249	34.1
2005	4,812	2,181	2,631		298,880	34.4
2006	458	196	262		299,142	34.5
2007	379,291	151,921	227,370		526,512	60.6
2008	444,898	164,349	280,549		807,061	92.9
2009	14,015	4,709	9,306		816,367	94.0
2010	2,629	788	1,841		818,208	94.2
2011	3,560	921	2,639		820,847	94.5
2012	295	63	232		821,079	94.6
2014	5,428	570	4,858		825,937	95.1
2015	44,082	1,711	42,371		868,308	100.0
TOTAL	1,931,590	1,063,282	868,308			

UTILITY PLANT IN SERVICE

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
1850	2,794.87	2,795	2,795			
1868	72.39	72	72			
1889	4,192.87	4,193	4,193			
1897	178.89	179	179			
1898	159.45	159	159			
1902	1,745.39	1,745	1,745			
1905	1,321.50	1,322	1,322			
1906	2,135.22	2,124	2,135			
1908	880.43	864	880			
1909	1,063.58	1,037	1,064			
1910	681.05	660	681			
1912	356.78	341	357			
1916	122.09	114	122			
1917	5,254.50	4,866	5,254			
1918	4,743.98	4,364	4,744			
1919	2,219.29	2,028	2,219			
1920	2,532.43	2,299	2,532			
1921	17,407.66	15,695	17,408			
1922	1,544.59	1,383	1,545			
1923	444.90	396	445			
1924	49,481.98	43,706	49,482			
1925	9,550.78	8,377	9,551			
1926	1,437.54	1,252	1,438			
1927	12,634.65	10,928	12,635			
1928	169.18	145	169			
1929	1,786.94	1,524	1,787			
1930	6,130.68	5,190	6,131			
1931	886.67	745	887			
1932	690.68	576	691			
1933	4,845.58	4,011	4,846			
1934	599.15	492	595	4	9.82	
1937	206.12	165	200	6	10.86	1
1939	941.28	743	898	43	11.57	4
1941	1,497.83	1,163	1,406	92	12.28	7
1942	1,321.59	1,018	1,231	91	12.64	7
1943	3,799.03	2,900	3,507	292	13.01	22
1944	480.46	364	440	40	13.37	3
1945	7,388.06	5,542	6,701	687	13.74	50
1946	24,241.93	18,023	21,793	2,449	14.11	174
1947	1,212.46	893	1,080	132	14.49	9
1948	11,813.70	8,622	10,426	1,388	14.86	93
1949	155,416.10	112,352	135,856	19,560	15.24	1,283

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
1950	314,773.72	225,321	272,457	42,317	15.63	2,707
1951	117,565.93	83,344	100,779	16,787	16.01	1,049
1952	14,011.46	9,834	11,891	2,120	16.40	129
1953	64,035.02	44,476	53,780	10,255	16.80	610
1954	82,747.60	56,885	68,785	13,963	17.19	812
1955	21,708.32	14,762	17,850	3,858	17.60	219
1956	33,265.27	22,379	27,061	6,204	18.00	345
1957	17,019.75	11,323	13,692	3,328	18.41	181
1958	16,398.95	10,788	13,045	3,354	18.82	178
1959	36,119.98	23,484	28,397	7,723	19.24	401
1960	28,812.28	18,513	22,386	6,426	19.66	327
1961	30,404.90	19,304	23,342	7,063	20.08	352
1962	27,753.65	17,404	21,045	6,709	20.51	327
1963	14,913.85	9,233	11,165	3,749	20.95	179
1964	4,880.13	2,983	3,607	1,273	21.38	60
1965	18,536.25	11,179	13,518	5,018	21.83	230
1966	5,038.93	2,998	3,625	1,414	22.28	63
1967	4,718.58	2,769	3,348	1,371	22.73	60
1968	4,278.86	2,475	2,993	1,286	23.19	55
1969	8,771.59	4,998	6,044	2,728	23.66	115
1970	5,741.53	3,223	3,897	1,845	24.13	76
1971	36,049.81	19,919	24,086	11,964	24.61	486
1973	11,871.49	6,350	7,678	4,193	25.58	164
1974	25,525.37	13,426	16,235	9,290	26.07	356
1975	87,663.74	45,314	54,793	32,871	26.57	1,237
1976	4,598.73	2,334	2,822	1,777	27.08	66
1977	8,040.17	4,005	4,843	3,197	27.60	116
1978	13,389.00	6,544	7,913	5,476	28.12	195
1979	6,024.51	2,886	3,490	2,535	28.65	88
1980	2,625.97	1,232	1,490	1,136	29.19	39
1981	3,896.41	1,790	2,164	1,732	29.74	58
1982	4,195.18	2,399	2,901	1,294	24.89	52
1984	107,312.77	59,022	71,369	35,944	25.57	1,406
1985	3,250.91	1,750	2,116	1,135	25.93	44
1987	11,800.00	6,068	7,337	4,463	26.69	167
1989	18,115.32	8,844	10,694	7,421	27.52	270
1990	3,722.71	1,767	2,137	1,586	27.94	57
1993	4,421.64	1,919	2,320	2,102	29.17	72
1995	3,605.96	1,471	1,779	1,827	29.75	61
1996	28,053.64	10,997	13,298	14,756	30.25	488
1998	37,254.30	13,430	16,239	21,015	31.04	677
1999	24,770.91	8,541	10,328	14,443	31.35	461

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S0.5						
NET SALVAGE PERCENT.. 0						
2000	23,959.75	7,873	9,520	14,440	31.67	456
2001	34,304.98	10,645	12,872	21,433	32.23	665
2002	6,262.15	1,835	2,219	4,043	32.58	124
2003	8,507.00	2,339	2,828	5,679	32.95	172
2004	14,150.50	3,628	4,387	9,764	33.35	293
2005	14,063.28	3,337	4,035	10,028	33.75	297
2006	17,523.06	3,813	4,611	12,912	34.17	378
2007	55,195.64	10,885	13,162	42,034	34.60	1,215
2008	20,558.92	3,622	4,380	16,179	35.06	461
2011	27,987.49	3,084	3,729	24,258	36.32	668
2013	103,921.61	6,568	7,942	95,980	37.03	2,592
2014	195,329.76	7,559	9,140	186,190	37.26	4,997
	2,185,833.48	1,158,238	1,389,165	796,668		29,006
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						27.5 1.33

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
1921	151.04	131	143	8	9.65	1
1922	3,364.39	2,902	3,171	193	9.90	19
1923	10,178.31	8,742	9,552	626	10.16	62
1924	166,012.65	141,987	155,136	10,877	10.42	1,044
1925	30,482.50	25,957	28,361	2,122	10.69	199
1926	340,711.31	288,801	315,546	25,165	10.97	2,294
1927	57,068.86	48,152	52,611	4,458	11.25	396
1928	209,288.37	175,744	192,019	17,269	11.54	1,496
1929	203,797.02	170,285	186,055	17,742	11.84	1,498
1930	362,755.60	301,541	329,466	33,290	12.15	2,740
1931	222,794.63	184,238	201,300	21,495	12.46	1,725
1932	35,351.48	29,072	31,764	3,587	12.79	280
1933	15,560.80	12,725	13,903	1,658	13.12	126
1934	22,202.88	18,049	19,720	2,483	13.47	184
1935	17,049.09	13,774	15,050	1,999	13.83	145
1936	20,651.00	16,581	18,117	2,534	14.19	179
1937	28,844.83	23,008	25,139	3,706	14.57	254
1938	19,215.46	15,223	16,633	2,582	14.96	173
1939	27,730.01	21,814	23,834	3,896	15.36	254
1940	26,190.08	20,450	22,344	3,846	15.78	244
1941	43,301.66	33,559	36,667	6,635	16.20	410
1942	36,022.76	27,698	30,263	5,760	16.64	346
1943	5,010.90	3,822	4,176	835	17.09	49
1944	6,272.65	4,744	5,183	1,090	17.55	62
1945	17,919.47	13,432	14,676	3,243	18.03	180
1946	376,804.89	279,936	305,861	70,944	18.51	3,833
1947	88,705.29	65,284	71,330	17,375	19.01	914
1948	156,299.32	113,925	124,475	31,824	19.52	1,630
1949	149,301.25	107,746	117,724	31,577	20.04	1,576
1950	1,764,579.55	1,260,210	1,376,916	387,664	20.58	18,837
1951	387,502.84	273,837	299,197	88,306	21.12	4,181
1952	698,356.32	488,074	533,274	165,082	21.68	7,614
1953	778,095.05	537,749	587,549	190,546	22.24	8,568
1954	1,420,884.35	970,549	1,060,430	360,454	22.82	15,796
1955	1,222,598.16	825,083	901,493	321,105	23.41	13,717
1956	1,870,916.25	1,247,022	1,362,507	508,409	24.01	21,175
1957	1,557,627.53	1,025,012	1,119,937	437,691	24.62	17,778
1958	3,035,669.20	1,971,485	2,154,062	881,607	25.24	34,929
1959	1,832,096.75	1,173,806	1,282,511	549,586	25.87	21,244
1960	3,016,002.03	1,905,932	2,082,438	933,564	26.50	35,229
1961	1,833,323.56	1,142,014	1,247,775	585,549	27.15	21,567
1962	1,962,050.58	1,204,209	1,315,729	646,322	27.81	23,241

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
1963	2,407,988.82	1,455,822	1,590,644	817,345	28.47	28,709
1964	2,358,915.48	1,403,885	1,533,897	825,018	29.15	28,303
1965	2,972,027.60	1,740,687	1,901,890	1,070,138	29.83	35,875
1966	3,079,367.20	1,774,054	1,938,347	1,141,020	30.52	37,386
1967	3,242,299.93	1,836,406	2,006,473	1,235,827	31.22	39,584
1968	3,630,911.72	2,021,220	2,208,403	1,422,509	31.92	44,565
1969	4,073,536.59	2,226,880	2,433,109	1,640,428	32.64	50,258
1970	3,414,218.83	1,832,309	2,001,997	1,412,222	33.36	42,333
1971	3,223,682.64	1,697,366	1,854,557	1,369,126	34.09	40,162
1972	3,115,425.12	1,608,774	1,757,761	1,357,664	34.82	38,991
1973	3,031,757.27	1,534,403	1,676,502	1,355,255	35.56	38,112
1974	3,249,413.27	1,610,702	1,759,867	1,489,546	36.31	41,023
1975	2,352,024.01	1,141,061	1,246,733	1,105,291	37.07	29,816
1976	2,152,912.89	1,021,729	1,116,350	1,036,563	37.83	27,401
1977	2,745,442.68	1,273,583	1,391,528	1,353,915	38.60	35,076
1978	2,846,515.26	1,289,642	1,409,074	1,437,441	39.38	36,502
1979	4,650,963.05	2,056,749	2,247,222	2,403,741	40.16	59,854
1980	9,778,017.62	4,216,770	4,607,280	5,170,738	40.95	126,270
1981	6,867,792.24	2,885,434	3,152,650	3,715,142	41.75	88,985
1982	7,117,498.90	3,384,371	3,697,793	3,419,706	36.68	93,231
1983	1,816,111.37	837,591	915,159	900,952	37.68	23,911
1984	2,344,800.67	1,055,160	1,152,877	1,191,924	38.19	31,210
1985	3,114,250.96	1,365,910	1,492,405	1,621,846	38.72	41,887
1986	4,934,147.14	2,092,572	2,286,363	2,647,784	39.72	66,661
1987	2,068,906.88	853,217	932,232	1,136,675	40.25	28,240
1988	4,225,020.54	1,692,543	1,849,287	2,375,734	40.78	58,257
1989	3,597,197.65	1,397,511	1,526,933	2,070,265	41.32	50,103
1990	3,387,946.65	1,266,076	1,383,326	2,004,621	42.32	47,368
1991	3,167,579.83	1,144,447	1,250,433	1,917,147	42.87	44,720
1992	2,536,890.38	884,867	966,814	1,570,076	43.41	36,169
1993	1,081,824.34	365,548	399,401	682,423	43.85	15,563
1994	988,379.02	320,828	350,539	637,840	44.73	14,260
1995	5,189,515.35	1,617,053	1,766,806	3,422,709	45.29	75,573
1996	5,033,108.29	1,501,880	1,640,967	3,392,141	45.86	73,967
1997	1,973,124.23	562,143	614,203	1,358,921	46.44	29,262
1998	2,348,282.00	636,854	695,832	1,652,450	47.02	35,144
1999	1,178,366.41	301,426	329,341	849,025	48.01	17,684
2000	2,592,607.67	626,893	684,949	1,907,659	48.60	39,252
2001	2,875,233.84	654,403	715,007	2,160,227	49.20	43,907
2002	1,062,251.84	226,578	247,561	814,691	49.79	16,363
2003	3,327,678.39	661,542	722,807	2,604,871	50.39	51,694
2004	1,756,922.59	323,274	353,212	1,403,711	51.00	27,524

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 72-R2.5						
NET SALVAGE PERCENT.. 0						
2005	1,065,872.35	180,132	196,814	869,058	51.61	16,839
2006	2,703,734.77	416,105	454,640	2,249,095	52.23	43,061
2007	925,428.46	128,264	140,142	785,286	52.85	14,859
2008	2,253,681.64	279,006	304,844	1,948,838	53.10	36,701
2009	2,560,093.33	276,234	301,816	2,258,277	53.74	42,022
2010	2,271,759.15	209,911	229,351	2,042,408	54.02	37,808
2011	1,840,734.40	140,816	153,857	1,686,877	54.32	31,054
2012	2,606,921.87	156,937	171,471	2,435,451	54.64	44,573
2013	3,340,237.66	146,302	159,851	3,180,387	54.64	58,206
2014	5,162,677.19	138,360	151,173	5,011,504	54.37	92,174
2015	10,601,927.10	99,658	108,886	10,493,041	52.41	200,211
	196,322,665.75	76,766,192	83,875,413	112,447,252		2,714,852
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						41.4 1.38

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1856	73.27	73	73			
1859	82.92	83	83			
1860	3,749.18	3,749	3,749			
1865	682.95	683	683			
1867	84.13	84	84			
1868	602.67	603	603			
1869	526.85	527	527			
1870	3,056.97	3,057	3,057			
1871	556.21	556	556			
1872	5,201.59	5,202	5,202			
1873	15,504.53	15,505	15,505			
1874	2.09	2	2			
1875	3,497.41	3,486	1,737	1,760	0.22	1,760
1876	1,155.91	1,147	572	584	0.53	584
1877	4,466.25	4,415	2,200	2,266	0.81	2,266
1878	1,723.05	1,695	845	878	1.15	763
1879	161.18	158	79	82	1.47	56
1880	699.73	682	340	360	1.80	200
1881	1,498.83	1,453	724	775	2.14	362
1882	1,649.86	1,592	793	857	2.47	347
1883	3,498.47	3,358	1,673	1,825	2.81	649
1884	182.82	175	87	96	3.15	30
1885	969.80	921	459	511	3.49	146
1886	3,835.42	3,627	1,807	2,028	3.81	532
1887	2,931.85	2,759	1,375	1,557	4.13	377
1888	2,705.88	2,534	1,263	1,443	4.44	325
1889	1,328.64	1,239	617	712	4.74	150
1890	4,097.81	3,803	1,895	2,203	5.04	437
1891	3,973.49	3,670	1,829	2,144	5.34	401
1892	1,698.97	1,562	778	921	5.64	163
1893	4,047.40	3,705	1,846	2,201	5.93	371
1894	3,017.80	2,749	1,370	1,648	6.23	265
1895	8,597.20	7,796	3,885	4,712	6.52	723
1896	11,853.66	10,699	5,331	6,523	6.82	956
1897	6,900.07	6,198	3,088	3,812	7.12	535
1898	6,644.44	5,940	2,960	3,684	7.42	496
1899	10,426.60	9,275	4,621	5,806	7.73	751
1900	27,330.22	24,191	12,054	15,276	8.04	1,900
1901	23,846.62	21,002	10,465	13,382	8.35	1,603
1902	9,698.48	8,499	4,235	5,463	8.66	631
1903	22,574.88	19,679	9,806	12,769	8.98	1,422
1904	23,903.04	20,727	10,328	13,575	9.30	1,460

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1905	20,534.71	17,713	8,826	11,709	9.62	1,217
1906	14,838.91	12,730	6,343	8,496	9.95	854
1907	18,067.79	15,414	7,680	10,388	10.28	1,011
1908	27,505.23	23,336	11,628	15,877	10.61	1,496
1909	20,687.65	17,451	8,695	11,993	10.95	1,095
1910	28,019.42	23,504	11,711	16,308	11.28	1,446
1911	22,234.11	18,540	9,238	12,996	11.63	1,117
1912	24,469.10	20,285	10,107	14,362	11.97	1,200
1913	9,702.14	7,995	3,984	5,718	12.32	464
1914	12,529.10	10,260	5,112	7,417	12.68	585
1915	28,932.58	23,547	11,733	17,200	13.03	1,320
1916	40,364.21	32,643	16,265	24,099	13.39	1,800
1917	30,430.81	24,449	12,182	18,249	13.76	1,326
1918	16,699.75	13,331	6,642	10,058	14.12	712
1919	31,279.24	24,800	12,357	18,922	14.50	1,305
1920	37,006.90	29,146	14,523	22,484	14.87	1,512
1921	44,371.17	34,704	17,292	27,079	15.25	1,776
1922	93,513.23	72,633	36,191	57,322	15.63	3,667
1923	90,548.72	69,826	34,792	55,757	16.02	3,480
1924	202,420.66	154,967	77,216	125,205	16.41	7,630
1925	118,515.88	90,072	44,880	73,636	16.80	4,383
1926	117,538.77	88,658	44,176	73,363	17.20	4,265
1927	88,445.68	66,208	32,990	55,456	17.60	3,151
1928	68,781.14	51,084	25,454	43,327	18.01	2,406
1929	106,448.71	78,438	39,084	67,365	18.42	3,657
1930	58,624.15	42,846	21,349	37,275	18.84	1,979
1931	9,393.85	6,811	3,394	6,000	19.25	312
1932	7,854.16	5,646	2,813	5,041	19.68	256
1933	7,699.51	5,489	2,735	4,965	20.10	247
1934	3,491.14	2,467	1,229	2,262	20.54	110
1935	6,149.53	4,307	2,146	4,004	20.97	191
1936	9,193.13	6,381	3,179	6,014	21.41	281
1937	10,174.06	6,997	3,486	6,688	21.86	306
1938	12,528.28	8,535	4,253	8,275	22.31	371
1939	21,342.60	14,403	7,177	14,166	22.76	622
1940	12,603.31	8,423	4,197	8,406	23.22	362
1941	28,341.31	18,754	9,345	18,996	23.68	802
1942	2,895.44	1,897	945	1,950	24.15	81
1943	4,980.99	3,228	1,608	3,373	24.63	137
1944	14,222.80	9,123	4,546	9,677	25.10	386
1945	3,809.53	2,417	1,204	2,606	25.59	102
1946	17,173.65	10,778	5,370	11,804	26.07	453

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1947	56,581.23	35,105	17,492	39,089	26.57	1,471
1948	55,280.69	33,911	16,897	38,384	27.06	1,418
1949	43,803.83	26,558	13,233	30,571	27.56	1,109
1950	98,756.71	59,155	29,475	69,282	28.07	2,468
1951	92,318.59	54,626	27,219	65,100	28.58	2,278
1952	86,935.62	50,796	25,310	61,626	29.10	2,118
1953	148,922.79	85,908	42,806	106,117	29.62	3,583
1954	104,540.46	59,514	29,654	74,886	30.15	2,484
1955	121,722.43	68,373	34,069	87,653	30.68	2,857
1956	156,203.25	86,537	43,119	113,084	31.22	3,622
1957	167,937.18	91,742	45,713	122,224	31.76	3,848
1958	117,088.94	63,044	31,413	85,676	32.31	2,652
1959	187,156.69	99,300	49,479	137,678	32.86	4,190
1960	6,343.84	3,316	1,652	4,692	33.41	140
1961	53.38	27	13	40	33.98	1
1962	12,001.03	6,079	3,029	8,972	34.54	260
1963	8,450.57	4,212	2,099	6,352	35.11	181
1968	316.24	144	72	244	38.04	6
2012	6,038.58	476	237	5,802	40.94	142
2014	35,859.51	1,384	690	35,170	37.41	940
	3,279,713.75	2,219,303	1,120,934	2,158,780		116,302
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						18.6 3.55

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. 0						
1972	23,496.37	13,913	14,768	8,728	26.51	329
1973	52,760.58	30,634	32,516	20,245	27.26	743
1974	16,182.54	9,209	9,775	6,408	28.01	229
1975	62,805.81	35,007	37,157	25,649	28.77	892
1976	542,396.79	295,899	314,073	228,324	29.54	7,729
1977	491,849.81	262,422	278,540	213,310	30.32	7,035
1978	749,743.91	390,901	414,910	334,834	31.11	10,763
1979	617,380.69	314,296	333,600	283,781	31.91	8,893
1980	1,221,318.58	606,714	643,979	577,340	32.71	17,650
1981	1,583,677.49	766,991	814,100	769,577	33.52	22,959
1982	2,165,709.84	1,130,501	1,199,937	965,773	30.45	31,717
1983	2,522,520.87	1,277,152	1,355,595	1,166,926	31.45	37,104
1984	3,537,784.55	1,746,958	1,854,257	1,683,528	32.04	52,545
1985	3,707,982.86	1,783,540	1,893,086	1,814,897	32.64	55,603
1986	4,621,092.58	2,162,671	2,295,504	2,325,589	33.25	69,943
1987	7,973,543.21	3,604,042	3,825,404	4,148,139	34.25	121,114
1988	11,109,769.18	4,873,856	5,173,211	5,936,558	34.86	170,297
1989	13,673,693.84	5,814,055	6,171,158	7,502,536	35.48	211,458
1990	15,265,489.59	6,243,585	6,627,070	8,638,420	36.48	236,799
1991	9,303,482.52	3,677,667	3,903,551	5,399,932	37.10	145,551
1992	7,230,290.30	2,756,910	2,926,241	4,304,049	37.73	114,075
1993	5,401,869.23	1,982,486	2,104,251	3,297,618	38.60	85,431
1994	9,691,626.46	3,438,589	3,649,789	6,041,837	39.10	154,523
1995	15,522,745.03	5,249,792	5,572,237	9,950,508	40.11	248,080
1996	9,623,691.14	3,115,189	3,306,526	6,317,165	40.74	155,061
1997	14,360,739.64	4,437,469	4,710,021	9,650,719	41.38	233,222
1998	10,120,166.53	2,957,113	3,138,741	6,981,426	42.38	164,734
1999	10,738,858.45	2,976,812	3,159,650	7,579,208	43.02	176,179
2000	11,131,537.40	2,916,463	3,095,594	8,035,943	43.67	184,015
2001	11,225,976.84	2,750,364	2,919,293	8,306,684	44.67	185,957
2002	10,355,674.58	2,376,627	2,522,601	7,833,074	45.32	172,839
2003	14,532,753.76	3,088,210	3,277,890	11,254,864	46.32	242,981
2004	13,596,761.82	2,673,123	2,837,308	10,759,454	46.98	229,022
2005	14,516,672.38	2,621,711	2,782,738	11,733,934	47.64	246,304
2006	15,126,379.27	2,471,650	2,623,460	12,502,919	48.64	257,050
2007	14,283,044.33	2,099,608	2,228,567	12,054,477	49.31	244,463
2008	12,209,867.77	1,584,841	1,682,183	10,527,685	50.30	209,298
2009	11,870,599.27	1,342,565	1,425,026	10,445,573	50.97	204,936
2010	12,243,076.01	1,177,784	1,250,124	10,992,952	51.65	212,835
2011	17,067,019.85	1,351,708	1,434,731	15,632,289	52.32	298,782
2012	22,805,716.75	1,413,954	1,500,800	21,304,917	52.99	402,055

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R3						
NET SALVAGE PERCENT.. 0						
2013	30,193,933.64	1,343,630	1,426,157	28,767,777	53.68	535,912
2014	33,654,165.94	901,932	957,329	32,696,837	54.37	601,376
2015	25,064,171.16	228,084	242,093	24,822,078	54.45	455,869
	431,810,019.16	92,296,627	97,965,541	333,844,478		7,224,352
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						46.2 1.67

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1858	340.82	341	341			
1859	2.19	2	2			
1860	148.27	148	148			
1867	31.45	31	31			
1868	17.63	18	18			
1869	5.30	5	5			
1870	14.18	14	14			
1873	45.78	46	46			
1874	24.59	25	25			
1875	1.83	2	2			
1879	2.43	2	2			
1880	910.61	887	911			
1881	229.23	222	229			
1882	506.05	488	505	1	2.47	
1883	81.10	78	81			
1886	2.33	2	2			
1888	54.70	51	53	2	4.44	
1889	230.23	215	223	7	4.74	1
1890	30.19	28	29	1	5.04	
1891	191.30	177	183	8	5.34	1
1892	7.56	7	7	1	5.64	
1893	226.47	207	214	12	5.93	2
1894	1.17	1	1			
1895	64.19	58	60	4	6.52	1
1896	200.16	181	187	13	6.82	2
1897	70.07	63	65	5	7.12	1
1898	236.68	212	220	17	7.42	2
1899	934.80	832	862	73	7.73	9
1900	216.24	191	198	18	8.04	2
1901	1,823.44	1,606	1,663	160	8.35	19
1902	858.12	752	779	79	8.66	9
1903	2,783.58	2,426	2,513	271	8.98	30
1904	6,859.36	5,948	6,161	698	9.30	75
1905	2,828.98	2,440	2,527	302	9.62	31
1906	4,634.90	3,976	4,118	517	9.95	52
1907	3,011.94	2,570	2,662	350	10.28	34
1908	6,470.50	5,490	5,686	784	10.61	74
1909	6,566.28	5,539	5,737	829	10.95	76
1910	9,002.43	7,552	7,822	1,180	11.28	105
1911	19,368.44	16,151	16,728	2,640	11.63	227
1912	12,488.38	10,353	10,723	1,765	11.97	147
1913	19,952.20	16,441	17,029	2,923	12.32	237

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 376 MAINS - PRIMARILY WROUGHT IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R1						
NET SALVAGE PERCENT.. 0						
1914	52,379.23	42,891	44,424	7,955	12.68	627
1915	24,228.79	19,719	20,424	3,805	13.03	292
1916	19,636.02	15,880	16,447	3,189	13.39	238
1917	3,879.82	3,117	3,228	652	13.76	47
1918	4,097.87	3,271	3,388	710	14.12	50
1919	5,274.03	4,182	4,331	943	14.50	65
1920	2,322.08	1,829	1,894	428	14.87	29
1921	9,356.23	7,318	7,580	1,776	15.25	116
1922	14,230.62	11,053	11,448	2,783	15.63	178
1923	14,826.56	11,433	11,842	2,985	16.02	186
1924	43,232.64	33,098	34,281	8,952	16.41	546
	294,939.99	239,569	248,099	46,841		3,511
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.3 1.19

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-S0.5						
NET SALVAGE PERCENT.. 0						
1910	60.11	60	60			
1916	181.38	180	181			
1919	866.04	843	852	14	1.34	10
1920	206.24	199	201	5	1.69	3
1921	61.35	59	60	1	2.03	
1923	344.32	326	330	14	2.71	5
1924	964.73	906	916	49	3.05	16
1926	1,128.81	1,045	1,056	73	3.73	20
1927	2,475.31	2,274	2,299	176	4.06	43
1928	46.54	42	42	5	4.40	1
1929	648.47	587	593	55	4.73	12
1930	760.31	683	690	70	5.07	14
1931	2,359.80	2,105	2,128	232	5.40	43
1935	52.66	46	46	7	6.74	1
1936	389.94	335	339	51	7.08	7
1937	1,324.03	1,128	1,140	184	7.42	25
1940	177.98	148	150	28	8.44	3
1941	67.66	56	57	11	8.79	1
1942	2,251.19	1,840	1,860	391	9.14	43
1943	951.02	771	779	172	9.48	18
1945	662.30	527	533	129	10.19	13
1946	880.22	695	703	177	10.54	17
1947	2,605.80	2,038	2,060	546	10.90	50
1948	1,731.51	1,342	1,357	375	11.26	33
1949	1,284.38	986	997	287	11.62	25
1950	16,128.11	12,264	12,397	3,731	11.98	311
1951	9,097.79	6,851	6,925	2,173	12.35	176
1952	18,233.00	13,595	13,742	4,491	12.72	353
1953	19,481.65	14,381	14,537	4,945	13.09	378
1954	58,480.55	42,726	43,189	15,292	13.47	1,135
1955	22,080.99	15,965	16,138	5,943	13.85	429
1956	93,639.37	66,990	67,715	25,924	14.23	1,822
1957	22,934.68	16,229	16,405	6,530	14.62	447
1958	37,715.08	26,393	26,679	11,036	15.01	735
1959	4,368.85	3,022	3,055	1,314	15.41	85
1960	30,885.78	21,126	21,355	9,531	15.80	603
1961	35,479.51	23,977	24,237	11,243	16.21	694
1962	39,510.06	26,385	26,671	12,839	16.61	773
1963	25,018.31	16,502	16,681	8,337	17.02	490
1964	17,515.14	11,406	11,530	5,985	17.44	343
1965	14,601.86	9,386	9,488	5,114	17.86	286
1966	23,234.84	14,736	14,896	8,339	18.29	456

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-S0.5						
NET SALVAGE PERCENT.. 0						
1967	50,058.92	31,317	31,656	18,403	18.72	983
1968	45,166.48	27,868	28,170	16,996	19.15	888
1969	26,791.69	16,295	16,471	10,321	19.59	527
1970	38,186.24	22,881	23,129	15,057	20.04	751
1971	179,160.05	105,740	106,885	72,275	20.49	3,527
1972	52,486.52	30,495	30,825	21,662	20.95	1,034
1973	11,695.29	6,687	6,759	4,936	21.41	231
1974	61,322.33	34,488	34,861	26,461	21.88	1,209
1975	55,623.25	30,749	31,082	24,541	22.36	1,098
1976	70,074.81	38,065	38,477	31,598	22.84	1,383
1977	41,317.18	22,039	22,278	19,039	23.33	816
1978	35,308.33	18,480	18,680	16,628	23.83	698
1979	33,031.61	16,958	17,142	15,890	24.33	653
1980	104,150.59	52,409	52,977	51,174	24.84	2,060
1981	180,918.67	89,157	90,122	90,797	25.36	3,580
1982	171,508.31	103,797	104,921	66,587	21.69	3,070
1983	36,909.84	21,902	22,139	14,771	22.10	668
1984	82,719.21	48,341	48,864	33,855	22.22	1,524
1985	182,636.27	104,413	105,544	77,092	22.66	3,402
1986	198,465.24	110,883	112,084	86,381	23.10	3,739
1987	148,175.08	81,200	82,079	66,096	23.30	2,837
1988	156,311.04	83,486	84,390	71,921	23.77	3,026
1989	338,101.06	175,745	177,648	160,453	24.25	6,617
1990	187,762.50	95,289	96,321	91,442	24.50	3,732
1991	199,472.92	98,201	99,264	100,209	25.01	4,007
1992	285,466.97	136,739	138,220	147,247	25.29	5,822
1993	87,332.58	40,645	41,085	46,248	25.70	1,800
1994	171,184.39	77,649	78,490	92,694	25.90	3,579
1995	404,223.80	176,484	178,395	225,829	26.45	8,538
1996	904,677.66	381,050	385,176	519,502	26.80	19,384
1997	297,001.05	120,345	121,648	175,353	27.16	6,456
1998	495,497.35	192,501	194,585	300,912	27.55	10,922
1999	150,273.63	55,782	56,386	93,888	27.95	3,359
2000	666,773.35	235,638	238,190	428,583	28.36	15,112
2001	428,319.26	143,487	145,041	283,278	28.79	9,839
2002	262,462.50	83,253	84,154	178,308	29.06	6,136
2003	2,217,243.86	659,630	666,773	1,550,471	29.52	52,523
2004	1,187,264.02	329,110	332,674	854,590	29.99	28,496
2005	890,597.45	229,062	231,542	659,055	30.32	21,737
2006	871,629.05	205,356	207,580	664,049	30.82	21,546
2007	742,517.91	159,047	160,769	581,749	31.18	18,658
2008	1,469,247.84	282,096	285,151	1,184,097	31.56	37,519

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.0 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-S0.5						
NET SALVAGE PERCENT.. 0						
2009	546,415.14	92,344	93,344	453,071	31.96	14,176
2010	556,697.33	80,832	81,707	474,990	32.38	14,669
2011	1,607,056.74	193,811	195,910	1,411,147	32.81	43,010
2012	2,277,846.22	217,762	220,120	2,057,726	33.13	62,111
2013	853,980.63	59,352	59,995	793,986	33.47	23,722
2014	1,384,371.64	58,697	59,332	1,325,040	33.84	39,156
2015	3,759,392.71	54,135	54,721	3,704,672	34.10	108,641
	25,715,714.18	6,092,847	6,158,825	19,556,889		638,890
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						30.6 2.48

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 378.1 MEASURING AND REGULATING STATION EQUIPMENT - SCADA

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 13-S2						
NET SALVAGE PERCENT.. 0						
1994	11,655.17	11,276	9,873	1,782	0.72	1,782
1996	13,779.62	12,978	11,363	2,417	1.20	2,014
1998	12,269.40	11,187	9,795	2,474	1.69	1,464
2004	26,369.42	20,225	17,708	8,661	3.49	2,482
2005	9,921.82	7,241	6,340	3,582	3.89	921
2008	44,639.62	26,078	22,833	21,807	5.34	4,084
2010	28,689.70	13,065	11,439	17,251	6.58	2,622
2011	894,652.92	341,042	298,604	596,049	7.31	81,539
2012	138,594.86	41,717	36,526	102,069	8.13	12,555
2013	73,962.21	16,065	14,066	59,896	9.01	6,648
2015	14,531.00	635	556	13,975	10.94	1,277
	1,269,065.74	501,509	439,103	829,963		117,388
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						7.1 9.25

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
1954	1,330.58	1,280	1,331			
1956	21,290.16	20,210	21,290			
1957	5,372.45	5,066	5,372			
1958	8,518.07	7,977	8,518			
1959	4,392.86	4,086	4,393			
1960	27,087.71	25,022	27,088			
1961	1,916.00	1,757	1,916			
1962	1,339.47	1,220	1,339			
1963	30.71	28	31			
1965	41,595.76	37,051	41,596			
1966	19,579.16	17,303	19,579			
1967	14,375.52	12,597	14,376			
1968	818.29	711	818			
1969	15,932.36	13,710	15,932			
1970	553.00	471	553			
1972	36,690.90	30,573	36,691			
1973	38,195.02	31,444	38,195			
1974	19,018.54	15,453	19,019			
1975	25,329.73	20,295	25,330			
1976	12,818.60	10,117	12,819			
1977	148.01	115	148			
1978	4,242.67	3,240	4,169	74	9.45	8
1979	1,542.38	1,157	1,489	53	10.00	5
1980	4,638.03	3,412	4,390	248	10.57	23
1981	80,176.22	57,807	74,381	5,795	11.16	519
1982	141,945.62	107,141	137,859	4,087	10.80	378
1983	6,800.47	5,045	6,491	309	11.23	28
1984	199,926.07	144,946	186,503	13,423	11.85	1,133
1985	433,461.53	306,804	394,766	38,696	12.49	3,098
1986	265,735.11	183,437	236,029	29,706	13.12	2,264
1987	791,585.85	534,479	687,717	103,869	13.59	7,643
1988	18,764.80	12,323	15,856	2,909	14.24	204
1989	37,807.02	24,117	31,031	6,776	14.90	455
1990	128,484.87	79,481	102,269	26,216	15.57	1,684
1991	257,739.07	154,386	198,649	59,090	16.23	3,641
1992	198,243.74	114,763	147,666	50,578	16.91	2,991
1993	32,985.36	18,525	23,836	9,149	17.47	524
1994	6,197.62	3,372	4,339	1,859	18.02	103
1995	265,285.40	138,691	178,455	86,830	18.71	4,641
1996	390,043.61	195,490	251,538	138,506	19.41	7,136
1998	8,401.63	3,823	4,919	3,483	20.96	166
2003	278,252.13	93,548	120,369	157,883	24.68	6,397

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R3						
NET SALVAGE PERCENT.. 0						
2008	144,233.30	29,972	38,565	105,668	28.60	3,695
2009	23,277.53	4,223	5,434	17,844	29.34	608
2013	87,005.59	6,221	8,004	79,002	32.47	2,433
2014	81,021.13	3,516	4,524	76,497	33.10	2,311
	4,184,129.65	2,486,405	3,165,582	1,018,547		52,088
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						19.6 1.24

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1885	0.54	1	1			
1887	0.47					
1888	21.14	21	21			
1889	17.65	18	18			
1891	1.31	1	1			
1892	4.22	4	4			
1894	13.82	14	14			
1895	307.67	308	308			
1896	96.46	96	96			
1897	51.81	52	52			
1898	190.25	190	190			
1899	4.37	4	4			
1900	256.55	257	257			
1901	60.20	60	60			
1902	159.08	159	159			
1903	208.41	208	208			
1904	316.38	316	316			
1905	267.42	267	267			
1906	504.74	505	505			
1907	505.64	506	506			
1908	827.47	827	827			
1909	715.42	715	715			
1910	722.44	722	722			
1911	859.57	860	860			
1912	791.98	792	792			
1913	555.77	556	556			
1914	1,085.90	1,086	1,086			
1915	1,373.42	1,373	1,373			
1916	1,840.02	1,840	1,840			
1917	2,441.55	2,442	2,442			
1918	1,895.07	1,895	1,895			
1919	1,596.79	1,597	1,597			
1920	1,356.14	1,356	1,356			
1921	2,731.80	2,732	2,732			
1922	3,636.31	3,636	3,636			
1923	6,241.68	6,242	6,242			
1924	6,361.03	6,361	6,361			
1925	8,576.21	8,576	8,576			
1926	7,639.60	7,640	7,640			
1927	10,270.21	10,270	10,270			
1928	7,593.38	7,579	7,561	32	0.09	32
1929	11,405.75	11,340	11,313	93	0.27	93

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1930	8,274.71	8,183	8,163	112	0.52	112
1931	4,674.38	4,597	4,586	88	0.78	88
1932	1,963.40	1,920	1,915	48	1.04	46
1933	3,458.52	3,362	3,354	105	1.31	80
1934	2,943.74	2,845	2,838	106	1.57	68
1935	3,375.02	3,243	3,235	140	1.84	76
1936	5,091.35	4,862	4,850	241	2.12	114
1937	4,940.85	4,689	4,678	263	2.40	110
1938	6,574.15	6,199	6,184	390	2.68	146
1939	3,678.88	3,447	3,439	240	2.96	81
1940	4,571.39	4,255	4,245	326	3.25	100
1941	7,937.31	7,339	7,321	616	3.54	174
1942	3,485.86	3,202	3,194	292	3.83	76
1943	2,642.42	2,411	2,405	237	4.12	58
1944	3,563.55	3,229	3,221	343	4.41	78
1945	2,368.96	2,132	2,127	242	4.70	51
1946	6,658.47	5,952	5,938	720	4.99	144
1947	18,386.49	16,321	16,282	2,104	5.28	398
1948	19,060.10	16,797	16,757	2,303	5.58	413
1949	24,151.86	21,136	21,085	3,067	5.87	522
1950	29,307.87	25,460	25,399	3,909	6.17	634
1951	28,397.24	24,488	24,429	3,968	6.47	613
1952	29,317.93	25,089	25,029	4,289	6.78	633
1953	26,714.65	22,685	22,630	4,085	7.09	576
1954	42,732.28	35,995	35,908	6,824	7.41	921
1955	65,083.74	54,366	54,235	10,849	7.74	1,402
1956	106,391.08	88,124	87,912	18,479	8.07	2,290
1957	127,670.18	104,825	104,573	23,097	8.41	2,746
1958	180,396.98	146,775	146,422	33,975	8.76	3,878
1959	314,698.36	253,565	252,955	61,743	9.13	6,763
1960	413,112.63	329,610	328,817	84,296	9.50	8,873
1961	447,246.14	353,231	352,381	94,865	9.88	9,602
1962	435,006.98	339,954	339,136	95,871	10.27	9,335
1963	484,436.86	374,358	373,457	110,980	10.68	10,391
1964	502,224.59	383,720	382,797	119,428	11.09	10,769
1965	628,350.11	474,335	473,193	155,157	11.52	13,468
1966	725,358.43	540,776	539,475	185,883	11.96	15,542
1967	710,969.85	523,089	521,830	189,140	12.42	15,229
1968	800,095.53	580,837	579,439	220,657	12.88	17,132
1969	850,783.77	608,940	607,475	243,309	13.36	18,212
1970	883,947.32	623,466	621,966	261,981	13.85	18,916
1971	994,951.48	690,964	689,301	305,650	14.36	21,285

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1972	1,217,488.52	832,300	830,297	387,192	14.87	26,038
1973	1,607,401.99	1,080,721	1,078,120	529,282	15.40	34,369
1974	1,688,370.68	1,115,405	1,112,721	575,650	15.95	36,091
1975	1,240,135.67	804,774	802,837	437,299	16.50	26,503
1976	1,410,107.55	897,971	895,810	514,298	17.07	30,129
1977	2,650,371.35	1,655,077	1,651,094	999,277	17.65	56,616
1978	2,415,822.57	1,478,266	1,474,708	941,115	18.24	51,596
1979	4,148,179.93	2,485,382	2,479,401	1,668,779	18.84	88,576
1980	6,684,131.42	3,918,037	3,908,608	2,775,523	19.45	142,700
1981	6,826,372.24	3,909,941	3,900,531	2,925,841	20.08	145,709
1982	6,037,660.14	3,894,291	3,884,919	2,152,741	18.30	117,636
1983	4,370,391.36	2,762,524	2,755,876	1,614,515	18.77	86,016
1984	4,506,522.16	2,788,636	2,781,925	1,724,597	19.25	89,589
1985	5,055,889.48	3,058,813	3,051,452	2,004,437	19.75	101,490
1986	5,196,600.50	3,070,152	3,062,763	2,133,838	20.26	105,323
1987	6,084,555.02	3,506,529	3,498,090	2,586,465	20.77	124,529
1988	7,364,253.57	4,134,292	4,124,343	3,239,911	21.29	152,180
1989	10,304,166.14	5,626,075	5,612,535	4,691,631	21.83	214,917
1990	11,345,872.00	6,015,581	6,001,104	5,344,768	22.37	238,926
1991	10,149,047.48	5,217,625	5,205,068	4,943,979	22.92	215,706
1992	10,320,120.86	5,135,292	5,122,934	5,197,187	23.48	221,345
1993	6,620,514.39	3,185,129	3,177,464	3,443,050	24.13	142,688
1994	12,779,450.61	5,962,892	5,948,542	6,830,909	24.58	277,905
1995	13,870,159.07	6,227,701	6,212,714	7,657,445	25.16	304,350
1996	11,855,634.91	5,109,779	5,097,482	6,758,153	25.75	262,453
1997	12,432,038.63	5,129,459	5,117,115	7,314,924	26.34	277,712
1998	10,016,145.37	3,961,385	3,951,852	6,064,293	26.75	226,703
1999	10,168,212.80	3,825,282	3,816,076	6,352,137	27.36	232,169
2000	10,422,934.87	3,715,776	3,706,834	6,716,101	27.98	240,032
2001	10,574,760.34	3,572,154	3,563,557	7,011,203	28.42	246,700
2002	10,935,871.54	3,468,858	3,460,510	7,475,362	29.06	257,239
2003	10,129,544.88	3,013,540	3,006,288	7,123,257	29.52	241,303
2004	11,677,311.89	3,236,951	3,229,161	8,448,151	29.99	281,699
2005	10,415,524.11	2,658,042	2,651,645	7,763,879	30.65	253,308
2006	10,899,180.96	2,547,139	2,541,009	8,358,172	31.15	268,320
2007	10,773,105.46	2,289,285	2,283,776	8,489,329	31.50	269,503
2008	14,061,872.88	2,668,943	2,662,520	11,399,353	32.02	356,007
2009	14,332,922.62	2,393,598	2,387,837	11,945,086	32.41	368,562
2010	14,549,724.42	2,089,340	2,084,312	12,465,412	32.81	379,927
2011	22,283,325.53	2,667,314	2,660,895	19,622,431	33.09	593,002
2012	32,498,161.79	3,093,825	3,086,379	29,411,783	33.26	884,299

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
2013	42,242,373.29	2,956,966	2,949,850	39,292,523	33.21	1,183,153
2014	41,146,378.45	1,802,211	1,797,874	39,348,504	32.75	1,201,481
2015	43,529,564.60	696,473	694,796	42,834,768	30.85	1,388,485
	507,886,675.09	146,473,923	146,121,579	361,765,096		12,635,254
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						28.6 2.49

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
1927	9.09	9	9			
1928	8.99	9	9			
1929	64.08	64	64			
1930	105.12	105	105			
1931	135.58	136	136			
1932	144.99	145	145			
1933	47.67	48	48			
1934	286.90	287	287			
1935	635.43	635	635			
1936	1,044.10	1,044	1,044			
1937	1,831.95	1,832	1,832			
1938	1,847.19	1,847	1,847			
1939	2,416.02	2,416	2,416			
1940	2,777.91	2,778	2,778			
1941	4,026.02	4,026	4,026			
1942	1,549.20	1,549	1,549			
1943	453.32	453	453			
1944	1,270.99	1,258	1,207	64	0.38	64
1945	1,410.20	1,383	1,327	83	0.70	83
1946	2,783.41	2,704	2,594	189	1.03	183
1947	3,525.59	3,392	3,254	272	1.36	200
1948	2,340.03	2,230	2,139	201	1.70	118
1949	4,941.22	4,663	4,473	468	2.03	231
1950	4,473.64	4,185	4,015	459	2.32	198
1951	5,310.49	4,931	4,730	580	2.57	226
1952	7,433.11	6,853	6,574	859	2.81	306
1953	5,806.41	5,316	5,099	707	3.04	233
1954	2,116.06	1,924	1,846	270	3.26	83
1955	3,824.51	3,454	3,313	512	3.49	147
1956	4,101.54	3,677	3,527	575	3.73	154
1957	4,016.84	3,574	3,428	589	3.97	148
1958	4,845.09	4,276	4,102	743	4.23	176
1959	10,254.78	8,976	8,610	1,645	4.49	366
1960	5,755.01	4,994	4,791	964	4.76	203
1961	7,346.68	6,318	6,061	1,286	5.04	255
1962	10,225.36	8,714	8,359	1,866	5.32	351
1963	9,096.41	7,679	7,366	1,730	5.61	308
1964	11,428.79	9,553	9,164	2,265	5.91	383
1965	41,421.72	34,276	32,880	8,542	6.21	1,376
1966	97,009.77	79,467	76,230	20,780	6.51	3,192
1967	172,896.00	140,094	134,387	38,509	6.83	5,638
1968	259,487.79	207,951	199,479	60,009	7.15	8,393

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
1969	246,342.65	195,158	187,207	59,136	7.48	7,906
1970	217,061.00	169,911	162,989	54,072	7.82	6,915
1971	114,975.91	88,851	85,231	29,745	8.18	3,636
1972	61,771.12	47,118	45,198	16,573	8.54	1,941
1973	101,869.71	76,628	73,506	28,364	8.92	3,180
1974	104,182.93	77,240	74,093	30,090	9.31	3,232
1975	77,176.68	56,361	54,065	23,112	9.71	2,380
1976	41,457.82	29,804	28,590	12,868	10.12	1,272
1977	61,377.15	43,390	41,622	19,755	10.55	1,873
1978	157,538.95	109,401	104,944	52,595	11.00	4,781
1979	171,056.89	116,604	111,854	59,203	11.46	5,166
1980	798,107.89	533,623	511,884	286,224	11.93	23,992
1981	458,193.52	300,117	287,891	170,303	12.42	13,712
1982	261,796.02	194,986	187,042	74,754	11.39	6,563
1983	36,514.17	26,612	25,528	10,986	12.00	916
1984	138,371.93	99,019	94,985	43,387	12.42	3,493
1985	420,950.43	295,423	283,388	137,562	12.85	10,705
1986	354,868.36	243,937	233,999	120,869	13.30	9,088
1987	510,567.24	344,735	330,691	179,876	13.59	13,236
1988	441,884.38	291,379	279,508	162,376	14.07	11,541
1989	659,053.17	423,837	406,570	252,483	14.57	17,329
1990	1,086,384.65	680,294	652,580	433,805	15.07	28,786
1991	1,049,478.03	638,817	612,792	436,686	15.59	28,011
1992	993,747.66	589,193	565,190	428,558	15.96	26,852
1993	772,388.18	445,900	427,734	344,654	16.38	21,041
1994	1,058,846.90	594,225	570,017	488,830	16.81	29,080
1995	1,099,967.60	595,302	571,050	528,918	17.38	30,433
1996	760,593.83	397,486	381,293	379,301	17.81	21,297
1997	1,060,777.11	533,783	512,037	548,740	18.26	30,051
1998	915,712.04	440,641	422,690	493,022	18.87	26,127
1999	1,116,248.77	513,921	492,984	623,265	19.34	32,227
2000	1,025,203.99	449,654	431,336	593,868	19.84	29,933
2001	1,298,046.24	542,064	519,981	778,065	20.22	38,480
2002	927,269.57	365,530	350,639	576,631	20.75	27,789
2003	1,013,453.20	376,194	360,868	652,585	21.17	30,826
2004	924,209.89	320,978	307,902	616,308	21.61	28,520
2005	1,090,952.62	352,814	338,441	752,512	21.97	34,252
2006	1,516,917.43	452,496	434,062	1,082,855	22.35	48,450
2007	776,230.22	211,135	202,533	573,697	22.75	25,217
2008	3,041,222.74	745,708	715,328	2,325,895	23.08	100,775
2009	1,487,298.57	323,934	310,737	1,176,562	23.35	50,388
2010	1,694,396.45	320,580	307,520	1,386,876	23.57	58,841

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R1.5						
NET SALVAGE PERCENT.. 0						
2011	3,000,142.78	479,423	459,892	2,540,251	23.67	107,319
2012	2,567,677.09	330,717	317,244	2,250,433	23.67	95,075
2013	3,159,562.10	304,898	292,477	2,867,085	23.41	122,473
2014	3,238,638.81	200,796	192,615	3,046,024	22.71	134,127
2015	2,492,002.91	59,559	57,133	2,434,870	20.42	119,239
	45,302,992.30	15,609,401	14,974,198	30,328,794		1,501,481
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						20.2 3.31

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 381.2 ELECTRONIC METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S2						
NET SALVAGE PERCENT.. 0						
1995	225,308.19	185,203	220,565	4,743	4.44	1,068
1996	173,108.40	139,075	165,630	7,478	4.77	1,568
1997	173,127.78	135,801	161,730	11,398	5.08	2,244
1998	184,130.59	140,160	166,922	17,209	5.49	3,135
1999	342,667.80	252,752	301,012	41,656	5.87	7,096
2000	478,162.92	340,165	405,115	73,048	6.29	11,613
2001	549,785.70	376,273	448,117	101,669	6.69	15,197
2002	670,198.61	437,908	521,521	148,678	7.16	20,765
2003	252,157.11	156,337	186,187	65,970	7.66	8,612
2004	243,716.21	142,087	169,217	74,499	8.22	9,063
2005	216,895.80	117,970	140,495	76,401	8.81	8,672
2006	5,390,842.80	2,709,438	3,226,768	2,164,075	9.40	230,221
2008	15,525.65	6,358	7,572	7,953	10.82	735
	8,915,627.56	5,139,527	6,120,851	2,794,776		319,989
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.7						3.59

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1898	1.56	2	2			
1900	45.73	46	46			
1901	125.42	125	125			
1902	190.38	190	190			
1903	207.95	208	208			
1904	192.20	192	192			
1905	295.74	296	296			
1906	171.61	172	172			
1907	447.84	448	448			
1908	194.70	195	195			
1909	5,593.69	5,594	5,594			
1910	1,070.27	1,070	1,070			
1911	2,131.79	2,132	2,132			
1912	1,304.52	1,305	1,305			
1913	1,697.22	1,697	1,697			
1914	1,422.02	1,422	1,422			
1915	1,885.62	1,886	1,886			
1916	2,392.46	2,392	2,392			
1917	3,042.59	3,043	3,043			
1918	2,018.75	2,019	2,019			
1919	9,546.64	9,547	9,547			
1920	13,006.66	13,007	13,007			
1921	10,882.44	10,882	10,882			
1922	11,895.66	11,896	11,896			
1923	13,623.38	13,623	13,623			
1924	16,813.34	16,813	16,813			
1925	17,723.49	17,723	17,723			
1926	11,912.95	11,913	11,913			
1927	13,898.35	13,898	13,898			
1928	12,319.91	12,296	12,320			
1929	12,923.57	12,849	12,924			
1930	7,888.18	7,801	7,888			
1931	6,038.87	5,939	6,039			
1932	4,264.87	4,170	4,265			
1933	2,305.38	2,241	2,305			
1934	2,832.22	2,738	2,832			
1935	3,710.73	3,565	3,711			
1936	3,819.71	3,647	3,820			
1937	6,583.13	6,247	6,583			
1938	5,345.46	5,041	5,345			
1939	6,463.11	6,056	6,463			
1940	8,892.11	8,277	8,892			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1941	10,712.58	9,906	10,713			
1942	8,488.07	7,796	8,488			
1943	6,187.46	5,645	6,187			
1944	8,149.37	7,385	8,149			
1945	8,496.19	7,647	8,496			
1946	13,455.20	12,027	13,436	19	4.99	4
1947	28,358.54	25,173	28,122	237	5.28	45
1948	26,549.45	23,397	26,138	411	5.58	74
1949	31,775.41	27,807	31,064	711	5.87	121
1950	37,917.87	32,940	36,799	1,119	6.17	181
1951	43,999.31	37,942	42,387	1,612	6.47	249
1952	48,722.26	41,694	46,578	2,144	6.78	316
1953	42,089.98	35,741	39,928	2,162	7.09	305
1954	57,683.34	48,589	54,281	3,402	7.41	459
1955	71,293.40	59,553	66,529	4,764	7.74	616
1956	77,512.44	64,204	71,725	5,787	8.07	717
1957	80,286.06	65,920	73,642	6,644	8.41	790
1958	75,111.89	61,113	68,272	6,840	8.76	781
1959	81,628.19	65,771	73,476	8,152	9.13	893
1960	78,595.68	62,709	70,055	8,541	9.50	899
1961	67,921.05	53,643	59,927	7,994	9.88	809
1962	60,121.28	46,984	52,488	7,633	10.27	743
1963	69,492.77	53,702	59,993	9,500	10.68	890
1964	78,784.49	60,195	67,247	11,537	11.09	1,040
1965	96,753.54	73,038	81,594	15,160	11.52	1,316
1966	100,525.58	74,945	83,725	16,801	11.96	1,405
1967	110,606.10	81,377	90,910	19,696	12.42	1,586
1968	127,381.10	92,474	103,307	24,074	12.88	1,869
1969	130,558.23	93,446	104,393	26,165	13.36	1,958
1970	115,672.28	81,586	91,143	24,529	13.85	1,771
1971	101,732.53	70,650	78,926	22,807	14.36	1,588
1972	93,455.11	63,888	71,372	22,083	14.87	1,485
1973	127,135.54	85,478	95,491	31,645	15.40	2,055
1974	135,075.88	89,237	99,691	35,385	15.95	2,218
1975	92,936.59	60,310	67,375	25,562	16.50	1,549
1976	48,364.14	30,799	34,407	13,957	17.07	818
1977	83,542.25	52,170	58,282	25,260	17.65	1,431
1978	97,632.01	59,742	66,741	30,891	18.24	1,694
1979	306,516.75	183,650	205,164	101,353	18.84	5,380
1980	578,785.99	339,267	379,011	199,775	19.45	10,271
1981	653,208.51	374,138	417,967	235,242	20.08	11,715
1982	524,387.93	338,230	377,852	146,536	18.30	8,007

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1983	544,482.64	344,167	384,485	159,998	18.77	8,524
1984	476,450.45	294,828	329,366	147,084	19.25	7,641
1985	668,713.44	404,572	451,966	216,747	19.75	10,975
1986	684,038.52	404,130	451,472	232,567	20.26	11,479
1987	765,418.74	441,111	492,785	272,634	20.77	13,126
1988	985,892.19	553,480	618,318	367,574	21.29	17,265
1989	1,070,134.50	584,293	652,741	417,394	21.83	19,120
1990	1,334,644.62	707,629	790,525	544,120	22.37	24,324
1991	1,328,153.09	682,804	762,792	565,361	22.92	24,667
1992	1,244,966.55	619,495	692,066	552,901	23.48	23,548
1993	967,023.30	465,235	519,736	447,287	24.13	18,537
1994	1,371,891.22	640,124	715,112	656,779	24.58	26,720
1995	1,516,299.40	680,818	760,573	755,726	25.16	30,037
1996	1,411,075.57	608,174	679,419	731,657	25.75	28,414
1997	1,661,272.15	685,441	765,738	895,534	26.34	33,999
1998	1,836,056.22	726,160	811,227	1,024,829	26.75	38,311
1999	1,801,930.71	677,886	757,298	1,044,633	27.36	38,181
2000	1,835,296.69	654,283	730,930	1,104,367	27.98	39,470
2001	1,780,558.22	601,473	671,933	1,108,625	28.42	39,009
2002	1,029,425.71	326,534	364,786	664,640	29.06	22,871
2003	1,431,100.42	425,752	475,627	955,473	29.52	32,367
2004	1,123,563.48	311,452	347,937	775,626	29.99	25,863
2005	1,297,983.39	331,245	370,049	927,934	30.65	30,275
2006	1,361,922.07	318,281	355,566	1,006,356	31.15	32,307
2007	7,191,674.98	1,528,231	1,707,258	5,484,417	31.50	174,108
2008	3,024,995.30	574,144	641,403	2,383,592	32.02	74,441
2009	2,217,742.35	370,363	413,750	1,803,992	32.41	55,662
2010	1,438,403.58	206,555	230,752	1,207,652	32.81	36,807
2011	1,800,694.03	215,543	240,793	1,559,901	33.09	47,141
2012	2,221,300.70	211,468	236,241	1,985,060	33.26	59,683
2013	2,737,348.87	191,614	214,061	2,523,288	33.21	75,980
2014	2,031,120.21	88,963	99,384	1,931,736	32.75	58,984
2015	2,707,953.45	43,327	48,403	2,659,551	30.85	86,209
	59,764,251.32	19,306,086	21,543,086	38,221,166		1,334,093
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						28.6 2.23

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1944	77.95	71	41	37	4.41	8
1957	117.06	96	56	61	8.41	7
1962	2,151.47	1,681	980	1,171	10.27	114
1964	17,920.86	13,692	7,986	9,935	11.09	896
1965	20,920.63	15,793	9,211	11,710	11.52	1,016
1966	29,758.73	22,186	12,940	16,819	11.96	1,406
1967	33,875.31	24,923	14,536	19,339	12.42	1,557
1968	27,894.47	20,250	11,811	16,083	12.88	1,249
1969	29,312.36	20,980	12,236	17,076	13.36	1,278
1970	46,449.79	32,762	19,108	27,342	13.85	1,974
1971	42,432.58	29,468	17,187	25,246	14.36	1,758
1972	30,600.18	20,919	12,201	18,399	14.87	1,237
1973	21,528.93	14,475	8,442	13,087	15.40	850
1974	24,295.63	16,051	9,362	14,934	15.95	936
1975	33,447.98	21,706	12,660	20,788	16.50	1,260
1976	7,088.04	4,514	2,633	4,455	17.07	261
1977	17,783.83	11,105	6,477	11,307	17.65	641
1978	23,253.21	14,229	8,299	14,954	18.24	820
1979	85,124.85	51,003	29,747	55,378	18.84	2,939
1980	175,119.76	102,650	59,869	115,251	19.45	5,926
1981	85,224.43	48,814	28,470	56,754	20.08	2,826
1982	129,428.81	83,482	48,690	80,739	18.30	4,412
1983	63,138.87	39,910	23,277	39,862	18.77	2,124
1984	58,876.10	36,433	21,249	37,627	19.25	1,955
1985	123,384.92	74,648	43,538	79,847	19.75	4,043
1986	140,377.12	82,935	48,371	92,006	20.26	4,541
1987	136,832.49	78,857	45,992	90,840	20.77	4,374
1988	175,491.48	98,521	57,461	118,030	21.29	5,544
1989	213,503.89	116,573	67,990	145,514	21.83	6,666
1990	214,130.92	113,532	66,216	147,915	22.37	6,612
1991	78,271.51	40,239	23,469	54,803	22.92	2,391
1992	96,689.87	48,113	28,061	68,629	23.48	2,923
1993	145,703.50	70,098	40,884	104,820	24.13	4,344
1994	158,945.89	74,164	43,255	115,691	24.58	4,707
1995	44,731.50	20,084	11,714	33,018	25.16	1,312
1996	90,392.75	38,959	22,722	67,671	25.75	2,628
1997	55,905.23	23,066	13,453	42,452	26.34	1,612
1998	104,475.10	41,320	24,100	80,375	26.75	3,005
1999	92,875.32	34,940	20,378	72,497	27.36	2,650
2000	170,338.61	60,726	35,418	134,921	27.98	4,822
2001	54,814.24	18,516	10,799	44,015	28.42	1,549
2002	133,190.26	42,248	24,641	108,549	29.06	3,735

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
2003	229,781.29	68,360	39,870	189,911	29.52	6,433
2004	204,755.83	56,758	33,104	171,652	29.99	5,724
2005	196,080.00	50,040	29,185	166,895	30.65	5,445
2008	542,890.68	103,041	60,098	482,793	32.02	15,078
2009	435,453.99	72,721	42,414	393,040	32.41	12,127
2010	540,142.20	77,564	45,239	494,903	32.81	15,084
2012	185,684.69	17,677	10,310	175,375	33.26	5,273
2013	64,891.21	4,542	2,649	62,242	33.21	1,874
	5,635,556.32	2,175,435	1,268,799	4,366,757		171,946
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						25.4 3.05

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1906	735.52	736	736			
1907	1,604.70	1,605	1,605			
1908	743.19	743	743			
1909	1,074.39	1,074	1,074			
1910	441.82	442	442			
1911	956.52	957	957			
1912	1,237.26	1,237	1,237			
1913	1,082.10	1,082	1,082			
1914	1,094.15	1,094	1,094			
1915	693.49	693	693			
1916	1,326.49	1,326	1,326			
1917	1,494.31	1,494	1,494			
1918	885.50	886	886			
1919	1,301.37	1,301	1,301			
1920	1,254.20	1,254	1,254			
1921	1,846.30	1,846	1,846			
1922	3,116.86	3,117	3,117			
1923	4,440.67	4,441	4,441			
1924	4,536.34	4,536	4,536			
1925	4,740.02	4,740	4,740			
1926	4,283.39	4,283	4,283			
1927	4,198.07	4,198	4,198			
1928	3,336.56	3,330	3,337			
1929	3,791.62	3,770	3,792			
1930	2,650.70	2,621	2,651			
1931	2,127.85	2,093	2,128			
1932	1,072.18	1,048	1,072			
1933	927.84	902	928			
1934	1,097.63	1,061	1,098			
1935	1,167.61	1,122	1,168			
1936	1,503.95	1,436	1,504			
1937	1,975.00	1,874	1,975			
1938	1,557.60	1,469	1,558			
1939	1,529.07	1,433	1,529			
1940	1,723.92	1,605	1,724			
1941	2,114.59	1,955	2,115			
1942	1,842.70	1,693	1,843			
1943	1,208.64	1,103	1,209			
1944	2,349.55	2,129	2,350			
1945	2,610.08	2,349	2,610			
1946	4,010.12	3,584	4,010			
1947	8,617.38	7,649	8,617			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1948	8,291.44	7,307	8,291			
1949	9,552.15	8,359	9,552			
1950	9,982.32	8,672	9,982			
1951	13,038.83	11,244	13,039			
1952	13,567.61	11,610	13,568			
1953	10,972.19	9,317	10,972			
1954	9,249.44	7,791	9,249			
1955	15,034.66	12,559	15,035			
1956	19,281.23	15,971	19,281			
1957	21,151.28	17,366	21,151			
1958	20,116.82	16,367	19,951	166	8.76	19
1959	28,562.71	23,014	28,054	509	9.13	56
1960	21,465.56	17,127	20,878	588	9.50	62
1961	14,225.79	11,235	13,695	531	9.88	54
1962	14,665.22	11,461	13,971	694	10.27	68
1963	17,923.60	13,851	16,884	1,040	10.68	97
1964	20,351.22	15,549	18,954	1,397	11.09	126
1965	21,381.43	16,141	19,676	1,705	11.52	148
1966	22,763.29	16,971	20,687	2,076	11.96	174
1967	24,496.78	18,023	21,970	2,527	12.42	203
1968	29,207.32	21,203	25,846	3,361	12.88	261
1969	30,163.40	21,589	26,317	3,846	13.36	288
1970	24,709.76	17,428	21,244	3,466	13.85	250
1971	32,099.03	22,292	27,174	4,925	14.36	343
1972	38,136.64	26,071	31,780	6,357	14.87	428
1973	46,699.12	31,398	38,274	8,425	15.40	547
1974	41,287.45	27,276	33,249	8,038	15.95	504
1975	28,525.71	18,511	22,565	5,961	16.50	361
1976	20,710.12	13,188	16,076	4,634	17.07	271
1977	30,396.78	18,982	23,139	7,258	17.65	411
1978	40,769.14	24,947	30,410	10,359	18.24	568
1979	68,832.87	41,241	50,272	18,561	18.84	985
1980	131,408.86	77,028	93,896	37,513	19.45	1,929
1981	110,631.00	63,366	77,242	33,389	20.08	1,663
1982	190,335.00	122,766	149,650	40,685	18.30	2,223
1983	141,533.91	89,464	109,055	32,479	18.77	1,730
1984	96,589.58	59,770	72,859	23,731	19.25	1,233
1985	157,339.96	95,191	116,036	41,304	19.75	2,091
1986	142,951.52	84,456	102,951	40,001	20.26	1,974
1987	168,313.63	96,999	118,240	50,074	20.77	2,411
1988	176,855.08	99,286	121,028	55,827	21.29	2,622
1989	245,809.88	134,212	163,602	82,208	21.83	3,766

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1990	200,239.89	106,167	129,416	70,824	22.37	3,166
1991	127,914.76	65,761	80,162	47,753	22.92	2,083
1992	194,224.55	96,646	117,810	76,415	23.48	3,254
1993	110,374.14	53,101	64,729	45,645	24.13	1,892
1994	159,243.25	74,303	90,574	68,669	24.58	2,794
1995	225,556.84	101,275	123,453	102,104	25.16	4,058
1996	146,163.86	62,997	76,792	69,372	25.75	2,694
1997	183,670.61	75,782	92,377	91,294	26.34	3,466
1998	242,997.43	96,105	117,150	125,847	26.75	4,705
1999	163,009.46	61,324	74,753	88,256	27.36	3,226
2000	129,708.02	46,241	56,367	73,341	27.98	2,621
2001	175,354.91	59,235	72,207	103,148	28.42	3,629
2002	178,137.48	56,505	68,879	109,258	29.06	3,760
2003	463,652.54	137,937	168,143	295,510	29.52	10,011
2004	582,927.65	161,588	196,973	385,955	29.99	12,869
2005	461,613.81	117,804	143,601	318,013	30.65	10,376
2006	271,218.43	63,384	77,264	193,954	31.15	6,226
2008	801,363.82	152,099	185,406	615,958	32.02	19,237
2009	189,343.07	31,620	38,544	150,799	32.41	4,653
2010	213,698.43	30,687	37,407	176,291	32.81	5,373
2011	310,820.65	37,205	45,352	265,469	33.09	8,023
2012	514,236.52	48,955	59,676	454,561	33.26	13,667
2013	418,060.32	29,264	35,672	382,388	33.21	11,514
2014	466,917.86	20,451	24,930	441,988	32.75	13,496
2015	456,957.65	7,311	8,912	448,046	30.85	14,523
	9,807,086.53	3,357,657	4,072,597	5,734,490		199,182

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.8 2.03

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R2						
NET SALVAGE PERCENT.. 0						
1953	691.53	620	692			
1956	2,239.85	1,961	2,240			
1957	4,785.87	4,156	4,786			
1960	16,750.58	14,174	16,751			
1961	12,800.59	10,734	12,801			
1962	22,033.72	18,304	22,034			
1963	24,186.10	19,896	24,186			
1964	21,937.83	17,864	21,938			
1965	14,345.92	11,559	14,346			
1966	22,819.15	18,185	22,819			
1967	33,625.63	26,484	33,626			
1968	78,227.64	60,887	78,228			
1969	79,698.42	61,254	79,698			
1970	56,628.40	42,943	56,628			
1971	50,484.00	37,767	50,430	54	10.58	5
1972	74,487.40	54,926	73,342	1,145	11.03	104
1973	5,856.45	4,253	5,679	177	11.50	15
1974	2,435.60	1,741	2,325	111	11.98	9
1975	3,447.78	2,424	3,237	211	12.47	17
1976	1,925.80	1,331	1,777	149	12.98	11
1979	129,595.68	84,577	112,935	16,661	14.59	1,142
1980	273,942.52	175,129	233,849	40,094	15.15	2,646
1981	280,781.60	175,623	234,508	46,274	15.73	2,942
1982	232,089.47	162,045	216,378	15,711	14.37	1,093
1983	89,210.82	60,993	81,444	7,767	14.92	521
1984	47,248.78	31,600	42,195	5,054	15.48	326
1985	101,055.89	66,030	88,170	12,886	16.05	803
1986	78,585.49	50,342	67,221	11,364	16.41	693
1987	157,570.97	98,372	131,356	26,215	17.00	1,542
1988	283,620.35	172,356	230,146	53,474	17.59	3,040
1989	183,420.00	108,805	145,287	38,133	18.00	2,118
1990	203,975.86	117,429	156,802	47,174	18.61	2,535
1991	221,578.38	123,596	165,037	56,541	19.23	2,940
1992	121,714.83	65,933	88,040	33,675	19.67	1,712
1993	67,829.07	35,665	47,623	20,206	20.18	1,001
1994	215,739.93	109,941	146,804	68,936	20.69	3,332
1995	283,678.95	139,570	186,367	97,312	21.17	4,597
1996	638,322.65	301,224	402,223	236,100	21.82	10,820
1997	114,991.22	52,114	69,588	45,403	22.32	2,034
1998	89,135.98	38,525	51,442	37,694	22.99	1,640
1999	211,901.85	87,410	116,718	95,184	23.50	4,050
2000	61,111.51	23,968	32,004	29,108	24.02	1,212

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R2						
NET SALVAGE PERCENT.. 0						
2001	5,688.76	2,112	2,820	2,869	24.56	117
2002	124,248.21	43,437	58,001	66,247	25.11	2,638
2005	16,976.59	4,777	6,379	10,598	26.81	395
2007	36,240.36	8,502	11,353	24,887	27.73	897
2008	123,273.33	25,887	34,567	88,706	28.21	3,144
2012	13,100.09	1,385	1,849	11,251	29.61	380
2014	217,660.91	10,578	14,125	203,536	29.36	6,932
2015	96,745.52	1,712	2,286	94,460	27.75	3,404
	5,250,443.83	2,791,100	3,705,080	1,545,364		70,807
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					21.8	1.35

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.0 OTHER PROPERTY ON CUSTOMERS PREMISES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1966	1,968.69	1,468	1,710	259	11.96	22
1967	207.34	153	178	29	12.42	2
1968	820.82	596	694	127	12.88	10
1969	4,348.68	3,113	3,626	723	13.36	54
1970	585.40	413	481	104	13.85	8
1971	1,925.29	1,337	1,557	368	14.36	26
1972	16,780.77	11,472	13,362	3,419	14.87	230
1999	15,161.48	5,704	6,644	8,517	27.36	311
2004	19,260.94	5,339	6,219	13,042	29.99	435
2005	276,907.83	70,667	82,311	194,597	30.65	6,349
	337,967.24	100,262	116,782	221,186		7,447

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 29.7 2.20

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1929	141.00	140	141			
1955	2,275.45	1,901	2,275			
1956	989.22	819	983	6	8.07	1
1957	545.83	448	538	8	8.41	1
1958	236.59	192	230	7	8.76	1
1959	739.15	596	715	24	9.13	3
1960	6,231.82	4,972	5,965	267	9.50	28
1961	5,465.73	4,317	5,179	287	9.88	29
1962	1,776.66	1,388	1,665	112	10.27	11
1963	1,519.13	1,174	1,409	110	10.68	10
1964	1,895.48	1,448	1,737	158	11.09	14
1965	611.14	461	553	58	11.52	5
1966	1,500.19	1,118	1,341	159	11.96	13
1967	7,810.50	5,746	6,894	916	12.42	74
1968	5,156.86	3,744	4,492	665	12.88	52
1969	2,743.23	1,963	2,355	388	13.36	29
1970	1,104.82	779	935	170	13.85	12
1971	31,924.90	22,171	26,600	5,325	14.36	371
1972	2,029.09	1,387	1,664	365	14.87	25
1973	5,741.28	3,860	4,631	1,110	15.40	72
1974	677.56	448	538	140	15.95	9
1975	501.75	326	391	111	16.50	7
1976	3,733.18	2,377	2,852	881	17.07	52
1977	1,421.54	888	1,065	357	17.65	20
1978	182.88	112	134	49	18.24	3
1979	5,235.99	3,137	3,764	1,472	18.84	78
1980	17,091.10	10,018	12,019	5,072	19.45	261
1981	121,509.06	69,597	83,502	38,007	20.08	1,893
1982	95,200.74	61,404	73,672	21,529	18.30	1,176
1983	6,768.10	4,278	5,133	1,635	18.77	87
1984	6,649.28	4,115	4,937	1,712	19.25	89
1985	25,257.56	15,281	18,334	6,924	19.75	351
1986	23,743.92	14,028	16,831	6,913	20.26	341
1987	25,830.88	14,886	17,860	7,971	20.77	384
1988	26,270.40	14,748	17,694	8,576	21.29	403
1989	52,802.47	28,830	34,590	18,212	21.83	834
1990	55,497.04	29,425	35,304	20,193	22.37	903
1991	30,826.21	15,848	19,014	11,812	22.92	515
1992	56,752.96	28,240	33,882	22,871	23.48	974
1993	45,455.69	21,869	26,238	19,218	24.13	796
1994	30,338.27	14,156	16,984	13,354	24.58	543
1995	22,678.63	10,183	12,217	10,462	25.16	416

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1996	22,335.06	9,626	11,549	10,786	25.75	419
1997	8,544.26	3,525	4,229	4,315	26.34	164
1998	8,784.27	3,474	4,168	4,616	26.75	173
1999	13,041.26	4,906	5,886	7,155	27.36	262
2000	2,551.99	910	1,092	1,460	27.98	52
2004	347.18	96	115	232	29.99	8
2005	3,317.00	846	1,015	2,302	30.65	75
2006	3,670.43	858	1,029	2,641	31.15	85
2010	54.74	8	10	45	32.81	1
2012	115,202.00	10,967	13,158	102,044	33.26	3,068
2013	22,348.33	1,564	1,877	20,471	33.21	616
2014	10,178.04	446	535	9,643	32.75	294
2015	1,657.77	27	32	1,625	30.85	53
	946,895.61	460,071	551,952	394,943		16,156
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						24.4 1.71

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R3						
NET SALVAGE PERCENT.. 0						
1989	290.57	251	283	8	4.15	2
1990	10,556.06	8,929	10,074	482	4.60	105
1991	4,510.10	3,741	4,220	290	4.99	58
1992	3,050.56	2,468	2,784	267	5.49	49
1993	5,858.48	4,641	5,236	622	5.87	106
1994	335.37	259	293	42	6.36	7
1997	104.02	73	82	22	8.03	3
	24,705.16	20,362	22,972	1,733		330
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						5.3 1.34

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-L2						
NET SALVAGE PERCENT.. 0						
1919	265.57	266	266			
1922	142.27	142	142			
1924	8,840.88	8,841	8,841			
1947	455.80	397	456			
1949	22,186.47	19,053	21,999	187	4.52	41
1950	8,371.36	7,139	8,243	128	4.71	27
1951	1,368.79	1,159	1,338	31	4.91	6
1952	1,125.65	946	1,092	34	5.11	7
1953	30,125.92	25,127	29,013	1,113	5.31	210
1954	5,517.65	4,566	5,272	246	5.52	45
1955	601.79	494	570	32	5.73	6
1956	8,337.58	6,790	7,840	498	5.94	84
1957	1,905.18	1,539	1,777	128	6.15	21
1958	651.12	522	603	48	6.37	8
1959	15,785.61	12,540	14,479	1,307	6.58	199
1960	2,005.39	1,579	1,823	182	6.81	27
1961	1,960.14	1,530	1,767	193	7.03	27
1962	288.11	223	257	31	7.26	4
1963	1,039.65	796	919	121	7.49	16
1964	5,769.25	4,377	5,054	715	7.72	93
1965	1,751.72	1,316	1,520	232	7.96	29
1966	3,912.12	2,910	3,360	552	8.20	67
1967	4,863.78	3,581	4,135	729	8.44	86
1968	8,062.42	5,873	6,781	1,281	8.69	147
1969	1,581.42	1,140	1,316	265	8.93	30
1970	2,285.43	1,630	1,882	403	9.18	44
1971	10,974.98	7,741	8,938	2,037	9.43	216
1972	4,046.99	2,822	3,258	789	9.69	81
1974	1,652.12	1,126	1,300	352	10.19	35
1975	8,480.27	5,714	6,598	1,882	10.44	180
1976	7,949.17	5,294	6,113	1,836	10.69	172
1977	2,458.86	1,618	1,868	591	10.94	54
1978	1,265.56	823	950	316	11.19	28
1979	752.79	484	559	194	11.43	17
1980	1,718.37	1,092	1,261	457	11.67	39
1981	10,162.67	6,380	7,367	2,796	11.91	235
1982	12,027.61	9,158	10,574	1,454	10.42	140
1983	1,755.64	1,325	1,530	226	10.49	22
1984	30,831.09	22,932	26,478	4,353	10.76	405
1985	13,068.42	9,607	11,093	1,975	10.90	181
1986	19,569.87	14,253	16,457	3,113	10.91	285
1987	23,586.65	16,926	19,544	4,043	11.12	364

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-L2						
NET SALVAGE PERCENT.. 0						
1988	13,276.05	9,406	10,861	2,415	11.21	215
1989	15,968.66	11,149	12,873	3,096	11.35	273
1990	33,323.13	22,886	26,425	6,898	11.51	599
1991	26,014.16	17,539	20,251	5,763	11.72	492
1992	15,045.39	9,934	11,470	3,575	11.96	299
1993	23,968.53	15,553	17,958	6,011	12.11	496
1994	51,100.60	32,520	37,549	13,552	12.28	1,104
1995	69,990.02	43,331	50,032	19,958	12.61	1,583
1996	45,414.72	27,367	31,599	13,816	12.86	1,074
1997	84,495.34	49,396	57,035	27,460	13.15	2,088
1998	75,399.07	42,487	49,057	26,342	13.56	1,943
1999	119,656.29	64,949	74,993	44,663	13.90	3,213
2000	199,968.82	103,824	119,880	80,089	14.35	5,581
2001	116,038.59	57,369	66,241	49,798	14.83	3,358
2002	42,457.03	19,832	22,899	19,558	15.40	1,270
2003	222,013.40	97,419	112,484	109,529	15.99	6,850
2004	109,705.10	44,913	51,859	57,846	16.59	3,487
2005	70,405.76	26,684	30,811	39,595	17.20	2,302
2006	85,043.37	29,570	34,143	50,900	17.82	2,856
2007	37,304.93	11,732	13,546	23,759	18.53	1,282
2008	97,908.80	27,532	31,789	66,120	19.17	3,449
2009	42,499.78	10,472	12,092	30,408	19.88	1,530
2011	14,980.73	2,602	3,004	11,977	21.41	559
	1,901,480.40	1,000,237	1,153,484	747,996		49,581
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						15.1 2.61

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1980	53,900.00	53,900	53,900			
1981	184,018.30	184,018	184,018			
1982	328,563.00	328,563	328,563			
1983	92,573.18	92,573	92,573			
1984	103,914.03	103,914	103,914			
1985	109,975.52	109,976	109,976			
1986	113,888.51	113,889	113,889			
1987	112,021.79	112,022	112,022			
1988	167,324.21	167,324	167,324			
1989	77,363.35	77,363	77,363			
1990	11,534.69	11,535	11,535			
1991	1,588.30	1,541	1,588			
1992	3,540.35	3,293	3,540			
1993	514.88	461	506	9	2.62	3
1995	4,074.64	3,341	3,664	411	4.50	91
1998	10,727.14	7,509	8,234	2,493	7.50	332
2001	13,978.74	8,108	8,891	5,088	10.50	485
2002	7,564.41	4,085	4,479	3,085	11.50	268
2003	93,599.07	46,800	51,317	42,282	12.50	3,383
	1,490,664.11	1,430,215	1,437,296	53,368		4,562
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 11.7 0.31						

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LANCASTER BUILDING NO. 8						
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1877	10,334.49	10,334	10,334			
1905	1,382.43	1,382	1,382			
1918	6,964.78	6,965	6,965			
1920	2,849.28	2,849	2,849			
1922	6,205.34	6,205	6,205			
1923	1,971.44	1,971	1,971			
1931	27,998.18	27,998	27,998			
1944	230.75	231	231			
1945	27.52	28	28			
1949	486.95	487	487			
1950	40,677.28	40,677	40,677			
1951	8,990.41	8,990	8,990			
1952	13,587.20	13,587	13,587			
1953	10,839.39	10,839	10,839			
1954	3,441.34	3,441	3,441			
1955	836.25	836	836			
1957	3,161.96	3,162	3,162			
1958	258.36	258	258			
1959	1,265.61	1,266	1,266			
1960	1,818.24	1,818	1,818			
1961	1,773.80	1,774	1,774			
1963	2,738.31	2,738	2,738			
1964	4,461.66	4,462	4,462			
1965	5,035.99	5,036	5,036			
1967	125.74	126	126			
1968	799.24	799	799			
1969	92.87	93	93			
1980	321.52	322	322			
1996	2,259.68	2,260	2,260			
2000	8,328.00	8,328	8,328			
2001	5,102.05	5,102	5,102			
2004	21,968.00	21,968	21,968			
2005	27,391.56	27,392	27,392			
	223,725.62	223,724	223,726			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HAZLETON PLANT						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2026						
NET SALVAGE PERCENT.. 0						
1872	2,385.33	2,170	2,312	73	8.85	8
1905	642.75	573	611	32	9.75	3
1910	67.06	60	64	3	9.84	
1911	241.41	214	228	13	9.86	1
1915	150.63	133	142	9	9.92	1
1924	61.13	54	58	4	10.05	
1931	6,591.16	5,733	6,109	482	10.14	48
1932	351.81	306	326	26	10.15	3
1933	40.24	35	37	3	10.16	
1935	4,124.32	3,568	3,802	322	10.18	32
1937	242.44	209	223	20	10.20	2
1938	143.77	124	132	12	10.21	1
1947	6,892.50	5,847	6,230	662	10.30	64
1948	401.47	340	362	39	10.31	4
1949	1,806.43	1,527	1,627	179	10.31	17
1950	2,196.55	1,852	1,973	223	10.32	22
1953	2,877.89	2,411	2,569	309	10.35	30
1957	1,355.54	1,125	1,199	157	10.37	15
1958	2,466.06	2,040	2,174	292	10.38	28
1960	231.19	190	202	29	10.39	3
1961	649.28	533	568	81	10.40	8
1962	9,412.34	7,698	8,203	1,209	10.41	116
1963	7,254.62	5,916	6,304	951	10.41	91
1964	2,918.10	2,372	2,528	391	10.42	38
1967	1,274.89	1,025	1,092	183	10.43	18
1971	1,544.75	1,223	1,303	242	10.45	23
1972	1,090.13	859	915	175	10.46	17
1976	3,452.10	2,666	2,841	611	10.48	58
1977	3,437.52	2,641	2,814	623	10.48	59
1978	6,220.72	4,752	5,064	1,157	10.48	110
1979	3,107.33	2,359	2,514	594	10.49	57
1980	3,105.00	2,342	2,496	609	10.49	58
1983	369.74	279	297	72	10.49	7
1988	338.67	245	261	78	10.49	7
1991	3,137.18	2,191	2,335	802	10.47	77
1994	17,386.12	11,701	12,468	4,918	10.45	471
1995	5,075.97	3,361	3,581	1,495	10.46	143
1997	20,067.58	12,807	13,647	6,421	10.49	612
1998	20,290.00	12,677	13,508	6,782	10.51	645
1999	9,250.00	5,663	6,034	3,216	10.45	308

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HAZLETON PLANT						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2026						
NET SALVAGE PERCENT.. 0						
2001	14,287.96	8,287	8,831	5,457	10.50	520
2002	36,241.76	20,404	21,742	14,499	10.48	1,383
2003	18,220.00	9,908	10,558	7,662	10.49	730
2005	45,818.48	22,946	24,451	21,367	10.47	2,041
2007	2,169.82	972	1,036	1,134	10.47	108
2012	1,935.54	488	520	1,416	10.39	136
2013	5,265.73	1,026	1,093	4,172	10.34	403
2014	20,883.63	2,663	2,838	18,046	10.26	1,759
2015	3,348.92	159	169	3,179	9.99	318
	300,823.56	178,674	190,393	110,431		10,603

ALLENTOWN PLANT
FULLY ACCRUED
NET SALVAGE PERCENT.. 0

1922	250.95	251	251			
1923	297.04	297	297			
1928	44,791.52	44,792	44,792			
1929	1,227.11	1,227	1,227			
1932	237.64	238	238			
1934	309.40	309	309			
1940	95.93	96	96			
1943	273.84	274	274			
1947	54.16	54	54			
1951	233.36	233	233			
1953	21.18	21	21			
1958	3,297.09	3,297	3,297			
1959	1,512.13	1,512	1,512			
1960	3,343.71	3,344	3,344			
1963	5,682.26	5,682	5,682			
1964	134.45	134	134			
1966	2,516.15	2,516	2,516			
1968	419.83	420	420			
1970	80.61	81	81			
1980	1,953.60	1,954	1,954			
1986	5,526.05	5,526	5,526			
	72,258.01	72,258	72,258			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HARRISBURG SERVICE BUILDING						
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1989	11,535.55	11,536	11,536			
1997	18,828.66	18,829	18,828			
	30,364.21	30,365	30,364			
LANCASTER SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2021						
NET SALVAGE PERCENT.. 0						
1906	292.55	274	292			
1907	1,480.00	1,387	1,479	1	5.48	
1909	419.56	393	419	1	5.49	
1910	231.57	217	231			
1911	21.85	20	21	1	5.50	
1912	1,782.05	1,667	1,777	5	5.50	1
1914	166.16	155	165	1	5.51	
1915	20.13	19	20			
1918	524.64	489	521	3	5.53	1
1921	435.07	405	432	3	5.54	1
1922	86.02	80	85	1	5.54	
1924	4,604.09	4,280	4,563	41	5.55	7
1926	3,813.02	3,541	3,775	38	5.56	7
1931	4,019.42	3,720	3,966	54	5.58	10
1938	400.93	369	393	8	5.60	1
1943	284.29	261	278	6	5.61	1
1945	209.72	192	205	5	5.62	1
1950	10,092.39	9,181	9,788	304	5.63	54
1951	7,260.37	6,597	7,033	227	5.63	40
1952	6,957.94	6,314	6,731	227	5.63	40
1953	11,420.67	10,350	11,034	386	5.64	68
1954	299,198.89	270,796	288,697	10,501	5.64	1,862
1955	326.04	295	315	12	5.64	2
1956	1,010.54	912	972	38	5.64	7
1957	764.10	689	735	30	5.64	5
1958	1,738.94	1,565	1,668	70	5.65	12
1959	1,412.84	1,269	1,353	60	5.65	11
1960	3,973.24	3,564	3,800	174	5.65	31
1961	16,365.00	14,655	15,624	741	5.65	131
1962	12,971.47	11,596	12,363	609	5.65	108
1963	6,322.09	5,641	6,014	308	5.66	54

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LANCASTER SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2021						
NET SALVAGE PERCENT.. 0						
1964	7,033.27	6,264	6,678	355	5.66	63
1965	874.62	777	828	46	5.66	8
1966	358.24	318	339	19	5.66	3
1967	371.22	329	351	20	5.66	4
1968	1,018.50	900	959	59	5.66	10
1969	7,523.28	6,630	7,068	455	5.66	80
1970	3,024.29	2,658	2,834	191	5.67	34
1971	1,477.38	1,295	1,381	97	5.67	17
1972	596.71	522	557	40	5.67	7
1973	3,204.98	2,796	2,981	224	5.67	40
1978	1,708.01	1,466	1,563	145	5.68	26
1980	5,900.01	5,028	5,360	540	5.68	95
1983	15,322.42	13,046	13,908	1,414	5.63	251
1985	12,630.08	10,622	11,324	1,306	5.72	228
1988	52,754.56	43,702	46,591	6,164	5.64	1,093
1989	8,424.15	6,921	7,379	1,046	5.70	184
1990	123,521.99	100,745	107,405	16,117	5.71	2,823
1992	47,851.27	38,492	41,037	6,815	5.65	1,206
1994	1,725,445.56	1,365,173	1,455,420	270,026	5.67	47,624
1995	22,173.60	17,364	18,512	3,662	5.68	645
1998	25,800.00	19,458	20,744	5,056	5.70	887
2001	26,741.72	19,195	20,464	6,278	5.70	1,101
2002	46,954.16	33,028	35,211	11,743	5.69	2,064
2003	136,654.40	93,950	100,161	36,494	5.68	6,425
2004	125,330.02	83,883	89,428	35,902	5.68	6,321
2005	59,996.43	38,932	41,506	18,491	5.68	3,255
2006	2,605.69	1,631	1,739	867	5.68	153
2014	123,382.06	25,935	27,649	95,733	5.64	16,974
2015	9,338.56	769	820	8,519	5.56	1,532
	2,996,622.77	2,302,722	2,454,947	541,676		95,608

READING SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2030
NET SALVAGE PERCENT.. 0

1951	822.27	653	696	126	13.95	9
1955	801,398.39	629,242	670,839	130,559	14.00	9,326
1956	1,047.45	820	874	173	14.02	12

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
READING SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1957	10,249.83	7,995	8,524	1,726	14.03	123
1958	2,482.66	1,930	2,058	425	14.04	30
1959	5,183.81	4,015	4,280	903	14.06	64
1960	4,948.06	3,818	4,070	878	14.07	62
1961	539,405.64	414,657	442,069	97,337	14.08	6,913
1962	339.03	260	277	62	14.09	4
1963	277.93	212	226	52	14.10	4
1966	3,859.88	2,905	3,097	763	14.14	54
1967	2,790.92	2,091	2,229	562	14.15	40
1969	866.59	643	686	181	14.17	13
1970	8,032.58	5,926	6,318	1,715	14.18	121
1971	8,119.32	5,959	6,353	1,766	14.18	125
1972	3,388.32	2,473	2,636	752	14.19	53
1973	2,861.11	2,076	2,213	648	14.20	46
1974	1,212,931.09	874,438	932,244	280,687	14.21	19,753
1975	22,751.74	16,297	17,374	5,377	14.22	378
1976	32,788.40	23,328	24,870	7,918	14.23	556
1977	35,227.17	24,886	26,531	8,696	14.24	611
1978	14,269.12	10,008	10,670	3,600	14.24	253
1979	148,221.56	103,158	109,977	38,244	14.25	2,684
1980	460,230.72	317,716	338,719	121,512	14.26	8,521
1981	57,414.00	39,296	41,894	15,520	14.27	1,088
1982	38,599.74	27,082	28,872	9,727	14.14	688
1983	2,914.84	2,021	2,155	760	14.26	53
1984	89,751.74	61,704	65,783	23,969	14.20	1,688
1985	30,648.24	20,859	22,238	8,410	14.20	592
1986	140,082.48	94,247	100,477	39,605	14.23	2,783
1987	3,330.36	2,220	2,367	964	14.12	68
1988	2,092.34	1,374	1,465	628	14.24	44
1989	964,184.71	625,177	666,505	297,679	14.23	20,919
1990	710,334.35	455,608	485,727	224,608	14.12	15,907
1991	55,324.88	34,882	37,188	18,137	14.21	1,276
1992	345,020.86	214,189	228,348	116,673	14.20	8,216
1993	37,015.00	22,609	24,104	12,911	14.26	905
1994	335,991.96	202,267	215,638	120,354	14.21	8,470
1995	34,567.26	20,409	21,758	12,809	14.22	901
1996	43,356.00	25,112	26,772	16,584	14.17	1,170
1997	10,221.04	5,786	6,168	4,053	14.18	286
1998	247,914.36	137,097	146,160	101,754	14.15	7,191
2000	1,459,320.19	762,349	812,745	646,575	14.17	45,630

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
READING SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
2001	376,052.25	190,282	202,861	173,191	14.15	12,240
2002	173,687.14	84,655	90,251	83,436	14.20	5,876
2003	200,366.76	93,932	100,142	100,225	14.17	7,073
2004	200,396.72	89,657	95,584	104,813	14.21	7,376
2005	508,142.12	216,062	230,345	277,797	14.19	19,577
2006	72,718.65	29,218	31,150	41,569	14.14	2,940
2007	745,744.60	280,176	298,697	447,047	14.12	31,661
2008	547,767.46	189,801	202,348	345,419	14.15	24,411
2009	132,314.80	41,706	44,463	87,852	14.12	6,222
2010	92,229.97	25,917	27,630	64,600	14.07	4,591
2011	75,088.53	18,216	19,420	55,668	14.05	3,962
2012	249,484.70	49,947	53,249	196,236	13.98	14,037
2013	35,996.21	5,489	5,852	30,144	13.89	2,170
2014	374,179.16	36,894	39,333	334,846	13.72	24,406
2015	375,485.14	13,668	14,572	360,914	13.24	27,259
	12,090,232.15	6,575,414	7,010,092	5,080,140		361,431

BETHLEHEM SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2040
NET SALVAGE PERCENT.. 0

1951	730.20	510	544	186	22.40	8
1957	163.83	111	118	45	22.64	2
1962	40,974.62	27,069	28,858	12,116	22.82	531
1965	1,567,005.46	1,015,890	1,083,047	483,958	22.92	21,115
1966	142,946.82	92,061	98,147	44,800	22.95	1,952
1967	15,954.41	10,205	10,880	5,075	22.98	221
1968	9,460.27	6,008	6,405	3,055	23.01	133
1969	18,666.34	11,767	12,545	6,121	23.04	266
1970	12,903.20	8,072	8,606	4,298	23.07	186
1971	7,221.56	4,483	4,779	2,442	23.09	106
1975	432.10	259	276	156	23.20	7
1976	3,658.72	2,172	2,316	1,343	23.22	58
1977	2,770.44	1,629	1,737	1,034	23.24	44
1981	873.48	491	523	350	23.33	15
1982	6,159.03	3,645	3,886	2,273	22.93	99
1984	25,998.29	15,030	16,024	9,975	22.81	437
1987	84,605.93	46,846	49,943	34,663	22.77	1,522

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BETHLEHEM SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2040						
NET SALVAGE PERCENT.. 0						
1990	146,946.76	77,176	82,278	64,669	22.83	2,833
1991	1,839.60	946	1,009	831	22.92	36
1992	58,567.66	29,547	31,500	27,067	22.83	1,186
1996	316,288.61	145,556	155,178	161,110	22.87	7,045
1997	209,065.14	93,201	99,362	109,703	23.00	4,770
1998	101,386.46	43,819	46,716	54,671	22.99	2,378
1999	77,675.00	32,554	34,706	42,969	22.87	1,879
2000	1,473.37	594	633	840	22.96	37
2001	99,787.96	38,638	41,192	58,596	22.95	2,553
2002	58,494.74	21,713	23,148	35,346	22.87	1,546
2003	67,677.49	23,944	25,527	42,151	22.83	1,846
2004	165,960.48	55,530	59,201	106,760	22.87	4,668
2005	181,796.97	57,266	61,052	120,745	22.83	5,289
2006	25,352.02	7,466	7,960	17,392	22.76	764
2007	26,253.00	7,141	7,613	18,640	22.75	819
2008	2,114.70	527	562	1,553	22.62	69
2009	1,660.00	371	396	1,264	22.57	56
2010	11,586.09	2,276	2,426	9,160	22.51	407
2011	102,995.75	17,241	18,381	84,615	22.38	3,781
2013	46,334.76	4,749	5,063	41,272	21.89	1,885
2014	313,407.10	20,497	21,852	291,555	21.44	13,599
2015	316,538.07	7,660	8,166	308,372	20.20	15,266
	4,273,726.43	1,934,660	2,062,554	2,211,172		99,414

OTHER BUILDINGS
SURVIVOR CURVE.. IOWA 40-R2
NET SALVAGE PERCENT.. 0

1953	24,900.89	22,859	20,403	4,498	3.28	1,371
1954	20,454.90	18,629	16,627	3,828	3.57	1,072
1955	3,292.27	2,975	2,655	637	3.86	165
1959	446.39	390	348	98	5.04	19
1970	650.42	508	453	197	8.77	22
1971	9,099.20	7,011	6,258	2,842	9.18	310
1975	164.27	119	106	58	10.95	5
1976	20,747.97	14,819	13,227	7,521	11.43	658
1977	3,727.48	2,617	2,336	1,392	11.92	117
1978	1,826.12	1,259	1,124	702	12.43	56
1979	974.64	659	588	386	12.95	30

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER BUILDINGS						
SURVIVOR CURVE.. IOWA 40-R2						
NET SALVAGE PERCENT.. 0						
1980	8,571.28	5,681	5,071	3,501	13.49	260
1985	27,096.76	18,361	16,388	10,709	14.39	744
1989	34,381.65	21,117	18,848	15,534	16.49	942
1990	1,194.94	712	635	559	17.12	33
1991	2,025.85	1,174	1,048	978	17.59	56
1992	7,676.31	4,301	3,839	3,837	18.24	210
1994	31,658.65	16,744	14,945	16,714	19.15	873
1995	23,466.85	11,977	10,690	12,777	19.66	650
1997	7,951.26	3,751	3,348	4,603	20.71	222
1998	19,131.11	8,605	7,680	11,451	21.41	535
1999	63,417.26	27,206	24,283	39,135	21.96	1,782
2000	38,962.96	15,881	14,175	24,788	22.52	1,101
2001	96,625.46	37,268	33,263	63,362	23.09	2,744
2002	7,217.48	2,631	2,348	4,869	23.54	207
2003	16,930.00	5,777	5,156	11,774	24.13	488
2004	52,683.27	16,722	14,925	37,758	24.73	1,527
2005	256,841.21	75,511	67,397	189,444	25.21	7,515
2006	139,043.00	37,514	33,483	105,560	25.71	4,106
2007	75,832.20	18,564	16,569	59,263	26.22	2,260
2011	148,951.37	20,645	18,427	130,525	27.97	4,667
2014	71,604.24	3,637	3,246	68,358	28.00	2,441
	1,217,547.66	425,624	379,889	837,659		37,188

LEBANON SERVICE BUILDING
INTERIM SURVIVOR CURVE.. IOWA 100-R1
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. 0

1933	657.93	480	512	146	22.94	6
1992	1,969,044.37	956,759	1,020,007	949,037	24.60	38,579
1993	15,226.14	7,257	7,737	7,489	24.57	305
1994	10,056.65	4,692	5,002	5,054	24.58	206
2000	1,880.00	728	776	1,104	24.50	45
2001	34,203.52	12,696	13,535	20,668	24.56	842
	2,031,068.61	982,612	1,047,569	983,500		39,983

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
STONE RIDGE SERVICE BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2059						
NET SALVAGE PERCENT.. 0						
2009	4,797,873.14	738,872	787,716	4,010,157	35.70	112,329
2011	174,377.96	19,844	21,156	153,222	35.03	4,374
2014	13,588.09	595	634	12,954	32.75	396
2015	16,613.65	274	292	16,322	29.80	548
	5,002,452.84	759,585	809,798	4,192,655		117,647
	28,238,821.86	13,485,638	14,281,590	13,957,233		761,874
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						18.3 2.70

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
UNITE BUILDING						
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 2-2020						
NET SALVAGE PERCENT.. 0						
2015	11,241.26	1,143	1,448	9,793	4.42	2,216
	11,241.26	1,143	1,448	9,793		2,216
	11,241.26	1,143	1,448	9,793		2,216
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					4.4	19.71

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1996	34,367.33	33,508	33,504	863	0.50	863
1997	28,523.09	26,384	26,381	2,142	1.50	1,428
1998	152,564.09	133,494	133,477	19,087	2.50	7,635
1999	431,825.70	356,256	356,210	75,616	3.50	21,605
2000	17,374.10	13,465	13,463	3,911	4.50	869
2001	28,832.75	20,904	20,901	7,932	5.50	1,442
2002	10,131.48	6,839	6,838	3,293	6.50	507
2003	58,882.74	36,802	36,797	22,086	7.50	2,945
2004	19,545.79	11,239	11,238	8,308	8.50	977
2005	12,973.40	6,811	6,810	6,163	9.50	649
2006	15,741.19	7,477	7,476	8,265	10.50	787
2007	98,862.25	42,016	42,011	56,851	11.50	4,944
2008	10,904.48	4,089	4,088	6,816	12.50	545
2009	366,901.89	119,243	119,228	247,674	13.50	18,346
2010	51,285.03	14,103	14,101	37,184	14.50	2,564
2013	49,177.44	6,147	6,146	43,031	17.50	2,459
2014	158,472.16	11,885	11,883	146,589	18.50	7,924
2015	279,924.16	6,998	6,998	272,927	19.50	13,996
	1,826,289.07	857,660	857,550	968,740		90,485
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						10.7 4.95

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2011	2,725.73	2,453	2,726			
2012	8,397.64	5,878	8,398			
2013	66,396.58	33,198	138,844	72,447-		
	77,519.95	41,529	149,968	72,448-		
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L2.5						
NET SALVAGE PERCENT.. 0						
2002	3,600.00	3,373	3,600			
2005	37,042.80	32,553	36,909	134	1.45	92
	40,642.80	35,926	40,509	134		92
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					1.5	0.23

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 11-L3						
NET SALVAGE PERCENT.. 0						
1978	14,177.75	14,178	14,178			
2012	16,490.72	5,829	13,600	2,891	6.40	452
	30,668.47	20,007	27,778	2,891		452
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.4						1.47

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L4						
NET SALVAGE PERCENT.. 0						
1988	12,549.34	12,379	12,549			
	12,549.34	12,379	12,549			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1996	111,607.41	108,817	108,194	3,413	0.50	3,413
1997	124,174.53	114,861	114,204	9,971	1.50	6,647
1998	125,968.97	110,223	109,592	16,377	2.50	6,551
1999	224,987.76	185,615	184,553	40,435	3.50	11,553
2000	129,059.40	100,021	99,449	29,610	4.50	6,580
2001	155,343.66	112,624	111,980	43,364	5.50	7,884
2002	160,394.15	108,266	107,646	52,748	6.50	8,115
2003	344,961.13	215,601	214,367	130,594	7.50	17,413
2004	376,497.34	216,486	215,247	161,250	8.50	18,971
2005	585,131.98	307,194	305,436	279,696	9.50	29,442
2006	582,434.35	276,656	275,073	307,361	10.50	29,272
2007	647,841.19	275,333	273,758	374,083	11.50	32,529
2008	251,796.92	94,424	93,884	157,913	12.50	12,633
2009	269,695.20	87,651	87,149	182,546	13.50	13,522
2010	162,964.81	44,815	44,559	118,406	14.50	8,166
2011	453,581.01	102,056	101,472	352,109	15.50	22,717
2012	368,654.37	64,515	64,146	304,508	16.50	18,455
2013	792,113.30	99,014	98,447	693,666	17.50	39,638
2014	465,207.03	34,891	34,691	430,516	18.50	23,271
2015	1,711,974.99	42,799	42,554	1,669,421	19.50	85,611
	8,044,389.50	2,701,862	2,686,401	5,357,988		402,383
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.3 5.00

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L2.5						
NET SALVAGE PERCENT.. 0						
1948	284.76	285	285			
1950	163.89	164	164			
1951	2,128.37	2,128	2,128			
1952	4,189.81	4,190	4,190			
1953	801.30	801	801			
1954	18,678.25	18,678	18,678			
1955	1,110.31	1,110	1,110			
1956	4,099.12	4,099	4,099			
1957	1,282.34	1,282	1,282			
1958	2,816.60	2,817	2,817			
1959	3,128.28	3,128	3,128			
1960	4,659.72	4,660	4,660			
1961	2,981.33	2,981	2,981			
1962	9,367.11	9,367	9,367			
1963	4,062.29	4,062	4,062			
1964	4,005.49	4,005	4,005			
1965	6,056.27	6,056	6,056			
1966	2,108.18	2,108	2,108			
1967	2,768.86	2,769	2,769			
1968	4,253.21	4,253	4,253			
1969	1,224.82	1,225	1,225			
1970	5,396.21	5,396	5,396			
1971	4,287.65	4,288	4,288			
1972	1,183.75	1,184	1,184			
1973	3,084.10	3,084	3,084			
1974	10,871.60	10,872	10,872			
1975	12,337.16	12,337	12,337			
1976	6,602.41	6,579	6,602			
1977	36,334.50	35,452	36,334			
1978	9,564.97	9,230	9,565			
1979	7,705.05	7,342	7,705			
1980	9,349.56	8,795	9,350			
1981	56,108.25	52,100	56,108			
1982	39,997.86	38,702	39,998			
1983	1,254.54	1,210	1,255			
1984	50,934.31	48,703	50,934			
1985	92,625.70	87,976	92,626			
1986	74,284.84	70,184	74,285			
1987	20,058.95	18,869	20,059			
1988	55,741.09	51,951	55,741			
1989	83,290.65	77,177	83,291			
1990	98,157.25	90,216	98,157			

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L2.5						
NET SALVAGE PERCENT.. 0						
1991	8,107.66	7,373	8,108			
1992	29,668.19	26,695	29,668			
1993	20,462.77	18,222	20,463			
1994	53,507.60	47,167	53,508			
1995	71,703.19	62,324	71,703			
1996	32,883.58	28,148	32,637	247	3.28	75
1997	35,224.58	29,652	34,381	844	3.48	243
1998	22,379.15	18,525	21,480	899	3.64	247
1999	21,409.68	17,415	20,193	1,217	3.78	322
2000	6,498.36	5,187	6,014	484	3.92	123
2001	30,317.91	23,696	27,475	2,843	4.05	702
2002	3,719.59	2,847	3,301	419	4.14	101
2003	47,178.73	35,148	40,754	6,425	4.28	1,501
2004	66,887.60	48,306	56,011	10,877	4.42	2,461
2005	14,736.28	10,198	11,824	2,912	4.67	624
2006	28,808.32	18,910	21,926	6,882	4.97	1,385
2007	37,931.66	23,214	26,917	11,015	5.39	2,044
2009	64,652.45	32,404	37,572	27,080	6.47	4,185
2013	15,373.86	3,229	3,744	11,630	9.40	1,237
	1,370,791.87	1,180,475	1,287,018	83,774		15,250
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						5.5 1.11

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2007	56,157.92	47,734	46,959	9,199	1.50	6,133
2008	283,427.93	212,571	209,121	74,307	2.50	29,723
2009	105,386.95	68,502	67,390	37,997	3.50	10,856
2011	3,293.70	1,482	1,458	1,836	5.50	334
2012	82,937.84	29,028	28,556	54,382	6.50	8,366
2013	31,838.36	7,960	7,831	24,007	7.50	3,201
	563,042.70	367,277	361,315	201,728		58,613
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					3.4	10.41

UGI UTILITIES, INC. - GAS DIVISION

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2006	53,248.23	50,586	50,890	2,358	0.50	2,358
2008	14,386.49	10,790	10,855	3,531	2.50	1,412
2009	63,823.07	41,485	41,735	22,088	3.50	6,311
2010	45,540.21	25,047	25,198	20,342	4.50	4,520
2011	96,716.37	43,522	43,784	52,932	5.50	9,624
2012	102,456.20	35,860	36,075	66,381	6.50	10,212
2013	51,777.87	12,944	13,022	38,756	7.50	5,167
2014	172,905.94	25,936	26,092	146,814	8.50	17,272
2015	39,299.63	1,965	1,977	37,323	9.50	3,929
	640,154.01	248,135	249,628	390,526		60,805
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						6.4 9.50

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 3-2019						
NET SALVAGE PERCENT.. 0						
2009	156,908.12	101,990	109,782	47,126	3.50	13,465
2010	2,987.32	1,826	1,966	1,021	3.50	292
	159,895.44	103,816	111,748	48,147		13,757
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.5 8.60

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1996	22,767.43	22,198	9,877	12,890	0.50	12,890
1997	23,206.36	21,466	9,551	13,655	1.50	9,103
2001	25,355.20	18,383	8,179	17,176	5.50	3,123
2003	7,182.75	4,489	1,997	5,186	7.50	691
2004	11,896.38	6,840	3,043	8,853	8.50	1,042
2005	39,965.68	20,982	9,336	30,630	9.50	3,224
2006	2,468.81	1,173	522	1,947	10.50	185
2007	878.14	373	166	712	11.50	62
2008	572.40	215	96	476	12.50	38
2009	4,753.12	1,545	687	4,066	13.50	301
2010	747,318.56	205,513	91,442	655,877	14.50	45,233
	886,364.83	303,177	134,896	751,469		75,892
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						9.9 8.56

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2011	653,875.15	588,488	565,460	88,415	0.50	88,415
2012	6,435.64	4,505	4,329	2,107	1.50	1,405
2013	126,304.80	63,152	60,681	65,624	2.50	26,250
2014	15,124.84	4,537	4,359	10,766	3.50	3,076
2015	13,608.38	1,361	1,308	12,300	4.50	2,733
	815,348.81	662,043	636,137	179,212		121,879
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						1.5 14.95

UGI UTILITIES, INC. - COMMON PLANT

ACCOUNT 392 TRANSPORTATION EQUIPMENT - CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L2.5						
NET SALVAGE PERCENT.. 0						
2004	26,875.84	24,231	26,301	575	1.26	456
2008	22,536.44	17,883	19,411	3,125	1.95	1,603
2014	22,224.80	5,556	6,030	16,194	4.50	3,599
	71,637.08	47,670	51,742	19,895		5,658
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.5 7.90

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1996	13,271.66	12,940	12,973	299	0.50	299
1998	24,630.46	21,552	21,607	3,023	2.50	1,209
1999	6,158.53	5,081	5,094	1,065	3.50	304
2001	3,769.21	2,733	2,740	1,029	5.50	187
2002	6,694.08	4,519	4,531	2,163	6.50	333
2003	22,684.22	14,178	14,215	8,469	7.50	1,129
2004	5,698.56	3,277	3,285	2,414	8.50	284
2007	1,760.05	748	750	1,010	11.50	88
	84,666.77	65,028	65,195	19,472		3,833
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						5.1 4.53

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2011	1,428,496.99	1,285,647	1,293,717	134,780	0.50	134,780
2012	965,686.61	675,981	680,224	285,463	1.50	190,309
2013	621,616.37	310,808	312,759	308,857	2.50	123,543
2014	1,020,522.82	306,157	308,079	712,444	3.50	203,555
2015	1,226,704.17	122,670	123,440	1,103,264	4.50	245,170
	5,263,026.96	2,701,263	2,718,219	2,544,808		897,357
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						2.8 17.05

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CIS SOFTWARE						
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 9-2017						
NET SALVAGE PERCENT.. 0						
2006	255,504.00	211,069	202,995	52,509	2.00	26,254
2007	51,330.00	41,553	39,963	11,367	2.00	5,684
2009	2,512,072.91	1,921,007	1,847,520	664,553	2.00	332,276
	2,818,906.91	2,173,629	2,090,478	728,429		364,214
ALL OTHER						
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2000	802,205.51	802,206	802,206			
2001	3,318,725.54	3,318,726	3,318,726			
2002	1,046,339.42	1,046,339	1,046,339			
2003	438,850.27	438,850	438,850			
2004	1,618,005.93	1,618,006	1,618,006			
2005	418,287.86	418,288	418,288			
2006	2,620,417.61	2,489,397	2,620,418			
2007	3,369,356.05	2,863,953	3,369,356			
2008	259,506.50	194,630	242,016	17,491	2.50	6,996
2009	775,538.10	504,100	626,831	148,707	3.50	42,488
2010	324,586.33	178,522	221,986	102,600	4.50	22,800
2011	24,265.04	10,919	13,577	10,688	5.50	1,943
2012	2,890,937.57	1,011,828	1,258,173	1,632,765	6.50	251,195
2013	431,236.80	107,809	134,057	297,180	7.50	39,624
2014	981,639.65	147,246	183,095	798,544	8.50	93,946
2015	979,404.89	48,970	60,892	918,512	9.50	96,685
	20,299,303.07	15,199,789	16,372,816	3,926,488		555,677
	23,118,209.98	17,373,418	18,463,294	4,654,917		919,891
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						5.1 3.98

UGI UTILITIES, INC. - INFORMATION SERVICES

ACCOUNT 391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2005	867,789.26	607,452	607,986	259,803	4.50	57,734
2006	1,660,897.57	1,051,896	1,052,820	608,078	5.50	110,560
2007	3,042,652.35	1,724,180	1,725,695	1,316,957	6.50	202,609
2008	2,908,998.47	1,454,499	1,455,777	1,453,221	7.50	193,763
2011	457,198.79	137,160	137,280	319,919	10.50	30,468
2012	533,950.04	124,587	124,697	409,253	11.50	35,587
2013	527,925.94	87,989	88,066	439,860	12.50	35,189
2014	495,556.48	49,556	49,599	445,957	13.50	33,034
	10,494,968.90	5,237,319	5,241,920	5,253,048		698,944
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						7.5 6.66

READING SERVICE CENTER - INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES
READING SERVICE CENTER

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
1974	574,897.52	414,461	441,859	133,039	14.21	9,362
1975	7,158.54	5,128	5,467	1,692	14.22	119
1976	1,629.59	1,159	1,236	394	14.23	28
1977	2,106.01	1,488	1,586	520	14.24	37
1978	554.20	389	415	139	14.24	10
1979	6,707.24	4,668	4,977	1,730	14.25	121
1980	28,233.56	19,491	20,779	7,455	14.26	523
1981	44,870.26	30,711	32,741	12,129	14.27	850
1982	427.88	300	320	108	14.14	8
1983	1,273.20	883	941	332	14.26	23
1984	1,922.47	1,322	1,409	513	14.20	36
1985	15,545.14	10,580	11,279	4,266	14.20	300
1986	1,122.78	755	805	318	14.23	22
1987	100.24	67	71	29	14.12	2
1989	40,014.11	25,945	27,660	12,354	14.23	868
1990	23,330.17	14,964	15,953	7,377	14.12	522
1992	95,013.29	58,984	62,883	32,130	14.20	2,263
1993	1,839.65	1,124	1,198	642	14.26	45
1994	27,141.96	16,339	17,419	9,723	14.21	684
1995	4,582.00	2,705	2,884	1,698	14.22	119
1996	248.50	144	154	94	14.17	7
1998	683.50	378	403	280	14.15	20
2000	72,144.40	37,688	40,180	31,964	14.17	2,256
2001	73,338.56	37,109	39,562	33,777	14.15	2,387
2002	5,526.75	2,694	2,872	2,655	14.20	187
2003	201.42	94	100	101	14.17	7
2004	1,508.64	675	720	789	14.21	56
2005	4,812.03	2,046	2,181	2,631	14.19	185
2006	458.13	184	196	262	14.14	19
2007	379,291.04	142,500	151,921	227,370	14.12	16,103
2008	444,898.44	154,157	164,349	280,549	14.15	19,827
2009	14,014.85	4,417	4,709	9,306	14.12	659
2010	2,629.36	739	788	1,841	14.07	131
2011	3,560.30	864	921	2,639	14.05	188

UGI UTILITIES, INC. - INFORMATION SERVICES
 READING SERVICE CENTER

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT SEPTEMBER 30, 2015

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 100-R1						
PROBABLE RETIREMENT YEAR.. 6-2030						
NET SALVAGE PERCENT.. 0						
2012	294.73	59	63	232	13.98	17
2014	5,428.44	535	570	4,858	13.72	354
2015	44,082.18	1,605	1,711	42,371	13.24	3,200
	1,931,591.08	997,351	1,063,282	868,309		61,545
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						14.1 3.19

PART IV. EXPERIENCED NET SALVAGE

GAS PLANT

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2011 TRANSACTION YEAR				
305.00		154,467.00		154,467.00-
375.00	41,712.00			
376.10	1,239,636.00	199,265.00		199,265.00-
376.20	217,723.00	5,480.00		5,480.00-
376.30	444,510.00	10,285.00		10,285.00-
378.00	191,304.00	37,270.00		37,270.00-
380.00	3,059,410.00	1,321,529.00		1,321,529.00-
381.00	371,927.00			
382.00	51,691.00	8,440.00		8,440.00-
383.00		281,192.00		281,192.00-
384.00	119.00	5,772.00		5,772.00-
385.00	3,921.00			
387.00	2,174.00	4,330.00		4,330.00-
390.10	14,925.00			
391.00	210,042.00			
391.10	380,518.00			
394.00	148,133.00			
397.00	6,508.00			
	6,384,253.00	2,028,030.00		2,028,030.00-
2012 TRANSACTION YEAR				
305.00		439,982.00		439,982.00-
376.10	965,846.00	221,790.00		221,790.00-
376.20	210,877.00	122,349.00		122,349.00-
376.30	375,635.00	11,061.00		11,061.00-
378.00	237,165.00	96,905.00	18,148.00	78,757.00-
378.10	1,490,938.00			
380.00	3,662,161.00	1,067,901.00		1,067,901.00-
381.00	917,422.00	13,752.00	11,238.00	2,514.00-
382.00	40,757.00	3,072.00		3,072.00-
383.00		41,383.00		41,383.00-
384.00	164.00	1,357.00		1,357.00-
387.00	7,080.00			
387.10	127,795.00			
390.10	108,894.00	39,977.00		39,977.00-
391.00	488,232.00			
391.10	185,896.00			
392.20	14,405.00			
394.00	53,401.00			
398.00	1,060.00			
	8,887,728.00	2,059,529.00	29,386.00	2,030,143.00-

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2013 TRANSACTION YEAR				
305.00		56,278.00		56,278.00-
376.10	1,114,460.00	350,176.00	40,693.00-	390,869.00-
376.20	347,588.00	169,031.00		169,031.00-
376.30	461,810.00	17,575.00		17,575.00-
378.00	94,284.00	87,047.00	19,268.00	67,779.00-
380.00	5,752,899.00	1,861,217.00	16,310.00	1,844,907.00-
381.00	783,644.00	3,554.00		3,554.00-
382.00	1,697.00	23,765.00		23,765.00-
383.00		21,364.00		21,364.00-
384.00	287.00	3,620.00		3,620.00-
390.10		21,204.00		21,204.00-
391.00	51,861.00			
391.10	142,175.00			
392.20		10.00	4,509.00	4,499.00
394.00	30,020.00	965.00-	12,050.00	13,015.00
398.00	111,923.00			
	8,892,648.00	2,613,876.00	11,444.00	2,602,432.00-
2014 TRANSACTION YEAR				
305.00		223,599.00		223,599.00-
376.10	775,573.00	108,084.00	3,004.00-	111,088.00-
376.20	281,809.00	155,935.00		155,935.00-
376.30	630,903.00	28,517.00		28,517.00-
378.00	82,900.00	66,952.00	27,231.00	39,721.00-
380.00	7,425,348.00	4,210,886.00		4,210,886.00-
381.00	800,494.00			
382.00	287.00	11,418.00		11,418.00-
383.00		266.00		266.00-
384.00	55.00	19,227.00		19,227.00-
390.10		91,839.00		91,839.00-
391.00	297,873.00			
391.10	90,547.00			
392.20			8,445.00	8,445.00
394.00	101,885.00			
396.00	6,152.00			
397.00	1,044.00			
	10,494,870.00	4,916,723.00	32,672.00	4,884,051.00-

UGI UTILITIES, INC. - GAS DIVISION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2015 TRANSACTION YEAR				
305.00		206,178.00		206,178.00-
376.10	1,330,604.00	36,113.00		36,113.00-
376.20	205,693.00	182,638.00		182,638.00-
376.30	428,255.00	73,057.00		73,057.00-
378.00	136,104.00	125,153.00	30,924.00	94,229.00-
380.00	6,048,284.00	4,358,882.00		4,358,882.00-
381.00	839,723.00			
382.00	290.00	6,395.00		6,395.00-
383.00		793,334.00		793,334.00-
384.00	45.00	4,676.00		4,676.00-
386.30		2,588.00		2,588.00-
390.10		244,059.00		244,059.00-
390.20	229,762.00			
391.00	247,136.00			
392.20	14,163.00		2,963.00	2,963.00
394.00	163,099.00			
396.00	14,278.00			
398.00	2,080.00			
	9,659,516.00	6,033,073.00	33,887.00	5,999,186.00-
TOTAL	44,319,015.00	17,651,231.00	107,389.00	17,543,842.00-

COMMON PLANT

UGI UTILITIES, INC. - COMMON PLANT

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2011 TRANSACTION YEAR				
391.00			366,822.00	366,822.00
391.10	47,951.00			
	47,951.00		366,822.00	366,822.00
2012 TRANSACTION YEAR				
391.10	31,128.00			
	31,128.00			
2013 TRANSACTION YEAR				
391.10	23,992.00			
	23,992.00			
2014 TRANSACTION YEAR				
391.00	4,540.00			
391.10	12,429.00			
	16,969.00			
2015 TRANSACTION YEAR				
390.20	1,448,677.00			
391.00	812,862.00			
391.10	93,647.00			
	2,355,186.00			
TOTAL	2,475,226.00		366,822.00	366,822.00

INFORMATION SERVICES

UGI UTILITIES, INC. - INFORMATION SERVICES

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2011 TRANSACTION YEAR				
391.00	14,202.00			
391.10	1,260,520.00			
	1,274,722.00			
2012 TRANSACTION YEAR				
391.10	670,272.00			
398.00	2,008.00			
	672,280.00			
2013 TRANSACTION YEAR				
391.00	22,224.00			
391.10	1,692,864.00			
	1,715,088.00			
2014 TRANSACTION YEAR				
391.00	4,810.00			
391.10	781,032.00			
	785,842.00			
2015 TRANSACTION YEAR				
391.00	36,527.00			
391.10	925,747.00			
	962,274.00			
TOTAL	5,410,206.00			

BOOK IX

UGI Gas Exhibits D, D-1 and D-2

Witness: P.R. Herbert

UGI UTILITIES, INC. - GAS DIVISION

DOCKET NO. R-2015-2518438

COST OF SERVICE ALLOCATION STUDY AS OF SEPTEMBER 30, 2017



*Excellence Delivered **As Promised***

UGI Gas Exhibit D
Witness: P.R. Herbert

UGI UTILITIES, INC. - GAS DIVISION

Docket No. R-2015-2518438

COST OF SERVICE ALLOCATION STUDY

AS OF SEPTEMBER 30, 2017

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Harrisburg, Pennsylvania



Gannett Fleming

*Excellence Delivered **As Promised***

January 18, 2016

UGI Utilities, Inc. - Gas Division
2525 N. 12th Street
P.O. Box 12677
Reading, PA 19612-2677

Attention Mr. Paul J. Szykman
Vice President - Rates and Government Relations

ii Ladies and Gentlemen:

Pursuant to your request, we have prepared a cost of service allocation study based on pro forma revenue requirements for the twelve months ended September 30, 2017.

The attached report presents the results of the study, as well as supporting schedules which set forth the detailed allocation calculations. Schedule A, on page 5, presents a comparison of the cost of service by service classification with the revenues produced by each classification under present and proposed rates.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

PAUL R. HERBERT
President

PRH:krm

060799.200

Gannett Fleming Valuation and Rate Consultants, LLC

P.O. Box 67100 • Harrisburg, PA 17106-7100 | 207 Senate Avenue • Camp Hill, PA 17011
t: 717.763.7211 • f: 717.763.4590

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PART I. INTRODUCTION

UGI UTILITIES, INC. - GAS DIVISION
COST OF SERVICE ALLOCATION STUDY
AS OF SEPTEMBER 30, 2017

PART I. INTRODUCTION

PLAN OF REPORT

The report sets forth the results of the cost of service allocation study prepared for UGI Utilities, Inc. - Gas Division, based on the twelve months ended September 30, 2017 (FPFTY). Part I, Introduction, includes statements with respect to the basis of the study, the procedures employed, and a summary of the results of the study. Part II, Cost of Service by Service Classification, presents the detailed schedules of the allocation of costs to service classifications, the bases for the allocations, and the development of certain customer and demand costs.

BASIS OF THE STUDY

The purpose of the study was to allocate costs to the several customer classifications based on considerations of quantity of gas consumed; sales and transportation; demand characteristics; and costs associated with metering, billing, and accounting. The allocation study was based on recognized procedures for allocating costs to customer classifications in proportion to each classification's use of the facilities, commodity, and services which entail the total cost of providing gas service.

ALLOCATION PROCEDURES

The allocation study was based on the Average and Extra Demand Method for allocating costs to service classifications. The method is identified as the "Average and Excess Demand Method" in "Gas Rate Fundamentals," (published in 1987 by the

American Gas Association's Rate Committee) in which it is described. The three basic categories of cost responsibility are commodity, capacity, and customer costs. In the Average and Extra Demand Method, the capacity costs are allocated to service classifications on a combined basis of average use and use above average at peak demands. The following presents a brief discussion of costs and the manner in which they were allocated.

Commodity Costs are the costs that tend to vary with the quantity of gas used. Commodity costs in this study include production plant expenses and associated costs. Commodity costs were allocated to service classifications on the basis of average daily sales volumes.

Capacity Costs are costs associated with meeting the peak demands of the system. Capacity costs attributable to sales and transportation service include Distribution expenses and capital costs not associated with the customer costs category. The capacity costs were allocated to service classifications on a combined basis of average use and extra demand (demand in excess of average use). For presentation purposes, the commodity and capacity costs are combined into the volumetric function for each classification.

Customer Costs are costs associated with serving customers regardless of their usage or demand characteristics. Customer costs include the expenses and capital costs related to meters, regulators, and services and expenses related to meter reading and billing. The customer costs were allocated to service classifications on the bases of the number of meters, services and customers.

The allocation of costs to service classifications and the bases for the allocations are presented in Part II, Cost of Service by Service Classification.

RESULTS OF STUDY

The data summarized in Schedule A, "Comparison of Cost of Service with Revenues Under Present and Proposed Rates by Service Classification for the Twelve Months Ended September 30, 2017," constitute the principal results of the allocation study. Schedules B through F in Part II of the report present the details of the allocation of costs of service, including the return based on the allocated measure of value, by service classification as well as the bases for the allocation factors.

Schedule G presents the development of customer costs per bill by service classification. Schedule H presents a cost analysis of the LFD and XD Service demand charges.

UGI UTILITIES, INC. - GAS DIVISION

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
BY SERVICE CLASSIFICATION FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017
WITHOUT GAS COSTS

Service Classification (1)	Pro Forma Cost of Service		Pro Forma Margin Revenues,		Under Proposed Rates		Revenue Increase	
	Amount (2)	Percent (3)	Under Present Rates Amount (4)	Percent (5)	Under Proposed Rates Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Rate R	\$ 181,619,912	66.2%	\$ 108,668,733 *	50.2%	\$ 152,001,162	55.4%	\$ 43,332,429	39.9%
Rate N	63,565,994	23.1%	55,100,277	25.5%	67,596,056	24.6%	12,495,779	22.7%
Rate DS	6,861,940	2.5%	10,602,234	4.9%	11,583,714	4.2%	981,480	9.3%
Rate LFD	10,692,747	3.9%	25,008,284	11.6%	26,762,521	9.7%	1,754,237	7.0%
Rate XD Firm	3,421,615	1.2%	11,785,496	5.5%	11,785,496	4.3%	-	0.0%
Interruptible	8,467,746	3.1%	4,900,000	2.3%	4,900,000	1.8%	-	0.0%
Total	\$ 274,629,954	100.0%	\$ 216,065,024	100.0%	\$ 274,628,950	100.0%	\$ 58,563,925	27.1%
Other Operating Revenues	4,480,000		4,480,000		4,480,000		0	
Total	\$279,109,954		\$220,545,024		\$279,108,950		\$58,563,925	26.6%

* Includes GL.

PART II. COST OF SERVICE
BY SERVICE CLASSIFICATION

UGI UTILITIES, INC. - GAS DIVISION

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PRESENT RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	\$ 216,065,024	\$ 108,668,733	\$ 55,100,277	\$ 10,602,234	\$ 25,008,284	\$ 11,785,496	\$ 4,900,000
2. Other Revenues	4,480,001	2,849,807	1,310,476	235,676	39,628	12,388	32,026
3. Total Operating Revenues	220,545,025	111,518,540	56,410,753	10,837,910	25,047,912	11,797,884	4,932,026
4. Less: Operating Expenses	164,808,952	112,105,589	36,352,198	3,693,136	5,995,168	2,003,327	4,659,534
5. Return and Income Taxes	55,736,073	(587,049)	20,058,555	7,144,774	19,052,744	9,794,557	272,492
6. Less: Interest Expense	20,044,000	12,611,685	5,053,092	603,324	837,839	256,563	681,496
7. Taxable Income	35,692,073	(13,198,734)	15,005,463	6,541,450	18,214,905	9,537,994	(409,004)
8. Less: Income Taxes	13,962,000	(5,161,751)	5,869,625	2,559,235	7,124,809	3,730,646	(160,563)
9. Net Return (Ln 5 - Ln 8)	41,774,073	4,574,702	14,188,930	4,585,539	11,927,935	6,063,911	433,055
10. Original Cost Measure of Value (Factor 15.)	923,709,059	581,312,395	232,852,117	27,795,706	38,595,796	11,791,007	31,362,038
11. Rate of Return, Percent	4.52%	0.79%	6.09%	16.50%	30.90%	51.43%	1.38%
12. Relative Rate of Return	1.00	0.17	1.35	3.65	6.83	11.37	0.31

UGI UTILITIES, INC. - GAS DIVISION

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PROPOSED RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	274,628,950	\$ 152,001,162	\$ 67,596,056	\$ 11,583,714	\$ 26,762,521	\$ 11,785,496	\$ 4,900,000
2. Other Revenues	4,480,001	2,845,252	1,313,241	236,509	40,123	12,355	32,521
3. Total Operating Revenues	279,108,951	154,846,414	68,909,297	11,820,223	26,802,644	11,797,851	4,932,521
4. Less: Operating Expenses	165,785,954	113,150,370	36,321,587	3,687,396	5,984,595	1,994,755	4,647,251
5. Return and Income Taxes	113,322,997	41,696,044	32,587,710	8,132,827	20,818,049	9,803,096	285,270
6. Less: Interest Expense	20,044,000	12,613,689	5,051,088	603,324	837,839	256,563	681,496
7. Taxable Income	93,278,997	29,082,355	27,536,622	7,529,503	19,980,210	9,546,533	(396,226)
8. Less: Income Taxes	37,857,000	11,803,813	11,175,386	3,055,060	8,108,969	3,872,771	(158,999)
9. Net Return (Ln 5 - Ln 8)	75,465,997	29,892,231	21,412,324	5,077,767	12,709,080	5,930,325	444,269
10. Original Cost Measure of Value (Factor 15.)	923,709,064	581,399,088	232,770,455	27,780,388	38,606,047	11,780,795	31,372,291
11. Rate of Return, Percent	8.17%	5.14%	9.20%	18.28%	32.92%	50.34%	1.42%
12. Relative Rate of Return	1.00	0.63	1.13	2.24	4.03	6.16	0.17

UGI UTILITIES, INC. - GAS DIVISION
SUMMARY OF COST OF SERVICE BY SERVICE CLASSIFICATION

Cost Function (1)	Cost of Service (Schedule E) (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD Firm (7)	Interruptible (8)
<u>Volumetric Costs</u>							
Rate R	\$ 60,943,699	\$ 60,943,699					
Rate N	35,368,225		\$ 35,368,225				
Rate DS	5,938,246			\$ 5,938,246			
Rate LFD	8,681,850				\$ 8,681,850		
Rate XD Firm	3,244,864					\$ 3,244,864	
Rate IS/IL	7,938,217						\$ 7,938,217
Total Volumetric Costs	122,115,101	60,943,699	35,368,225	5,938,246	8,681,850	3,244,864	7,938,217
<u>Customer Costs</u>							
Rate R	\$ 120,676,213	\$ 120,676,213					
Rate N	28,197,769		\$ 28,197,769				
Rate DS	923,694			\$ 923,694			
Rate LFD	2,010,897				\$ 2,010,897		
Rate XD Firm	176,751					\$ 176,751	
Rate IS/IL	529,529						\$ 529,529
Total Customer Costs	152,514,853	120,676,213	28,197,769	923,694	2,010,897	176,751	529,529
Total Excluding Gas Costs	\$ 274,629,954	\$ 181,619,912	\$ 63,565,994	\$ 6,861,940	\$ 10,692,747	\$ 3,421,615	\$ 8,467,746

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Factor Ref.	Account (1)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
OPERATION AND MAINTENANCE EXPENSES														
NATURAL GAS PRODUCTION EXPENSES														
	710	Manufactured Gas Production Expenses												
	717	Operation Supervision and Engineering												
		Total Production Labor and Expenses												
	725-736	Total Gas Fuels Expenses												
	740-742	Total Gas Raw Materials Expenses	50,259	17,741										
		Total Operation	50,259	17,741										
		Production and Gathering												
	750 - 760	Total Production & Gathering Operation Exps.												
	761 - 769	Total Production & Gathering Maintenance Exps.												
	770 - 783	Total Products Extraction Operation Expenses												
	784 - 791	Total Products Extraction Maintenance Expenses												
		Total Production Expenses												
		Other Gas Supply Expenses												
	800 - 803	Natural Gas Transmission Line Purchases												
	804	Natural Gas City Gate Purchases												
	813	Other Gas Supply Expenses												
		Total Other Gas Supply Expenses												
		Total Natural Gas Production Expenses	50,259	17,741										
		OTHER STORAGE EXPENSE												
	840	Operating Supervision and Engineering												
	841	Operation Labor and Expenses												
	342 - 842.3	Other Operations Expense												
		Total Natural Gas Storage Expense												
		TRANSMISSION EXPENSE												
	850 - 860	Total Transmission Operation Expenses												
	861 - 867	Total Transmission Maintenance Expenses												
		Total Transmission Expense												
		DISTRIBUTION EXPENSES												
		Operation												
	870	Supervision And Engineering	2,402,000	471,993	50,202	74,462	43,476	88,153	873,367	431,399	15,373	50,682	4,564	6,245
	871	Distribution Load Dispatching	554,000	207,362	20,886	36,121	53,876	97,559						
	872	Compressor Station Labor and Expenses												
	873	Compressor Station Fuel and Power												
	874	Mains And Services Expenses	1,000	186	27	119	142	411						
		Mains - Small												
	17	Mains - Large	2,077,287	1,103,455	120,275	56,294	114,251	114,251						
	6C	Services	3,169,713	1,441,269	152,780	337,257	126,472	220,295						
	4a	M & R Station Expenses - General	5,247,000	891,640										
	4a	M & R Station Expenses - Industrial	425,000	159,078										
	6B	M & R Station Expenses - City Gate Station	417,000	98,345	16,023	27,710	49,003	74,843	4,510,321	636,461	41,451	32,531	3,673	22,562
	4a	Meter and House Regulator Expenses	348,000	80,527										
	6	Customer Installations Expenses	1,959,000	130,256	13,120	22,690	40,124	61,283		97,203		294,027	25,103	667
	6	Other Expenses	1,281,000											
	10	Rents	2,527,000	498,556	52,814	78,337	45,739	92,741	676,443	1,237,500	34,674			10,383
	880		13,559	8,390	1,442	2,139	1,249	2,532	442,329	809,208	22,674			6,789
	881		69,000	8,390	1,442	2,139	1,249	2,532	918,817	453,849	16,173	53,320	4,801	6,570
		Total Operation	20,477,000	4,023,714	427,569	635,129	370,081	752,088	7,446,365	3,678,012	130,767	432,016	39,272	53,395

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
Maintenance														
885 Supervision - Engineering and Labor	11	786,000	320,138	198,072	34,270	49,754	18,707	45,745	77,342	30,811	1,179	8,646	786	550
886 Structures & Improvements	18	3,000	1,453	899	227	74	192							
887 Mains - Small	5	5,287,245	1,738,446	306,131	143,284		290,798	560,709						
888 Mains - Large	17	8,067,756	2,269,460	388,866	858,409	321,903								
889 Maintenance of Compressor Station Equipment	4	167,000	38,644	6,296	10,888	19,255	29,409							
890 M & R Equip - General	4a	242,000	100,890	16,437	28,427	50,271	76,780					170,634	14,568	387
891 M & R Equip - City Gate	4b	436,000												
892 Services	6	1,640,000							1,409,744	198,932	12,956	10,168	1,148	7,052
893 Meters & House Regulators	6	617,000							213,050	389,759	10,921			3,270
894 Other Expenses	11	102,000	41,545	25,704	6,457	2,428	5,936		10,037	3,998	153	1,122	102	71
895 Construction and Maintenance	11	(176,000)	(71,685)	(44,352)	(7,674)	(11,141)	(10,243)		(17,318)	(6,899)	(264)	(1,936)	(176)	(123)
Total Maintenance		17,172,001	6,994,148	4,327,763	748,929	1,086,305	408,449	999,326	1,692,855	673,011	24,945	188,634	16,428	11,207
Total Distribution Expenses		37,649,001	11,017,862	6,817,355	1,176,498	1,721,434	778,530	1,751,394	9,139,220	4,351,023	155,732	620,650	54,700	64,602
CUSTOMER ACCOUNTING EXPENSES														
Operation														
901 Supervision	7	425,000							381,395	42,075	638	510	43	340
902 Meter Reading Expenses	7	1,001,000							898,297	99,099	1,502	1,201	100	801
903 Customer Records & Coif Expenses	7	13,681,000							12,277,329	1,354,419	20,522	16,417	1,368	10,945
904 Uncollectible Accounts	19	5,611,000	1,781,484	134,987					3,372,781	217,384	33,666	44,327		26,372
905 Miscellaneous Cust Accts Expenses	7	359,000							321,269	35,442	537	430	36	286
Total Customer Accounting Expenses		21,076,000	1,781,484	134,987					17,251,071	1,748,419	56,865	62,885	1,547	38,744
CUSTOMER SERVICE AND INFORMATION EXPENSES														
Operation														
907 Supervision	7	184,000							147,173	16,236	246	197	16	131
908 Customer Assistance Expenses	9	1,308,000							1,308,000					
909 Informational and Instructional Advertising	7	721,000							647,025	71,379	1,062	865	72	577
910 Miscellaneous Customer Service & Informational E	7	116,000							104,096	11,484	174	139	12	93
Total Customer Service & Info Expenses		2,309,000							2,206,296	99,099	1,502	1,201	100	801
SALES EXPENSES														
Operation														
911 Supervision	8	3,635,000							3,274,045	360,956				
912 Demonstrating and Selling Expenses	8	111,000							99,978	11,022				
913 Advertising Expenses	8	104,000							93,673	10,327				
916 Miscellaneous	8	3,850,000							3,467,696	382,305				
Total Sales Expenses														
ADMINISTRATIVE AND GENERAL EXPENSES														
Operation														
920 Administrative & General Salaries	12	9,956,000	1,964,713	1,067,498	180,240	263,887	119,496	268,866	4,920,248	1,009,741	32,861	105,565	8,962	15,933
921 Office Supplies and Expenses	12	9,639,000	1,901,775	1,033,301	174,466	255,434	115,668	260,253	4,762,630	977,395	31,809	102,173	8,675	15,422
923 Outside Services Employed - Other	12	9,243,000	1,823,644	990,850	167,298	244,940	110,916	249,561	4,566,966	937,240	30,520	97,976	8,319	14,789
924 Property Damage Insurance	12	195,000	38,474	20,904	3,530	5,168	2,340	5,265	96,350	19,773	644	2,087	176	312
925 Injuries and Damages	12	7,041,000	1,389,189	754,795	127,442	186,587	84,482	190,107	3,478,958	713,957	23,235	74,695	6,337	11,266
926 Employee Pensions and Benefits	13	11,272,000	2,048,122	1,216,249	207,405	304,344	162,172	329,015	5,332,763	1,472,123	45,088	135,264	11,272	19,162
928 Regulatory Commission Expenses	16	628,000	137,565	79,819	13,376	19,584	7,348	17,898	277,576	66,128	2,575	4,522	377	1,193
929 Miscellaneous General Expenses	12	678,000	133,789	72,662	12,272	17,967	8,136	18,306	335,000	68,749	2,237	7,187	610	1,085
930 Miscellaneous Company Charges	12	1,517,000	299,304	162,622	27,468	40,201	18,204	40,959	749,550	153,824	5,066	16,080	1,365	2,427
931 Other	12	277,000	54,652	29,694	5,014	7,341	3,324	7,479	136,866	28,088	914	2,936	249	443
Total Operation		50,448,000	9,791,237	5,428,414	918,501	1,345,463	622,086	1,386,709	24,656,927	5,447,018	174,871	548,395	46,342	82,032

UG UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Factor Ref.	Account	Cost of Service	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
932	Maintenance	1,435,000	289,126	153,882	25,974	38,028	17,220	38,745	709,034	145,509	4,736	15,211	1,292	2,296
935	Maintenance of General Plant	12,000	2,368	1,286	217	318	144	324	5,929	1,217	40	127	11	19
	Total Maintenance	1,447,000	285,494	155,118	26,191	38,346	17,364	39,069	714,963	146,726	4,776	15,338	1,303	2,315
	Total Administrative & General Expenses	51,895,000	10,076,731	5,583,532	944,692	1,383,809	639,460	1,425,778	25,371,890	5,593,744	179,647	563,733	47,645	84,347
	Total Operation and Maintenance Expenses	116,847,001	22,928,336	12,553,615	2,121,190	3,105,243	1,417,980	3,177,172	57,436,173	12,174,590	393,746	1,248,469	103,992	188,494
DEPRECIATION AND AMORTIZATION EXPENSE														
DISTRIBUTION PLANT														
305	Manufactured Gas Plant Site Remediation	207,811	153,593	54,218	-	-	-	-	-	-	-	-	-	-
375	Structures And Improvements	27,612	13,370	8,273	1,436	2,093	676	1,764	-	-	-	-	-	-
376	Mains - Small	5,007,323	2,659,890	1,646,408	289,924	135,698	-	275,403	-	-	-	-	-	-
4	Mains - Large	7,640,626	3,623,949	2,241,760	384,323	848,109	-	542,484	-	-	-	-	-	-
DA	Mains - Direct Assign	310,359	-	-	-	-	301,344	9,015	-	-	-	-	-	-
378	Measuring & Regulating Equipment - General	1,128,978	546,651	338,242	58,707	85,577	27,660	72,142	-	-	-	-	-	-
378	Measuring & Regulating Equipment - SCADA	107,140	51,877	32,099	8,121	12,142	2,625	6,846	-	-	-	-	-	-
379	Measuring & Regulating Equipment - City Gate	88,508	42,856	26,517	4,802	6,709	2,168	5,656	-	-	-	-	-	-
380	Services	18,440,532	-	-	-	-	-	-	-	-	-	-	-	-
381	Meters	1,553,801	-	-	-	-	-	-	15,851,481	2,236,837	145,680	114,331	12,908	79,284
381.2	Electronic Meters	445,841	-	-	-	-	-	-	536,527	981,536	27,502	-	-	8,235
382	Meter Installations	1,578,782	-	-	-	-	-	-	153,949	281,638	7,891	-	-	2,363
383	House Regulators	404,313	-	-	-	-	-	-	545,152	987,317	27,944	-	-	8,368
384	House Regulator Installations	268,996	-	-	-	-	-	-	139,609	255,405	7,156	-	-	2,143
385	Industrial Measuring & Regulating Equipment	128,680	-	-	-	-	-	-	92,884	169,925	4,761	-	-	1,426
386	Other Property on Customer Premises	23,414	-	-	-	-	-	-	29,995	29,995	-	-	-	206
387	Other Equipment	105,852	20,800	12,872	2,212	3,281	1,916	3,885	8,085	14,791	414	-	-	124
387.1	Other Equipment	4,539	892	552	95	141	82	167	1,651	19,011	677	2,233	201	275
	Total Distribution Plant	37,473,107	7,113,878	4,360,941	746,870	1,089,729	336,471	917,362	17,367,826	4,987,270	222,054	207,392	20,865	102,446
GENERAL PLANT														
380	Structures And Improvements	1,124,899	221,943	120,589	20,361	29,810	13,499	30,372	555,813	114,065	3,712	11,924	1,012	1,800
391	Office Furniture And Equipment	109,370	21,579	11,724	1,980	2,898	1,312	2,953	54,040	11,090	361	1,159	98	175
392	Transportation Equipment	80,541	15,891	8,634	1,458	2,134	966	816	39,795	8,167	266	854	72	129
394	Tools, Shop And Garage Equipment	501,958	99,036	53,810	9,085	13,302	6,023	13,553	248,017	50,889	1,656	5,321	452	803
396	Power Operated Equipment	8,536	1,684	915	155	226	102	230	4,218	866	28	90	8	14
397	Communication Equipment	40,154	7,921	4,305	727	1,064	482	1,084	19,840	4,072	133	426	36	64
398	Miscellaneous Equipment	85,585	16,886	9,175	1,549	2,268	1,027	2,311	42,288	8,678	282	907	77	137
399	Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total General Plant	1,951,043	384,939	209,152	35,315	51,702	23,411	52,678	964,011	197,837	6,438	20,681	1,755	3,122
COMMON PLANT ALLOCATED @ 15.36%														
390.2	Structures and Improvements	2,114	417	227	38	56	25	57	1,045	214	7	22	2	3
391	Office Furniture and Equipment	14,784	2,917	1,585	268	392	177	389	7,305	1,499	49	157	13	24
392.1	Transportation Equipment	533	105	57	10	14	6	14	263	54	2	6	1	1
	Total Common Plant	17,431	3,439	1,869	316	462	208	470	8,613	1,767	58	185	15	28
INFORMATION SERVICES (IS) ALLOCATED @ 48.83%														
391	Office Furniture and Equipment	1,556,244	307,047	166,829	28,168	41,240	18,675	42,019	768,940	157,803	5,136	16,486	1,401	2,490
391.1	Office Furniture and Equip. - New CIS Software	2,867,057	307,047	166,829	28,168	41,240	18,675	42,019	2,572,906	283,840	4,301	3,440	287	2,294
	Total Information Services	4,423,311	307,047	166,829	28,168	41,240	18,675	42,019	3,341,846	441,643	9,437	19,936	1,688	4,784
Less:														
390.1	Amount Charged to Clearing Accounts	(637,000)	(125,680)	(68,286)	(11,530)	(16,881)	(7,644)	(17,199)	(314,742)	(64,592)	(2,102)	(6,752)	(573)	(1,019)
	Struct. & Imps.-Reading Service Center @ 51.74%	(38,944)	(7,684)	(4,175)	(705)	(1,032)	(467)	(1,051)	(19,242)	(3,949)	(129)	(413)	(35)	(62)
	Total Depreciation & Amortization Expense	43,188,948	7,675,939	4,666,330	798,434	1,165,220	370,654	994,279	21,348,312	5,559,976	235,756	241,029	23,715	109,299

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Factor Ref.	Account	Cost of Service	Volumetric Costs						Customer Costs								
			(2)	(1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TAXES OTHER THAN INCOME TAXES																
15	408.10 Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	408.10 County and Municipal Taxes	177,000	38,780	22,497	3,770	5,522	2,071	5,045	78,234	18,638	726	1,274	106	336			
13	408.10 Payroll Related Tax	3,397,000	617,235	366,536	62,505	91,719	45,860	98,853	1,607,121	443,648	13,588	40,764	3,397	5,775			
16	408.10 Public Utility Assessment	1,663,000	364,363	211,367	35,422	51,886	19,457	47,396	735,046	175,114	6,818	11,974	998	3,160			
15	408.10 Public Utility Realty Tax	513,000	133,072	79,618	13,235	19,340	6,310	16,416	189,759	49,668	2,206	2,155	205	1,026			
16	408.10 Miscellaneous Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Total Taxes Other Than Income	5,750,000	1,153,450	680,018	114,932	158,467	73,698	167,710	2,610,160	687,058	23,338	56,167	4,706	10,297			
	Total Operating Expenses	165,785,949	31,755,725	17,899,963	3,034,556	4,438,930	1,862,342	4,339,161	81,394,645	18,421,624	652,840	1,545,665	132,413	308,090			
	INCOME TAXES																
15		37,857,000	9,820,107	5,875,406	976,711	1,427,209	465,641	1,211,424	14,003,304	3,664,558	162,785	158,989	15,143	75,714			
15	OPERATING INCOME AVAILABLE FOR RETURN	75,467,000	19,576,140	11,712,478	1,947,049	2,845,106	928,244	2,414,944	27,915,243	7,305,206	324,508	316,951	30,187	150,934			
	TOTAL COST OF SERVICE	279,109,949	61,151,972	35,487,847	5,958,316	8,711,245	3,256,227	7,965,529	123,313,192	29,391,388	1,140,133	2,021,625	177,743	534,738			
	Less: Other Revenues																
6C	Reconnection Charges	517,000	-	-	-	-	-	-	444,413	62,712	4,084	3,205	362	2,223			
12	Rent From Gas Property	165,000	32,555	17,688	2,987	4,373	1,980	4,455	81,527	16,731	545	1,749	149	264			
20	Forfeited Discounts/Penalties	2,996,000	-	-	-	-	-	-	1,796,555	1,029,725	208,522	-	-	1,198			
16	Other Miscellaneous Revenues	802,000	175,718	101,934	17,083	25,022	9,383	22,857	354,484	84,451	3,288	5,774	481	1,524			
	Subtotal	4,480,000	208,273	119,622	20,070	29,395	11,363	27,312	2,636,879	1,193,619	216,439	10,728	992	5,209			
	TOTAL COST OF SERVICE RELATED TO TARIFF SALES AND TRANSPORTATION	\$ 274,629,949	\$ 60,943,699	\$ 35,368,225	\$ 5,838,246	\$ 8,681,850	\$ 3,244,864	\$ 7,938,217	\$ 120,676,213	\$ 28,197,769	\$ 923,694	\$ 2,010,897	\$ 176,751	\$ 529,529			

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 1. ALLOCATION OF COSTS WHICH VARY DIRECTLY WITH PGC SALES.

Factors are based on the pro forma average daily PGC sales volumes for each service classification.

<u>Service Classification</u> (1)	<u>Pro Forma Average Daily PGC Volumes (Mcf)</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	52,240	0.7391
Rate N	18,444	0.2609
Rate DS	-	-
Rate LFD	-	-
Rate XD	-	-
Interruptible	-	-
	<hr/>	<hr/>
Total	<u>70,684</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 2 . ALLOCATION OF COMPRESSOR STATION FUEL.

Factors are based on the pro forma average daily throughput volumes for each service classification.

<u>Service Classification</u> (1)	<u>Pro Forma Average Daily Throughput Volumes (Mcf)</u> (2)	<u>Allocation Factor 2</u> (3)
<u>Volumetric Costs</u>		
Rate R	62,313	0.1859
Rate N	38,743	0.1155
Rate DS	8,875	0.0265
Rate LFD	39,903	0.1190
Rate XD Firm	47,722	0.1423
Interruptible	<u>137,744</u>	<u>0.4108</u>
Total	<u><u>335,300</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 3. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS.

Factors are based on the maximum day extra demand throughput for each classification.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3	Allocation Factor 3A
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(5)
<u>Volumetric Costs</u>					
Rate R	62,313	363,772	301,459	0.5157	0.5698
Rate N	38,743	224,930	186,187	0.3185	0.3519
Rate DS	8,875	35,791	26,916	0.0460	0.0509
Rate LFD	39,903	54,422	14,519	0.0248	0.0274
Subtotal	149,834	678,915	529,081	0.9050	1.0000
Rate XD Firm	47,722	103,283	55,561	0.0950	-
Total	197,556	782,198	584,642	1.0000	1.0000

FACTOR 3B. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS FOR SMALL MAINS ALLOCATION.

Factors are based on the maximum day extra demand throughput for each classification, excluding XD and Interruptible classifications.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3B
(1)	(2)	(3)	(4)=(3)-(2)	(5)
<u>Volumetric Costs</u>				
Rate R	62,313	363,772	301,459	0.5828
Rate N	38,743	224,930	186,187	0.3599
Rate DS	8,875	35,791	26,916	0.0520
Rate LFD	7,582	10,340	2,758	0.0053
Total	117,513	634,833	517,320	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH LARGE DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 4 (7)=(4)+(6)
	Interruptible	Allocation Factor	Weighted Factor*	Allocation Factor 3A	Weighted Factor	
(1)	(2)	(3)	(4)=(3)x 0.4287	(5)	(6)=(5)x 0.5713	(7)=(4)+(6)
<u>Volumetric Costs</u>						
Rate R	62,313	0.3470	0.1488	0.5698	0.3255	0.4743
Rate N	38,743	0.2157	0.0924	0.3519	0.2010	0.2934
Rate DS	8,875	0.0494	0.0212	0.0509	0.0291	0.0503
Rate LFD	39,903	0.2222	0.0953	0.0274	0.0157	0.1110
Rate XD Firm Interruptible	29,762	0.1657	0.0710	-	-	0.0710
Total	179,596	1.0000	0.4287	1.0000	0.5713	1.0000

* The weighting of the factors is based on the percentage of average daily throughput of 335,300 mcf divided by peak day demand of 782,198 mcf. $(335,300 / 782,198 = 42.87\%)$

FACTOR 4A. ALLOCATION OF COSTS ASSOCIATED WITH LOAD DISPATCHING AND M&R STATION EQUIPMENT.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Throughput	Average Daily Throughput		Maximum Day Extra Demand		Allocation Factor (7)=(4)+(6)
		Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	
(1)	(2)	(3)	(4)=(3)x 0.4287	(5)	(6)=(5)x 0.5713	(7)=(4)+(6)
<u>Volumetric</u>						
Rate R	62,313	0.1859	0.0798	0.5157	0.2945	0.3743
Rate N	38,743	0.1155	0.0494	0.3185	0.1820	0.2314
Rate DS	8,875	0.0265	0.0114	0.0460	0.0263	0.0377
Rate LFD	39,903	0.1190	0.0510	0.0248	0.0142	0.0652
Rate XD-Firm Interruptible	47,722 137,744	0.1423 0.4108	0.0610 0.1761	0.0950 -	0.0543 -	0.1153 0.1761
Total	335,300	1.0000	0.4287	1.0000	0.5713	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH SMALL DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification (1)	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 5 (7)
	Volumes (Mcf) (2)	Allocation Factor (3)	Weighted Factor (4)=(3)x 0.4287	Allocation Factor 3B (5)	Weighted Factor (6)=(5)x 0.5713	
<u>Volumetric Costs</u>						
Rate R	62,313	0.4624	0.1982	0.5828	0.3330	0.5312
Rate N	38,743	0.2874	0.1232	0.3599	0.2056	0.3288
Rate DS	8,875	0.0658	0.0282	0.0520	0.0297	0.0579
Rate LFD	7,582	0.0562	0.0241	0.0053	0.0030	0.0271
Rate XD - Firm Interruptible (IS)	17,284	-	-	-	-	-
		0.1282	0.0550	-	-	0.0550
Total	134,797	1.0000	0.4287	1.0000	0.5713	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH ACCOUNT 381, METERS.

Factors are based on the cost of meters by class included in Account 381, Meters.

<u>Service Classification</u> (1)	<u>Cost of Meters</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 15,645,801	0.3453
Rate N	28,616,967	0.6317
Rate DS	800,115	0.0177
Rate LFD	-	-
Interruptible	<u>240,109</u>	<u>0.0053</u>
Total	<u><u>\$ 45,302,992</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6B. ALLOCATION OF COSTS ASSOCIATED WITH INDUSTRIAL MEASURING AND REGULATING EQUIPMENT, ACCOUNT 385.

Factors are based on the cost of M&R equipment by class included in Account 385, Industrial Measuring and Regulating Equipment.

<u>Service Classification</u> (1)	<u>Cost of M&R Equipment</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate N	\$ 1,223,583	0.2331
Rate LFD	3,702,212	0.7051
Rate XD - Firm	316,174	0.0602
Interruptible	<u>8,475</u>	<u>0.0016</u>
Total	<u>\$ 5,250,444</u>	<u>1.0000</u>

FACTOR 6C. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the cost of services by class included in Account 380, Service Lines.

<u>Service Classification</u> (1)	<u>Cost of Services</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 436,652,618	0.8596
Rate N	61,565,658	0.1213
Rate DS	3,993,767	0.0079
Rate LFD	3,130,250	0.0062
Rate XD - Firm	372,098	0.0007
Interruptible	<u>2,172,285</u>	<u>0.0043</u>
Total	<u>\$ 507,886,676</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH CUSTOMER ACCOUNTING.
AND METER READING

Factors are based on the number of customers for each classification, as follows.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor 7</u> (3)
<u>Customer Costs</u>		
Rate R	348,120	0.8974
Rate N	38,394	0.0990
Rate DS	592	0.0015
Rate LFD	464	0.0012
Rate XD Firm	27	0.0001
Interruptible	<u>322</u>	<u>0.0008</u>
Total	<u><u>387,919</u></u>	<u><u>1.0000</u></u>

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH SALES EXPENSES.

Factors are based on the number of Rate R and Rate N customers.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	348,120	0.9007
Rate N	<u>38,394</u>	<u>0.0993</u>
Total	<u><u>386,514</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 9 (DA). ALLOCATION OF CUSTOMER ASSISTANCE EXPENSES.

These costs are directly assigned to the Residential Classification.

<u>Service Classification</u>	<u>Allocation Factor</u>
(1)	(3)
<u>Customer Costs</u>	-
Rate R	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 10. ALLOCATION OF DISTRIBUTION OPERATION OTHER EXPENSES AND RENT.

Factors are based on distribution operation expenses other than those being allocated.

Service Classification	Operation Expenses	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 3,041,606	0.1965
Rate N	1,881,836	0.1216
Rate DS	323,111	0.0209
Rate LFD	480,191	0.0310
Rate XD	279,617	0.0181
Interruptible	568,642	0.0367
<u>Customer Costs</u>		
Rate R	5,629,093	0.3636
Rate N	2,780,372	0.1796
Rate DS	98,799	0.0064
Rate LFD	326,558	0.0211
Rate XD	28,776	0.0019
Interruptible	40,401	0.0026
Total	<u>\$ 15,479,002</u>	<u>1.0000</u>

FACTOR 11. ALLOCATION OF DISTRIBUTION MAINTENANCE OTHER EXPENSES.

Factors are based on distribution maintenance expenses other than those being allocated.

Service Classification	Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 6,702,697	0.4073
Rate N	4,147,440	0.2520
Rate DS	717,730	0.0436
Rate LFD	1,041,008	0.0633
Rate XD	391,429	0.0238
Interruptible	957,696	0.0582
<u>Customer Costs</u>		
Rate R	1,622,794	0.0984
Rate N	645,101	0.0392
Rate DS	23,877	0.0015
Rate LFD	180,802	0.0110
Rate XD	15,716	0.0010
Interruptible	10,709	0.0007
Total	<u>\$ 16,456,999</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 12. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES.

Factors are based on the allocation of operation and maintenance expenses.

Service Classification <u>(1)</u>	Operation & Maintenance Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 12,799,346	0.1973
Rate N	6,952,342	0.1072
Rate DS	1,176,498	0.0181
Rate LFD	1,721,434	0.0265
Rate XD	778,530	0.0120
Interruptible	1,751,394	0.0270
<u>Customer Costs</u>		
Rate R	32,064,283	0.4941
Rate N	6,580,846	0.1014
Rate DS	214,099	0.0033
Rate LFD	684,736	0.0106
Rate XD	56,347	0.0009
Interruptible	104,147	0.0016
Total	<u>\$ 64,884,002</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 13. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of total operation and maintenance direct labor expense to service classifications as shown on the following page.

Service Classification <u>(1)</u>	Total Labor Expense <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 6,313,030	0.1817
Rate N	3,747,088	0.1079
Rate DS	638,573	0.0184
Rate LFD	939,499	0.0270
Rate XD	468,679	0.0135
Interruptible	1,011,849	0.0291
<u>Customer Costs</u>		
Rate R	16,437,559	0.4731
Rate N	4,535,978	0.1306
Rate DS	138,727	0.0040
Rate LFD	417,239	0.0120
Rate XD	36,457	0.0010
Interruptible	58,325	0.0017
Total	<u>\$ 34,743,003</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS, MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation excluding the items being allocated, as follows:

Service Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 319,134,206	0.2594
Rate N	190,874,528	0.1552
Rate DS	31,732,605	0.0258
Rate LFD	46,304,412	0.0376
Rate XD	15,165,501	0.0123
Interruptible	39,300,883	0.0319
<u>Customer Costs</u>		
Rate R	455,139,051	0.3701
Rate N	119,117,959	0.0968
Rate DS	5,281,401	0.0043
Rate LFD	5,124,401	0.0042
Rate XD	511,205	0.0004
Interruptible	2,470,732	0.0020
Total	<u>\$ 1,230,156,884</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Factor Ref.	Account	Cost of Service	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
DIRECT LABOR EXPENSE															
750-760	Total Production & Gathering Operation Expenses	1	-	-	-	-	-	-	-	-	-	-	-	-	-
761 - 769	Total Gas Raw Materials Expenses	1	50,259	17,741	-	-	-	-	-	-	-	-	-	-	-
850 - 860	Total Transmission Operation Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-	-
861 - 867	Total Transmission Maintenance Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-	-
870	Operation Supervision and Engineering	10	411,275	254,509	43,744	64,883	37,883	76,813	76,813	375,903	13,395	44,162	3,977	5,442	
871	Distribution Load Dispatching	4a	163,195	100,890	16,437	28,427	50,271	76,780	76,780	-	-	-	-	-	
874	Mains And Services Expenses														
	Mains - Small	5	408,091	252,599	44,481	20,819	-	42,253	-	-	-	-	-	-	
	Mains - Large	17	1,172,256	329,756	56,503	124,728	46,773	81,472	81,472	-	-	-	-	-	
	Services	6C	1,940,500	-	-	-	-	-	-	-	-	-	-	-	
875	M & R Station Expenses-General	4a	87,212	53,916	8,784	15,192	26,865	41,031	41,031	235,383	15,330	12,031	1,358	8,344	
876	Measuring and Regulating Station Expenses-Indust.	6B	-	-	-	-	-	-	-	-	-	-	-	-	
877	Measuring and Regulating Station Expenses-City G	4a	62,882	38,875	6,334	10,954	19,370	29,585	29,585	52,448	-	158,648	13,545	360	
878	Meter And House Regulator Expenses	6	-	-	-	-	-	-	-	914,070	25,612	-	-	7,669	
879	Customer Installation Expenses	6	994,000	-	-	-	-	-	-	343,228	17,594	-	-	5,268	
880	Other Expenses	10	1,698,000	206,477	35,488	52,638	30,734	62,317	62,317	304,961	10,867	35,828	3,226	4,415	
881	Rent	10	333,657	-	-	-	-	-	-	-	-	-	-	-	
885	Supervision - Engineering and Labor	11	269,225	166,572	28,820	41,841	15,732	38,470	38,470	25,911	992	7,271	661	463	
886	Structures & Improvements	18	-	-	-	-	-	-	-	-	-	-	-	-	
887	Mains - Small	5	1,601,811	526,675	92,745	43,409	-	88,100	88,100	-	-	-	-	-	
889	Mains - Large	17	2,444,189	687,550	117,810	260,062	97,523	169,871	169,871	-	-	-	-	-	
890	M & R Equip - General	6B	36,000	8,330	1,357	2,347	4,151	6,340	6,340	-	-	-	-	-	
891	M & R Equip - Ind	4a	-	-	-	-	-	-	-	-	-	-	-	-	
892	M & R Equip - CG Check Station	4a	67,374	41,652	6,786	11,736	20,754	31,698	31,698	13,986	-	42,306	3,612	96	
893	Services	6C	892,000	-	-	-	-	-	-	-	-	-	-	-	
895	Meters & House Regulators	6	371,000	-	-	-	-	-	-	106,987	6,988	5,468	617	3,793	
896	Other Equipment	11	47,000	11,844	2,049	2,975	1,119	2,735	2,735	234,361	6,567	517	47	1,966	
894	Supervision	11	19,143	-	-	-	-	-	-	1,842	71	71	47	33	
901	Meter Reading Expenses	7	-	-	-	-	-	-	-	35,838	543	434	36	290	
902	Customer Records & Coll Expenses	7	-	-	-	-	-	-	-	61,974	939	751	63	501	
903	Supervision	7	4,851,000	861,000	134,000	134,000	-	-	-	481,239	7,292	5,833	486	3,889	
907	Customer Assistance Expenses	9	868,000	-	-	-	-	-	-	13,286	201	161	13	107	
908	Miscellaneous Customer Service & Info. Exp.	7	28,000	-	-	-	-	-	-	-	-	-	-	-	
910	Supervision	8	-	-	-	-	-	-	-	2,772	42	34	3	22	
911	Demonstrating And Selling Expenses	8	-	-	-	-	-	-	-	-	-	-	-	-	
912	Administrative & General Salaries	12	1,737,818	944,218	159,425	233,412	105,696	237,816	237,816	54,218	-	-	-	-	
920	Office Supplies And Expenses	12	47,352	25,728	4,344	6,360	2,880	6,480	6,480	893,131	29,066	93,365	7,927	14,093	
921	Injuries and Damages	12	108,910	59,174	9,991	14,628	6,624	14,904	14,904	24,336	792	2,544	216	364	
925	Maintenance of General Plant	12	552,000	20,582	3,475	5,088	2,304	5,184	5,184	55,973	1,822	5,851	497	883	
932	Total Direct Labor Expense		6,313,030	3,747,088	638,573	839,499	468,679	1,011,849	1,011,849	4,535,978	138,727	417,239	36,457	56,325	

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 15. ALLOCATION OF RETURN AND TAXES.

Factors are based on the result of allocating the original cost measure of value, as presented on the following page.

Service Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 239,559,432	0.2594
Rate N	143,264,639	0.1552
Rate DS	23,818,075	0.0258
Rate LFD	34,770,057	0.0377
Rate XD	11,392,295	0.0123
Interruptible	29,515,088	0.0320
<u>Customer Costs</u>		
Rate R	341,605,418	0.3699
Rate N	89,423,131	0.0968
Rate DS	3,962,313	0.0043
Rate LFD	3,835,990	0.0042
Rate XD	388,500	0.0004
Interruptible	1,857,203	0.0020
Total	<u>\$ 923,392,141</u>	<u>1.0000</u>

FACTOR 16. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER REVENUES.

Factors are based on the allocated cost of service excluding those items being allocated.

Service Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 60,611,234	0.2191
Rate N	35,174,164	0.1271
Rate DS	5,905,748	0.0213
Rate LFD	8,634,243	0.0312
Rate XD	3,227,351	0.0117
Interruptible	7,895,190	0.0285
<u>Customer Costs</u>		
Rate R	122,222,336	0.4420
Rate N	29,131,508	0.1053
Rate DS	1,130,014	0.0041
Rate LFD	2,003,855	0.0072
Rate XD	176,262	0.0006
Interruptible	530,049	0.0019
Total	<u>\$ 276,641,954</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION
 COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO
 RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Factor Ref.	Account	Cost of Service	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
RATE BASE														
DISTRIBUTION PLANT														
374	Land	2,273,343	1,100,753	681,084	118,214	172,319	55,697	145,267	372,331,019	52,540,429	3,421,842	2,685,496	303,201	1,862,521
375	Land Rights of Way	739,180	357,911	221,458	38,437	56,030	18,110	47,234	12,472,716	22,817,863	639,349	-	-	191,443
376	Structures And Improvements	215,322,849	114,379,497	70,798,153	12,467,193	5,835,249	-	11,842,757	14,516,804	26,957,366	744,128	-	-	222,818
	Mains - Small	328,559,063	155,835,564	96,389,229	16,526,521	36,470,056	-	23,327,693	1,981,004	3,624,096	101,546	-	-	30,406
	Mains - Large	14,193,075	-	-	-	-	-	-	2,392,584	4,377,013	122,642	-	-	36,723
	Mains - Direct Assign	28,975,073	14,029,730	8,680,932	1,506,704	2,196,311	13,686,419	506,656	600,692	600,692	1,817,023	-	-	4,123
378	Measuring & Regulating Equipment - General	656,319	317,790	196,633	34,129	49,749	709,899	1,851,507	71,264	130,372	3,653	-	-	1,094
379	Measuring & Regulating Equipment - SCADA	1,700,598	823,430	509,499	88,431	128,905	41,665	41,939	125,323	229,269	6,424	-	-	1,924
380	Measuring & Regulating Equipment - City Gate	433,144,508	-	-	-	-	-	-	384	703	20	-	-	6
381	Meters	36,121,391	-	-	-	-	-	-	384	703	20	-	-	6
382	Meter Installations	42,041,136	-	-	-	-	-	-	(358)	(654)	(18)	-	-	(5)
383	House Regulators	5,737,053	-	-	-	-	-	-	483,748	298,947	8,515	-	-	3,459
384	House Regulator Installations	6,928,942	-	-	-	-	-	-	16,098	7,952	283	-	-	115
385	Industrial Measuring & Regulating Equipment	2,576,972	-	-	-	-	-	-	1,625	1,625	994	-	-	115
386	Other Property on Customer Premises	206,362	-	-	-	-	-	-	14,552,742	111,124,086	5,048,384	-	-	2,354,627
386	Other Property on Customer Premises - Farm Taps	362,939	-	-	-	-	-	-	-	-	-	-	-	-
386	Other Property on Customer Premises - Gas Lights	1,113	-	-	-	-	-	-	-	-	-	-	-	-
386	Other Property on Customer Premises - CNG Refur	(1,036)	-	-	-	-	-	-	-	-	-	-	-	-
387	Other Equipment	1,330,441	261,432	161,792	27,806	41,244	24,081	48,827	483,748	298,947	8,515	-	-	3,459
387	Other Equipment - Graphic Data Base	44,275	8,700	5,384	925	1,373	801	1,625	16,098	7,952	283	-	-	115
387	Other Equipment - Graphic Data Base	1,120,913,616	287,114,807	177,654,164	30,808,360	44,951,236	14,552,742	37,922,173	404,390,566	111,124,086	5,048,384	-	-	2,354,627
GENERAL PLANT														
389	Land and Land Rights	1,492,767	294,523	160,025	27,019	39,558	17,913	40,305	737,576	151,367	4,926	-	-	2,388
390	Structures And Improvements	16,370,674	3,229,934	1,754,936	296,309	433,823	196,448	442,008	8,088,750	1,659,986	54,023	-	-	26,193
391	Office Furniture And Equipment	1,227,472	242,180	131,585	22,217	32,528	14,730	33,142	606,484	124,466	4,051	-	-	1,964
392	Transportation Equipment	720,695	142,193	77,259	13,045	19,098	8,648	19,459	396,085	73,078	2,378	-	-	1,153
394	Tools, Shop And Garage Equipment	6,627,397	1,307,585	119,956	175,626	79,529	178,940	178,940	3,274,597	672,018	21,870	-	-	10,604
396	Power Operated Equipment	55,398	10,930	5,959	1,003	1,468	665	1,496	27,372	5,617	183	-	-	89
397	Communication Equipment	90,438	17,843	9,695	1,637	2,397	298	298	44,665	9,170	145	-	-	81
398	Miscellaneous Equipment	515,166	101,646	55,228	9,325	13,652	6,182	13,910	254,553	52,240	1,700	-	-	824
399	Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total General Plant	27,100,027	5,346,534	2,905,124	490,511	718,150	325,200	731,702	13,390,122	2,747,942	89,429	-	-	43,360
	Total Plant	1,148,013,643	292,461,641	180,559,288	31,298,871	45,669,366	14,877,942	38,653,875	417,780,688	113,872,030	5,137,813	-	-	2,397,987
COMMON PLANT ALLOCATED @ 15.36%														
390.2	Structures and Improvements	3,171	626	340	57	84	38	86	1,567	322	10	-	-	5
391	Office Furniture and Equipment	110,464	21,795	11,842	1,989	2,927	1,326	2,983	54,580	11,201	365	-	-	177
392.1	Transportation Equipment	1,520	300	163	28	40	18	41	751	154	5	-	-	2
	Total Common Plant	115,155	22,721	12,345	2,084	3,051	1,362	3,110	56,898	11,677	380	-	-	184
INFORMATION SERVICES (IS) ALLOCATED @ 48.83%														
391	Office Furniture and Equipment	9,425,306	1,859,613	1,010,393	170,598	249,771	113,104	254,483	4,657,044	955,726	31,104	-	-	15,080
391.1	Office Furniture and Equip. - New CIS Software	43,006,009	-	-	-	-	-	-	38,593,592	4,257,585	64,509	-	-	34,405
	Total Information Services	52,431,315	1,859,613	1,010,393	170,598	249,771	113,104	254,483	43,250,636	5,213,321	95,613	-	-	49,485
Less: Reading Service Center Allocated to Other Divisions														
390.1	Structures And Improvements @ 51.74%	(476,229)	(93,960)	(51,052)	(8,620)	(12,620)	(5,715)	(12,858)	(235,305)	(48,290)	(1,572)	-	-	(762)
INTANGIBLE PLANT														
301	Organization (Allocated at 15.36%)	21,345	5,537	3,313	551	803	263	681	7,900	2,066	92	-	-	43
302	Franchises And Consents	28,256	7,330	4,385	729	1,062	348	901	10,458	2,735	122	-	-	57
304	Land and Land Rights	381,652	99,001	59,232	9,847	14,350	4,694	12,175	141,249	36,944	1,641	-	-	763
305	Manufactured Gas Plant Remediation	316,953	234,238	-	-	-	-	-	-	-	-	-	-	-
	Total Nondepreciable Plant	748,176	346,106	149,615	11,127	16,215	5,305	13,757	159,607	41,745	1,855	-	-	863
	Total Utility Plant in Service	1,200,832,060	294,596,121	181,680,589	31,474,060	45,925,803	14,992,018	38,912,367	461,012,524	119,090,483	5,234,089	-	-	2,447,757

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs					Customer Costs							
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
OTHER RATE BASE ELEMENTS															
Gas Storage Inventory	1	21,730,000	16,060,643	5,669,357	-	-	-	-	-	-	-	-	-	-	-
Cash Working Capital	12	10,687,000	2,108,545	1,145,646	193,435	283,206	128,244	288,549	5,280,447	1,083,662	35,267	113,282	9,618	17,099	
Cash Working Capital - Purchased Gas Related	1	7,951,000	5,883,975	2,077,025	-	-	-	-	-	-	-	-	-	-	
Materials & Supplies	12	4,212,000	831,028	451,526	76,237	111,618	50,544	113,724	2,081,149	427,097	13,900	44,647	3,791	6,739	
Deferred Taxes	14	(307,196,000)	(79,686,642)	(47,676,819)	(7,925,657)	(11,550,570)	(3,778,511)	(9,799,552)	(113,683,240)	(29,736,573)	(1,320,943)	(1,280,223)	(122,878)	(614,392)	
Customer Deposits	8	(14,517,000)	-	-	-	-	-	-	(13,075,462)	(1,441,538)	-	-	-	-	
Investment Tax Credit	14	-	-	-	-	-	-	-	(119,407,106)	(29,687,352)	(1,271,776)	(1,132,294)	(109,469)	(590,554)	
Total Other Rate Base Elements		(277,123,000)	(54,802,451)	(38,333,265)	(7,655,985)	(11,155,746)	(3,599,723)	(9,397,279)	(119,407,106)	(29,687,352)	(1,271,776)	(1,132,294)	(109,469)	(590,554)	
Total Measure of Value		\$ 923,709,060	\$ 239,793,670	\$ 143,347,324	\$ 23,818,075	\$ 34,770,057	\$ 11,392,295	\$ 29,515,088	\$ 341,605,418	\$ 89,423,131	\$ 3,962,313	\$ 3,835,980	\$ 388,500	\$ 1,857,203	

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 17. ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES ASSOCIATED WITH LARGE MAINS.

Factors are based on the allocation of rate base for large and directly assigned mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 155,835,564	0.4547
Rate N	96,399,229	0.2813
Rate DS	16,526,521	0.0482
Rate LFD	36,470,056	0.1064
Rate XD	13,686,419	0.0399
Interruptible	23,834,349	0.0695
Total	<u>\$ 342,752,138</u>	<u>1.0000</u>

FACTOR 18. ALLOCATION OF RATE BASE ASSOCIATED M&R STATION EQUIPMENT.

Factors are based on the composite allocation of all mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 270,215,061	0.4842
Rate N	167,197,382	0.2996
Rate DS	28,993,714	0.0520
Rate LFD	42,305,305	0.0758
Rate XD	13,686,419	0.0245
Interruptible	35,677,106	0.0639
Total	<u>\$ 558,074,987</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 19. ALLOCATION OF UNCOLLECTIBLE ACCOUNTS

Factors are based on history of net write-offs by class.

Service Classification	5-Yr. Average of Write-offs	Allocation Factor
(1)	(2)	(3)
<u>Customer Costs</u>		
Rate R	\$ 6,527,255	0.9186
Rate N	446,108	0.0628
Rate DS	42,855	0.0060
Rate LFD	56,327	0.0079
Rate XD	-	0.0000
Interruptible	33,323	0.0047
Total	<u>\$ 7,105,868</u>	<u>1.0000</u>

FACTOR 20. ALLOCATION OF PENALTY REVENUE

Factors are based on an analysis of penalty revenue, by class.

Service Classification	Penalty Revenue	Allocation Factor
(1)	(2)	(3)
<u>Customer Costs</u>		
Rate R	\$ 1,756,329	0.5863
Rate N	1,029,704	0.3437
Rate DS	208,436	0.0696
Rate LFD	-	0.0000
Rate XD	-	0.0000
Interruptible	1,200	0.0004
Total	<u>\$ 2,995,668</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Fully Allocated Customer Costs							
Customer Costs	151,985,324	\$ 120,676,213	\$ 28,197,769	\$ 923,694	\$ 2,010,897	\$ 176,751	\$ 529,529
Number of bills	4,651,164	4,177,440	460,728	7,104	5,568	324	3,864
Customer Cost per bill		\$ 28.89	\$ 61.20	\$ 130.02	\$ 361.15	\$ 545.53	\$ 137.04
Direct Customer Costs							
O & M Expenses:							
874 Mains And Services Expenses							
Mains							
Services	5,224,437	4,510,321	636,461	41,451	32,531	3,673	22,562
876 M & R Station Expenses - Industrial	416,333	-	97,203	-	294,027	25,103	667
878 Meter and House Regulator Expenses	1,948,617	676,443	1,237,500	34,674	-	-	10,383
879 Customer Installations Expenses	1,274,211	442,329	809,208	22,674	-	-	6,789
890 M & R Equip - Industrial	241,612	-	56,410	-	170,634	14,568	387
892 Services	1,632,948	1,409,744	198,932	12,956	10,168	1,148	7,052
893 Meters & House Regulators	613,730	213,050	389,759	10,921	-	-	3,270
901 Supervision	424,661	381,395	42,075	638	510	43	340
902 Meter Reading Expenses	1,000,199	898,297	99,099	1,502	1,201	100	801
903 Customer Records & Coll Expenses	13,670,055	12,277,329	1,354,419	20,522	16,417	1,368	10,945
904 Uncollectible Accounts	3,668,158	3,372,781	217,384	33,666	44,327	-	26,372
905 Miscellaneous Cust Accts Expenses	357,714	321,269	35,442	537	430	36	286
907 Supervision	163,868	147,173	16,236	246	197	16	131
908 Customer Assistance Expenses	1,308,000	1,308,000	-	-	-	-	-
910 Miscellaneous Customer Service Exp.	115,907	104,098	11,484	174	139	12	93
911 Supervision	-	-	-	-	-	-	-
912 Demonstrating and Selling Expenses	3,635,001	3,274,045	360,956	-	-	-	-
913 Advertising Expenses	111,000	99,978	11,022	-	-	-	-
916 Miscellaneous	104,000	93,673	10,327	-	-	-	-
926 Employee Pensions and Benefits	6,996,530 *	5,332,783	1,472,123	45,088	135,264	11,272	19,162
408 Payroll Taxes	2,108,518 *	1,607,121	443,648	13,588	40,764	3,397	5,775
Subtotal O & M Expenses	45,015,499	36,469,829	7,499,688	238,637	746,609	60,736	115,015

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Depreciation Expense							
380 Services	18,361,237	15,851,481	2,236,837	145,680	114,331	12,908	79,294
381 Meters	1,545,565	536,527	981,536	27,502	-	-	8,235
382 Meter Installations	1,570,413	545,152	997,317	27,944	-	-	8,368
383 House Regulators	402,170	139,609	255,405	7,156	-	-	2,143
384 House Regulator Installations	267,570	92,884	169,925	4,761	-	-	1,426
385 Industrial M & R Equipment	128,474	-	29,995	-	90,732	7,747	206
390 Structures and Improvements	686,526 *	555,813	114,065	3,712	11,924	1,012	1,800
391 Office Furniture And Equipment	3,890,321 *	3,403,191	454,232	9,847	21,252	1,799	4,983
Subtotal Depreciation	26,852,276	21,124,657	5,239,312	226,602	238,239	23,466	106,455
Rate Base							
380 Services	431,281,987	372,331,019	52,540,429	3,421,842	2,685,496	303,201	1,862,521
381 Meters	35,929,948	12,472,716	22,817,883	639,349	-	-	191,443
382 Meter Installations	41,818,318	14,516,804	26,557,386	744,128	-	-	222,818
383 House Regulators	5,706,646	1,981,004	3,624,096	101,546	-	-	30,406
384 House Regulator Installations	6,892,219	2,392,564	4,377,013	122,642	-	-	36,723
385 Industrial M & R Equipment	2,572,849	-	600,692	-	1,817,023	155,134	4,123
390 Structures And Improvements	9,991,022 *	8,088,750	1,659,986	54,023	173,529	14,734	26,193
391 Office Furniture and Equipment	49,540,412 *	43,911,710	5,348,988	100,029	165,697	13,988	51,626
Deferred Taxes	(146,163,857) *	(113,693,240)	(29,736,573)	(1,320,943)	(1,290,223)	(122,878)	(614,392)
Customer Deposits	(14,517,000)	(13,075,462)	(1,441,538)	-	-	-	-
Subtotal Rate Base	423,052,544	328,925,865	86,348,362	3,862,616	3,551,522	364,179	1,811,461
Taxes and Return @ 12.3%	51,901,631	40,353,826	10,593,532	473,880	435,714	44,679	222,237
Total Direct Customer Costs	\$ 123,769,405	\$ 97,948,312	\$ 23,332,532	\$ 939,119	\$ 1,420,562	\$ 128,881	\$ 443,707
Less: USP and EEC Recovery	9,015,112	8,125,794	393,673	90,181	405,463	-	-
Total	\$ 114,754,294	\$ 89,822,518	\$ 22,938,859	\$ 848,938	\$ 1,015,098	\$ 128,881	\$ 443,707
Number of bills	4,651,164	4,177,440	460,728	7,104	5,568	324	3,864
Direct Costs per bill	\$	\$ 21.50	\$ 49.79	\$ 119.50	\$ 182.31	\$ 397.78	\$ 114.83

* Customer cost portion of account.

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF COSTS RELATED TO LFD AND XD DEMAND CHARGES

<u>Capital Costs</u>	<u>LFD</u>	<u>XD</u>
Depreciation	\$ 1,165,220	\$ 370,654
Taxes Other Than Income	168,467	73,698
Income Taxes	1,427,209	465,641
Income Available for Return	<u>2,845,106</u>	<u>928,244</u>
Total	<u>\$ 5,606,002</u>	<u>\$ 1,838,237</u>
Cost Per Month	\$ 467,167	\$ 153,186
Demand Volume Units per Month	73,215	103,283
Demand Costs per MCF	\$ 6.38	\$ 1.48

UGI UTILITIES, INC. - GAS DIVISION

Docket No. R-2015-2518438

COST OF SERVICE ALLOCATION STUDY
AS OF SEPTEMBER 30, 2017

(Excludes Allocation of Mains to Interruptible Service)

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
Harrisburg, Pennsylvania

C O N T E N T S

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UGI UTILITIES, INC. - GAS DIVISION

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
BY SERVICE CLASSIFICATION FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017
WITHOUT GAS COSTS

Service Classification (1)	Pro Forma Cost of Service		Pro Forma Margin Revenues,		Under Proposed Rates		Revenue Increase	
	Amount (2)	Percent (3)	Under Present Rates Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Rate R	\$ 184,799,510	67.3%	\$ 108,668,733 *	50.2%	\$ 152,001,162	55.4%	\$ 43,332,429	39.9%
Rate N	65,532,397	23.9%	55,100,277	25.5%	67,596,056	24.6%	12,495,779	22.7%
Rate DS	7,310,922	2.7%	10,602,234	4.9%	11,583,714	4.2%	981,480	9.3%
Rate LFD	12,074,119	4.4%	25,008,284	11.6%	26,762,521	9.7%	1,754,237	7.0%
Rate XD Firm	3,421,615	1.2%	11,785,496	5.5%	11,785,496	4.3%	-	0.0%
Interruptible	1,491,389	0.5%	4,900,000	2.3%	4,900,000	1.8%	-	0.0%
Total	\$ 274,629,952	100.0%	\$ 216,065,024	100.0%	\$ 274,628,950	100.0%	\$ 58,563,925	27.1%
Other Operating Revenues	4,480,000		4,480,000		4,480,000		0	
Total	\$279,109,952		\$220,545,024		\$279,108,950		\$58,563,925	26.6%

* Includes GL.

UGI UTILITIES, INC. - GAS DIVISION

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PRESENT RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	\$ 216,065,024	\$ 108,668,733	\$ 55,100,277	\$ 10,602,234	\$ 25,008,284	\$ 11,785,496	\$ 4,900,000
2. Other Revenues	4,480,002	2,859,762	1,316,807	237,174	44,074	12,388	9,797
3. Total Operating Revenues	220,545,026	111,528,495	56,417,084	10,839,408	25,052,358	11,797,884	4,909,797
4. Less: Operating Expenses	164,808,955	113,677,654	37,332,746	3,916,809	6,680,679	2,003,327	1,197,740
5. Return and Income Taxes	55,736,071	(2,149,159)	19,084,338	6,922,599	18,371,679	9,794,557	3,712,057
6. Less: Interest Expense	20,044,000	12,896,310	5,229,480	643,412	962,112	256,563	56,123
7. Taxable Income	35,692,071	(15,045,469)	13,854,858	6,279,187	17,409,567	9,537,994	3,655,934
8. Less: Income Taxes	13,962,000	(5,884,983)	5,420,048	2,455,916	6,810,664	3,730,646	1,429,709
9. Net Return (Ln 5 - Ln 8)	41,774,071	3,735,824	13,664,290	4,466,683	11,561,015	6,063,911	2,282,348
10. Original Cost Measure of Value (Factor 15.)	923,709,058	594,388,633	240,980,487	29,672,165	44,323,223	11,791,007	2,553,543
11. Rate of Return, Percent	4.52%	0.63%	5.67%	15.05%	26.08%	51.43%	89.38%
12. Relative Rate of Return	1.00	0.14	1.25	3.33	5.77	11.37	19.76

UGI UTILITIES, INC. - GAS DIVISION

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PROPOSED RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	274,628,950	\$ 152,001,162	\$ 67,596,056	\$ 11,583,714	\$ 26,762,521	\$ 11,785,496	\$ 4,900,000
2. Other Revenues	4,480,001	2,855,753	1,319,876	238,086	44,793	12,355	9,138
3. Total Operating Revenues	279,108,951	154,856,915	68,915,932	11,821,800	26,807,314	11,797,851	4,909,138
4. Less: Operating Expenses	165,785,952	114,719,936	37,297,373	3,911,307	6,668,029	1,994,755	1,194,552
5. Return and Income Taxes	113,322,999	40,136,979	31,618,559	7,910,493	20,139,285	9,803,096	3,714,586
6. Less: Interest Expense	20,044,000	12,898,314	5,227,475	643,412	962,112	256,563	56,123
7. Taxable Income	93,278,999	27,238,665	26,391,084	7,267,081	19,177,173	9,546,533	3,658,463
8. Less: Income Taxes	37,857,000	11,058,030	10,709,745	2,949,060	7,783,399	3,872,771	1,483,994
9. Net Return (Ln 5 - Ln 8)	75,465,999	29,078,949	20,908,814	4,961,433	12,355,886	5,930,325	2,230,592
10. Original Cost Measure of Value (Factor 15.)	923,709,061	594,470,219	240,924,394	29,656,847	44,328,368	11,780,795	2,548,438
11. Rate of Return, Percent	8.17%	4.89%	8.68%	16.73%	27.87%	50.34%	87.53%
12. Relative Rate of Return	1.00	0.60	1.06	2.05	3.41	6.16	10.71

UGI UTILITIES, INC. - GAS DIVISION

SUMMARY OF COST OF SERVICE BY SERVICE CLASSIFICATION

Cost Function (1)	Cost of Service (Schedule E) (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD Firm (7)	Interruptible (8)
<u>Volumetric Costs</u>							
Rate R	\$ 64,113,714	\$ 64,113,714					
Rate N	37,334,628		\$ 37,334,628				
Rate DS	6,387,228			\$ 6,387,228			
Rate LFD	10,063,222				\$ 10,063,222		
Rate XD Firm	3,244,864					\$ 3,244,864	
Rate IS/IL	961,860						\$ 961,860
Total Volumetric Costs	122,105,516	64,113,714	37,334,628	6,387,228	10,063,222	3,244,864	961,860
<u>Customer Costs</u>							
Rate R	\$ 120,685,796	\$ 120,685,796					
Rate N	28,197,769		\$ 28,197,769				
Rate DS	923,694			\$ 923,694			
Rate LFD	2,010,897				\$ 2,010,897		
Rate XD Firm	176,751					\$ 176,751	
Rate IS/IL	529,529						\$ 529,529
Total Customer Costs	152,524,436	120,685,796	28,197,769	923,694	2,010,897	176,751	529,529
Total Excluding Gas Costs	\$ 274,629,952	\$ 184,799,510	\$ 65,532,397	\$ 7,310,922	\$ 12,074,119	\$ 3,421,615	\$ 1,491,389

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs					Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
OPERATION AND MAINTENANCE EXPENSES														
NATURAL GAS PRODUCTION EXPENSES														
710	1	0	-	-	-	-	-	-	-	-	-	-	-	-
717	1	0	-	-	-	-	-	-	-	-	-	-	-	-
725-736	1	0	-	-	-	-	-	-	-	-	-	-	-	-
740-742	1	68,000	50,259	17,741	-	-	-	-	-	-	-	-	-	-
Total Operation		68,000	50,259	17,741	-	-	-	-	-	-	-	-	-	-
Production and Gathering														
750 - 760	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Production & Gathering Operation Exps.		-	-	-	-	-	-	-	-	-	-	-	-	-
761 - 769	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Production & Gathering Maintenance Exps.		-	-	-	-	-	-	-	-	-	-	-	-	-
770 - 783	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Products Extraction Operation Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
784 - 791	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Production Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gas Supply Expenses														
800 - 803	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Natural Gas Transmission Line Purchases		-	-	-	-	-	-	-	-	-	-	-	-	-
804	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Natural Gas City Gate Purchases		-	-	-	-	-	-	-	-	-	-	-	-	-
813	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gas Supply Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Gas Supply Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Production Expenses		68,000	50,259	17,741	-	-	-	-	-	-	-	-	-	-
OTHER STORAGE EXPENSE														
840	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Supervision and Engineering		-	-	-	-	-	-	-	-	-	-	-	-	-
841	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Operation Labor and Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
342 - 842.3	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operations Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Storage Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSMISSION EXPENSE														
850 - 860	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Operation Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
861 - 867	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Maintenance Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION EXPENSES														
Operation														
870	10	2,402,000	485,292	306,495	53,565	84,550	43,478	36,991	873,367	431,399	15,373	50,682	4,584	6,245
Supervision And Engineering		-	-	-	-	-	-	-	-	-	-	-	-	-
871	4a	554,000	207,362	128,196	20,886	36,121	63,876	97,559	-	-	-	-	-	-
Distribution Load Dispatching		-	-	-	-	-	-	-	-	-	-	-	-	-
872	2	1,000	186	116	27	119	142	411	-	-	-	-	-	-
Compressor Station Fuel and Power		-	-	-	-	-	-	-	-	-	-	-	-	-
873	5	2,077,287	1,163,904	720,611	129,000	63,773	-	-	-	-	-	-	-	-
Mains And Services Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
874	17	3,169,713	1,530,971	947,427	165,459	394,629	126,472	4,755	-	-	-	-	-	-
Mains - Large Services		-	-	-	-	-	-	-	-	-	-	-	-	-
875	6C	5,247,000	159,078	98,345	16,023	27,710	49,003	74,843	4,510,321	636,461	41,451	32,531	3,673	22,562
M & R Station Expenses - General		-	-	-	-	-	-	-	-	-	-	-	-	-
876	4a	425,000	130,256	80,527	13,120	22,690	40,124	61,283	-	-	-	-	-	-
M & R Station Expenses - Industrial		-	-	-	-	-	-	-	-	-	-	-	-	-
877	4a	417,000	521,067	322,445	56,352	88,950	45,739	38,916	676,443	1,237,500	34,674	-	-	10,383
M & R Station Expenses - City Gate Station		-	-	-	-	-	-	-	-	-	-	-	-	-
878	6	348,000	14,228	8,804	1,539	2,429	1,249	1,063	442,329	809,208	22,674	-	-	6,789
Meter and House Regulator Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
879	10	1,291,000	4,222,344	2,612,966	455,971	720,971	370,081	315,821	7,446,365	3,678,012	130,787	432,016	4,801	6,570
Customer Installations Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
880	10	69,000	14,228	8,804	1,539	2,429	1,249	1,063	25,088	12,392	442	1,456	131	179
Other Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
881	10	20,477,000	4,222,344	2,612,966	455,971	720,971	370,081	315,821	7,446,365	3,678,012	130,787	432,016	4,801	6,570
Rents		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operation		20,477,000	4,222,344	2,612,966	455,971	720,971	370,081	315,821	7,446,365	3,678,012	130,787	432,016	4,801	6,570
Total Natural Gas Storage Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Distribution Expense		20,477,000	4,222,344	2,612,966	455,971	720,971	370,081	315,821	7,446,365	3,678,012	130,787	432,016	4,801	6,570
Total Operation		20,477,000	4,222,344	2,612,966	455,971	720,971	370,081	315,821	7,446,365	3,678,012	130,787	432,016	4,801	6,570

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account	Factor Ref (2)	Cost of Service (3)	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
Maintenance															
885 Supervision - Engineering and Labor	11	786,000	338,373	209,469	36,863	57,614	18,707	5,659	77,342	30,811	1,179	8,646	786	550	
886 Structures & Improvements	18	3,000	1,539	952	168	265	74	3	-	-	-	-	-	-	
887 Mains - Small	5	5,287,245	1,834,145	328,338	182,318	321,903	12,102	-	-	-	-	-	-	-	
888 Mains - Large	17	8,067,756	2,411,452	421,137	1,004,436	19,255	29,409	-	-	-	-	-	-	-	
889 Maintenance of Compressor Station Equipment	4	167,000	38,644	6,296	10,888	50,271	76,780	-	-	-	-	-	-	-	
890 M & R Equip - General	4a	242,000	100,890	16,437	28,427	2,428	734	-	-	-	-	-	-	-	
891 M & R Equip - Industrial	6B	436,000	27,183	4,784	7,477	(4,189)	(1,267)	-	-	-	-	-	-	-	
892 M & R Equip - City Gate	6C	1,640,000	(46,904)	(8,254)	(12,901)	408,449	123,420	-	-	-	-	-	-	-	
893 Meters & House Regulators	6	617,000	7,392,927	4,575,831	805,769	1,258,524	1,882,855	-	-	-	-	-	-	-	
894 Other Expenses	11	102,000	43,911	7,188,797	1,261,740	1,979,495	439,241	-	-	-	-	-	-	-	
895 Construction and Maintenance	11	(176,000)	(75,768)	(8,254)	(12,901)	(4,189)	(1,267)	-	-	-	-	-	-	-	
Total Maintenance		17,172,001	7,392,927	4,575,831	805,769	1,258,524	1,882,855	673,011	24,945	188,634	16,428	11,207			
Total Distribution Expenses		37,649,001	11,615,271	7,188,797	1,261,740	1,979,495	778,530	439,241	9,139,220	4,351,023	155,732	620,650	54,700	64,602	
CUSTOMER ACCOUNTING EXPENSES															
Operation															
901 Supervision	7	425,000	-	-	-	-	-	-	381,395	42,075	638	510	43	340	
902 Meter Reading Expenses	7	1,001,000	-	-	-	-	-	-	896,297	99,099	1,502	1,201	100	801	
903 Customer Records & Coll Expenses	7	13,681,000	-	-	-	-	-	-	12,277,329	1,354,419	20,522	16,417	1,368	10,945	
904 Uncollectible Accounts	19	5,611,000	1,781,484	134,987	3,372,781	217,364	3,372,781	-	3,372,781	33,666	44,327	44,327	26,372	26,372	
905 Miscellaneous Cust Accts Expenses	7	358,000	-	-	-	-	-	-	321,269	35,442	537	430	96	286	
Total Customer Accounting Expenses		21,076,000	1,781,484	134,987	3,372,781	217,364	3,372,781	-	17,251,071	1,748,419	56,865	62,885	1,547	38,744	
CUSTOMER SERVICE AND INFORMATION EXPENSES															
Operation															
907 Supervision	7	164,000	-	-	-	-	-	-	147,173	16,236	246	197	16	131	
908 Customer Assistance Expenses	9	1,308,000	-	-	-	-	-	-	1,308,000	-	-	-	-	-	
909 Informational and Instructional Advertising	7	721,000	-	-	-	-	-	-	647,025	71,379	1,082	865	72	577	
910 Miscellaneous Customer Service & Informational E	7	116,000	-	-	-	-	-	-	104,098	11,484	174	139	12	93	
Total Customer Service & Info Expenses		2,309,000	-	-	-	-	-	-	2,206,296	99,099	1,502	1,201	100	801	
SALES EXPENSES															
Operation															
911 Supervision	8	3,635,000	-	-	-	-	-	-	3,274,045	360,956	-	-	-	-	
912 Demonstrating and Selling Expenses	8	111,000	-	-	-	-	-	-	99,978	11,022	-	-	-	-	
913 Advertising Expenses	8	104,000	-	-	-	-	-	-	93,673	10,327	-	-	-	-	
916 Miscellaneous	8	3,850,000	-	-	-	-	-	-	3,467,696	382,305	-	-	-	-	
Total Sales Expenses		8,520,000	-	-	-	-	-	-	3,867,696	382,305	-	-	-	-	
ADMINISTRATIVE AND GENERAL EXPENSES															
Operation															
920 Administrative & General Salaries	12	9,958,000	2,056,327	1,124,258	193,185	303,719	67,714	4,920,248	16,236	32,861	105,555	8,962	15,933		
921 Office Supplies and Expenses	12	9,639,000	1,990,454	1,088,243	186,997	293,990	65,545	4,762,630	147,173	31,809	102,173	8,678	15,422		
923 Outside Services Employed - Other	12	9,243,000	1,008,680	1,043,535	179,314	281,912	62,852	4,566,966	97,240	30,502	97,976	8,319	14,789		
924 Property Damage Insurance	12	195,000	40,268	22,016	3,783	5,946	1,326	93,240	19,773	644	2,067	312	176		
925 Injuries and Damages	12	7,041,000	1,453,987	794,929	136,695	214,751	47,879	3,478,958	113,975	23,235	74,635	6,337	11,266		
926 Employee Pensions and Benefits	13	11,272,000	2,150,696	1,279,372	222,058	349,432	103,702	5,331,656	147,212	45,088	135,264	11,272	19,163		
928 Regulatory Commission Expenses	16	628,000	144,754	84,278	14,444	22,734	2,198	277,450	66,123	2,575	4,522	377	1,193		
930 Miscellaneous General Expenses	12	678,000	140,007	76,546	13,153	20,679	4,610	335,000	68,749	2,237	7,187	610	1,085		
930 Miscellaneous General Expenses	12	1,517,000	313,261	171,269	29,430	46,269	10,316	749,550	153,824	5,006	16,060	2,427	2,427		
931 Other	12	277,000	57,201	31,273	5,374	8,449	1,884	136,866	28,068	914	2,936	249	443		
Total Operation		50,448,000	10,255,617	5,715,719	984,333	1,547,883	368,026	24,655,674	174,871	544,018	548,395	46,342	82,032		

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Factor Ref.	Account	Cost of Service	Volumetric Costs						Customer Costs					
			Rate R	Rate N	Rate DS	Rate LFD	Rate XD Firm	Interruptible	Rate R	Rate N	Rate DS	Rate LFD	Rate XD Firm	Interruptible
(2)	(1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Maintenance													
932	Maintenance of General Plant	1,435,000	296,328	162,012	27,839	43,768	17,220	9,788	709,034	145,509	4,736	15,211	1,292	2,296
935	Maintenance of General Plant	12,000	2,478	1,355	233	366	144	82	5,929	1,217	40	127	11	19
	Total Maintenance	1,447,000	298,806	163,367	28,072	44,134	17,364	9,870	714,963	146,726	4,776	15,338	1,303	2,315
	Total Administrative & General Expenses	51,895,000	10,554,423	5,879,086	1,012,405	1,592,017	639,460	377,866	25,370,637	5,593,744	179,647	563,733	47,645	84,347
	Total Operation and Maintenance Expenses	116,847,001	24,001,437	13,220,611	2,274,145	3,571,512	1,417,990	817,107	57,434,920	12,174,590	393,746	1,248,469	103,992	188,494
DEPRECIATION AND AMORTIZATION EXPENSE														
DISTRIBUTION PLANT														
305	Manufactured Gas Plant Site Remediation	207,811	153,593	54,218	-	-	-	-	-	-	-	-	-	-
375	Structures And Improvements	27,612	14,162	8,764	1,546	2,438	676	25	-	-	-	-	-	-
376	Mans - Small	5,007,323	2,805,603	1,737,040	310,955	153,725	-	-	-	-	-	-	-	-
4	Mans - Large	7,640,626	3,849,347	2,382,347	416,414	992,517	-	-	-	-	-	-	-	-
DA	Mans - Direct Assign	310,359	-	-	-	-	301,344	9,015	-	-	-	-	-	-
378	Measuring & Regulating Equipment - General	1,128,978	579,053	358,938	63,223	99,689	27,660	1,016	-	-	-	-	-	-
379	Measuring & Regulating Equipment - SCADA	107,140	34,006	34,006	9,460	6,000	2,625	96	-	-	-	-	-	-
380	Measuring & Regulating Equipment - City Gate Services	18,440,532	45,396	28,092	4,956	7,815	2,168	80	-	-	-	-	-	-
381	Meters	1,553,801	-	-	-	-	-	-	15,851,481	2,236,837	145,690	114,331	12,908	79,294
381.2	Electronic Meters	445,841	-	-	-	-	-	-	536,527	991,556	27,502	-	-	8,235
382	Meter Installations	1,578,782	-	-	-	-	-	-	153,949	281,658	7,891	-	-	2,363
383	House Regulators	404,313	-	-	-	-	-	-	545,152	997,317	27,944	-	-	8,368
384	House Regulator Installations	268,996	-	-	-	-	-	-	139,609	255,405	7,156	-	-	2,143
385	Industrial Measuring & Regulating Equipment	128,880	-	-	-	-	-	-	92,884	169,925	4,761	-	-	1,426
386	Other Property on Customer Premises	23,414	-	-	-	-	-	-	29,995	29,995	-	-	-	206
387	Other Equipment	105,852	21,827	13,507	2,360	3,726	1,916	1,630	38,488	14,791	414	-	-	124
387.1	Other Equipment	4,539	936	579	101	160	82	70	677	19,011	677	2,233	201	275
	Total Distribution Plant	37,473,107	7,524,869	4,616,891	805,555	1,269,530	336,471	11,932	17,367,826	4,987,270	222,054	207,392	20,865	102,446
GENERAL PLANT														
390	Structures And Improvements	1,124,899	232,292	127,001	21,823	34,309	13,499	7,649	555,813	114,065	3,712	11,924	1,012	1,800
391	Office Furniture And Equipment	109,370	22,585	12,348	2,122	3,336	1,312	744	54,040	11,090	361	1,159	98	175
392	Transportation Equipment	80,541	16,632	9,093	1,562	2,457	966	548	39,795	8,167	266	854	72	129
394	Tools, Shop And Garage Equipment	501,958	103,654	56,671	9,738	15,310	6,023	3,413	248,017	50,899	1,656	5,321	452	803
396	Power Operated Equipment	8,536	1,763	964	166	260	102	58	4,218	866	28	90	8	14
397	Communication Equipment	40,154	8,291	4,533	779	1,225	482	273	19,840	4,072	133	426	36	64
398	Miscellaneous Equipment	85,585	17,672	9,663	1,660	2,610	1,027	562	42,288	8,678	282	907	77	137
399	Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total General Plant	1,951,043	402,889	220,273	37,850	59,507	23,411	13,267	964,011	197,837	6,438	20,681	1,755	3,122
COMMON PLANT ALLOCATED @ 15.36%														
380.2	Structures and Improvements	2,114	437	239	41	64	25	14	1,045	214	7	22	2	3
391	Office Furniture and Equipment	14,784	3,053	1,669	287	451	177	101	7,305	1,499	49	157	13	24
392.1	Transportation Equipment	533	110	60	10	16	6	4	283	54	2	6	-	1
	Total Common Plant	17,431	3,600	1,966	336	531	208	119	8,613	1,767	58	185	15	28
INFORMATION SERVICES (IS) ALLOCATED @ 48.83%														
391	Office Furniture and Equipment	1,556,244	321,364	175,700	30,191	47,465	18,675	10,582	768,940	157,803	5,136	16,496	1,401	2,480
391.1	Office Furniture and Equip. - New CIS Software	2,867,067	-	-	-	-	-	-	2,572,906	283,840	4,301	3,440	287	2,394
	Total Information Services	4,423,311	321,364	175,700	30,191	47,465	18,675	10,582	3,341,846	441,643	9,437	19,936	1,688	4,784
Less:														
390.1	Amount Charged to Cleaning Accounts	(637,000)	(191,541)	(71,917)	(12,358)	(19,429)	(7,644)	(4,332)	(314,742)	(64,592)	(2,102)	(6,752)	(573)	(1,019)
	Struct & Imps- Reading Service Center @ 51.74%	(38,944)	(8,042)	(4,397)	(756)	(1,188)	(467)	(265)	(19,242)	(3,949)	(129)	(413)	(35)	(62)
	Total Depreciation & Amortization Expense	43,188,948	8,113,139	4,938,518	860,820	1,356,416	370,654	31,303	21,348,312	5,559,976	235,756	241,029	23,715	109,299

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs										Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)					
TAXES OTHER THAN INCOME TAXES																			
408 10 Capital Stock	15	-	-	-	-	-	-	2,071	-	-	-	18,638	-	-	-	-	106	-	336
408 10 County and Municipal Taxes	13	177,000	23,753	4,071	6,407	2,071	78,199	2,071	620	620	31,252	443,648	726	1,274	40,764	3,397	5,775	3,160	5,775
408 10 Payroll Related Tax	13	3,397,000	385,560	66,921	105,307	45,860	1,606,781	45,860	5,821	5,821	734,713	175,114	6,818	11,974	998	2,155	205	1,026	1,026
408 10 Public Utility Assessment	16	1,663,000	223,175	38,249	60,201	19,457	189,810	19,457	359	359	49,658	687,058	23,338	56,167	4,706	10,297	-	-	-
408 10 Public Utility Reality Tax	15	513,000	84,132	14,261	22,521	6,310	2,609,503	6,310	-	-	81,392,735	18,421,624	652,840	1,545,665	132,413	308,090	-	-	-
408 10 Miscellaneous Taxes	16	575,000	1,212,625	716,620	194,436	73,698	886,462	73,698	26,500	26,500	14,007,090	3,664,568	162,785	159,999	15,143	75,714	-	-	-
Total Taxes Other Than Income		5,750,000	716,620	123,502	194,436	73,698	886,462	73,698	52,827	52,827	27,922,790	7,305,206	324,508	316,961	30,187	150,934			
Total Operating Expenses		165,785,949	18,875,749	3,258,487	5,122,364	1,862,342	886,462	1,862,342	26,500	26,500	14,007,090	3,664,568	162,785	159,999	15,143	75,714			
INCOME TAXES	15	37,857,000	6,208,548	1,052,425	1,661,922	465,641	26,500	465,641	26,500	26,500	14,007,090	3,664,568	162,785	159,999	15,143	75,714			
OPERATING INCOME AVAILABLE FOR RETURN	15	75,467,000	20,647,771	12,376,588	2,097,963	928,244	52,827	928,244	52,827	52,827	27,922,790	7,305,206	324,508	316,961	30,187	150,934			
TOTAL COST OF SERVICE		279,109,949	37,460,885	6,408,875	10,097,287	3,256,227	965,789	3,256,227	965,789	965,789	123,322,615	29,391,388	1,140,133	2,021,625	177,743	534,738			
Less: Other Revenues																			
Reconnection Charges	6C	517,000	-	-	-	-	-	-	-	-	444,413	62,712	4,084	3,205	362	2,223			
Rent From Gas Property	12	165,000	18,629	3,201	5,033	1,980	1,122	1,980	1,122	1,122	81,527	16,731	545	1,749	149	264			
Forfeited Discounts/Penalties	20	2,996,000	34,073	3,201	5,033	1,980	1,122	1,980	1,122	1,122	1,756,555	1,029,725	208,522	545	149	1,198			
Other Miscellaneous Revenues	16	802,000	184,861	107,628	29,032	9,383	2,807	9,383	2,807	2,807	354,324	84,451	3,288	5,774	481	1,524			
Subtotal		4,480,000	218,934	126,257	34,065	11,363	3,929	11,363	3,929	3,929	2,636,819	1,193,619	216,439	10,728	992	5,209			
TOTAL COST OF SERVICE RELATED TO TARIFF SALES AND TRANSPORTATION		274,629,949	64,113,714	37,334,628	10,063,222	3,244,864	961,860	3,244,864	961,860	961,860	120,685,796	28,197,769	923,694	2,010,897	176,751	529,529			

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 2 . ALLOCATION OF COMPRESSOR STATION FUEL.

Factors are based on the pro forma average daily throughput volumes for each service classification.

Service Classification <u>(1)</u>	Pro Forma Average Daily Throughput Volumes (Mcf) <u>(2)</u>	Allocation Factor 2 <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	62,313	0.1859
Rate N	38,743	0.1155
Rate DS	8,875	0.0265
Rate LFD	39,903	0.1190
Rate XD Firm	47,722	0.1423
Interruptible	<u>137,744</u>	<u>0.4108</u>
Total	<u><u>335,300</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 3. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS.

Factors are based on the maximum day extra demand throughput for each classification.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3	Allocation Factor 3A
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(5)
<u>Volumetric Costs</u>					
Rate R	62,313	363,772	301,459	0.5157	0.5698
Rate N	38,743	224,930	186,187	0.3185	0.3519
Rate DS	8,875	35,791	26,916	0.0460	0.0509
Rate LFD	39,903	54,422	14,519	0.0248	0.0274
Subtotal	149,834	678,915	529,081	0.9050	1.0000
Rate XD Firm	47,722	103,283	55,561	0.0950	-
Total	197,556	782,198	584,642	1.0000	1.0000

FACTOR 3B. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS FOR SMALL MAINS ALLOCATION.

Factors are based on the maximum day extra demand throughput for each classification, excluding XD and Interruptible classifications.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3B
(1)	(2)	(3)	(4)=(3)-(2)	(5)
<u>Volumetric Costs</u>				
Rate R	62,313	363,772	301,459	0.5828
Rate N	38,743	224,930	186,187	0.3599
Rate DS	8,875	35,791	26,916	0.0520
Rate LFD	7,582	10,340	2,758	0.0053
Total	117,513	634,833	517,320	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH LARGE DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 4 (7)=(4)+(6)
	Interruptible	Allocation Factor	Weighted Factor*	Allocation Factor 3A	Weighted Factor	
(1)	(2)	(3)	(4)=(3)x 0.4287	(5)	(6)=(5)x 0.5713	
<u>Volumetric Costs</u>						
Rate R	62,313	0.4159	0.1783	0.5698	0.3255	0.5038
Rate N	38,743	0.2586	0.1108	0.3519	0.2010	0.3118
Rate DS	8,875	0.0592	0.0254	0.0509	0.0291	0.0545
Rate LFD	39,903	0.2663	0.1142	0.0274	0.0157	0.1299
Rate XD Firm	-	-	-	-	-	-
Interruptible	-	-	-	-	-	-
Total	149,834	1.0000	0.4287	1.0000	0.5713	1.0000

* The weighting of the factors is based on the percentage of average daily throughput of 335,300 mcf divided by peak day demand of 782,198 mcf. ($335,300 / 782,198 = 42.87\%$)

FACTOR 4A. ALLOCATION OF COSTS ASSOCIATED WITH LOAD DISPATCHING AND M&R STATION EQUIPMENT.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Throughput	Average Daily Throughput		Maximum Day Extra Demand		Allocation Factor (7)=(4)+(6)
		Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	
(1)	(2)	(3)	(4)=(3)x 0.4287	(5)	(6)=(5)x 0.5713	
<u>Volumetric</u>						
Rate R	62,313	0.1859	0.0798	0.5157	0.2945	0.3743
Rate N	38,743	0.1155	0.0494	0.3185	0.1820	0.2314
Rate DS	8,875	0.0265	0.0114	0.0460	0.0263	0.0377
Rate LFD	39,903	0.1190	0.0510	0.0248	0.0142	0.0652
Rate XD-Firm	47,722	0.1423	0.0610	0.0950	0.0543	0.1153
Interruptible	137,744	0.4108	0.1761	-	-	0.1761
Total	335,300	1.0000	0.4287	1.0000	0.5713	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH SMALL DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification (1)	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 5 (7)
	Volumes (Mcf) (2)	Allocation Factor (3)	Weighted Factor (4)=(3)x 0.4287	Allocation Factor 3B (5)	Weighted Factor (6)=(5)x 0.5713	
<u>Volumetric Costs</u>						
Rate R	62,313	0.5303	0.2273	0.5828	0.3330	0.5603
Rate N	38,743	0.3297	0.1413	0.3599	0.2056	0.3469
Rate DS	8,875	0.0755	0.0324	0.0520	0.0297	0.0621
Rate LFD	7,582	0.0645	0.0277	0.0053	0.0030	0.0307
Rate XD - Firm Interruptible (IS)	-	-	-	-	-	-
Total	<u>117,513</u>	<u>1.0000</u>	<u>0.4287</u>	<u>1.0000</u>	<u>0.5713</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH ACCOUNT 381, METERS.

Factors are based on the cost of meters by class included in Account 381, Meters.

<u>Service Classification</u> (1)	<u>Cost of Meters</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 15,645,801	0.3453
Rate N	28,616,967	0.6317
Rate DS	800,115	0.0177
Rate LFD	-	-
Interruptible	<u>240,109</u>	<u>0.0053</u>
Total	<u>\$ 45,302,992</u>	<u>1.0000</u>

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FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6B. ALLOCATION OF COSTS ASSOCIATED WITH INDUSTRIAL MEASURING AND REGULATING EQUIPMENT, ACCOUNT 385.

Factors are based on the cost of M&R equipment by class included in Account 385, Industrial Measuring and Regulating Equipment.

<u>Service Classification</u> (1)	<u>Cost of M&R Equipment</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate N	\$ 1,223,583	0.2331
Rate LFD	3,702,212	0.7051
Rate XD - Firm	316,174	0.0602
Interruptible	8,475	0.0016
Total	<u>\$ 5,250,444</u>	<u>1.0000</u>

FACTOR 6C. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the cost of services by class included in Account 380, Service Lines.

<u>Service Classification</u> (1)	<u>Cost of Services</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 436,652,618	0.8596
Rate N	61,565,658	0.1213
Rate DS	3,993,767	0.0079
Rate LFD	3,130,250	0.0062
Rate XD - Firm	372,098	0.0007
Interruptible	2,172,285	0.0043
Total	<u>\$ 507,886,676</u>	<u>1.0000</u>

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FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH CUSTOMER ACCOUNTING.
AND METER READING

Factors are based on the number of customers for each classification, as follows.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor 7</u> (3)
<u>Customer Costs</u>		
Rate R	348,120	0.8974
Rate N	38,394	0.0990
Rate DS	592	0.0015
Rate LFD	464	0.0012
Rate XD	27	0.0001
Interruptible	<u>322</u>	<u>0.0008</u>
Total	<u><u>387,919</u></u>	<u><u>1.0000</u></u>

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH SALES EXPENSES.

Factors are based on the number of Rate R and Rate N customers.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	348,120	0.9007
Rate N	<u>38,394</u>	<u>0.0993</u>
Total	<u><u>386,514</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 9 (DA). ALLOCATION OF CUSTOMER ASSISTANCE EXPENSES.

These costs are directly assigned to the Residential Classification.

<u>Service Classification</u>	<u>Allocation Factor</u>
(1)	(3)
<u>Customer Costs</u> Rate R	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 10. ALLOCATION OF DISTRIBUTION OPERATION OTHER EXPENSES AND RENT.

Factors are based on distribution operation expenses other than those being allocated.

Service Classification <u>(1)</u>	Operation Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 3,191,757	0.2062
Rate N	1,975,222	0.1276
Rate DS	344,515	0.0223
Rate LFD	545,042	0.0352
Rate XD	279,617	0.0181
Interruptible	238,851	0.0154
<u>Customer Costs</u>		
Rate R	5,629,093	0.3636
Rate N	2,780,372	0.1796
Rate DS	98,799	0.0064
Rate LFD	326,558	0.0211
Rate XD	28,776	0.0019
Interruptible	40,401	0.0026
Total	<u>\$ 15,479,003</u>	<u>1.0000</u>

FACTOR 11. ALLOCATION OF DISTRIBUTION MAINTENANCE OTHER EXPENSES.

Factors are based on distribution maintenance expenses other than those being allocated.

Service Classification <u>(1)</u>	Maintenance Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 7,084,872	0.4305
Rate N	4,385,131	0.2665
Rate DS	772,208	0.0469
Rate LFD	1,206,069	0.0733
Rate XD	391,429	0.0238
Interruptible	118,291	0.0072
<u>Customer Costs</u>		
Rate R	1,622,794	0.0984
Rate N	645,101	0.0392
Rate DS	23,877	0.0015
Rate LFD	180,802	0.0110
Rate XD	15,716	0.0010
Interruptible	10,709	0.0007
Total	<u>\$ 16,456,999</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 12. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES.

Factors are based on the allocation of operation and maintenance expenses.

<u>Service Classification</u> (1)	<u>Operation & Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 13,396,755	0.2065
Rate N	7,323,784	0.1129
Rate DS	1,261,740	0.0194
Rate LFD	1,979,495	0.0305
Rate XD	778,530	0.0120
Interruptible	439,241	0.0068
<u>Customer Costs</u>		
Rate R	32,064,283	0.4941
Rate N	6,580,846	0.1014
Rate DS	214,099	0.0033
Rate LFD	684,736	0.0106
Rate XD	56,347	0.0009
Interruptible	104,147	0.0016
Total	<u>\$ 64,884,003</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 13. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of total operation and maintenance direct labor expense to service classifications as shown on the following page.

Service Classification (1)	Total Labor Expense (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 6,627,630	0.1908
Rate N	3,942,463	0.1135
Rate DS	683,366	0.0197
Rate LFD	1,075,661	0.0310
Rate XD	468,679	0.0135
Interruptible	320,922	0.0092
<u>Customer Costs</u>		
Rate R	16,437,559	0.4730
Rate N	4,535,978	0.1306
Rate DS	138,727	0.0040
Rate LFD	417,239	0.0120
Rate XD	36,457	0.0010
Interruptible	58,325	0.0017
Total	<u>\$ 34,743,006</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS, MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation excluding the items being allocated, as follows:

Service Classification (1)	Original Cost Less Depreciation (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 336,561,398	0.2736
Rate N	201,727,996	0.1640
Rate DS	34,222,594	0.0278
Rate LFD	53,928,674	0.0438
Rate XD	15,165,501	0.0123
Interruptible	905,970	0.0007
<u>Customer Costs</u>		
Rate R	455,139,051	0.3701
Rate N	119,117,959	0.0968
Rate DS	5,281,401	0.0043
Rate LFD	5,124,401	0.0042
Rate XD	511,205	0.0004
Interruptible	2,470,732	0.0020
Total	<u>\$ 1,230,156,882</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Factor Ref.	Account	Cost of Service	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
DIRECT LABOR EXPENSE															
750-760	Total Production & Gathering Operation Expenses	1	-	-	-	-	-	-	-	-	-	-	-	-	-
761 - 769	Total Gas Raw Materials Expenses	1	50,259	17,741	-	-	-	-	-	-	-	-	-	-	-
850 - 860	Total Transmission Operation Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-	-
861 - 867	Total Transmission Maintenance Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-	-
870	Operation Supervision and Engineering	10	431,577	267,067	48,674	73,674	37,883	761,015	32,232	375,903	13,395	44,162	3,977	5,442	
871	Distribution Load Dispatching	4a	165,195	100,890	16,437	28,427	50,271	76,780	-	-	-	-	-	-	
874	Mains And Services Expenses														
	Mains - Small	5	430,447	266,504	47,708	23,585	-	-	-	-	-	-	-	-	
	Mains - Large	17	1,172,256	350,387	61,192	145,946	46,773	1,758	-	-	-	-	-	-	
	Services	6C	-	-	-	-	-	-	-	-	-	-	-	-	
875	M & R Station Expenses -General	4a	87,212	53,916	8,784	15,192	26,865	1,668,054	41,031	235,383	15,330	12,031	1,358	8,344	
876	Measuring and Regulating Station Expenses-Indust	6B	-	-	-	-	-	-	-	-	-	-	-	-	
877	Measuring and Regulating Station Expenses-City G	4a	62,882	38,875	6,334	10,954	19,370	29,585	-	52,448	-	158,648	13,545	360	
878	Meter And House Regulator Expenses	6	-	-	-	-	-	-	499,649	914,070	25,612	-	-	7,869	
879	Customer Installation Expenses	6	994,000	-	-	-	-	-	343,228	627,910	17,594	-	-	5,268	
880	Other Expenses	10	350,128	216,665	37,865	59,770	30,734	26,149	617,393	304,961	10,867	35,828	3,226	4,415	
881	Rent	10	-	-	-	-	-	-	-	-	-	-	-	-	
885	Supervision - Engineering and Labor	11	284,561	176,157	31,001	48,451	15,732	4,759	65,042	25,911	992	7,271	661	463	
886	Structures & Improvements	18	-	-	-	-	-	-	-	-	-	-	-	-	
887	Mains - Small	5	1,601,811	555,668	99,472	49,176	-	-	-	-	-	-	-	-	
889	M & R Equip - General	4a	1,190,543	730,568	127,587	304,302	97,523	3,666	-	-	-	-	-	-	
890	M & R Equip - Ind	4a	13,475	8,330	1,357	2,347	4,151	6,340	-	-	-	-	-	-	
891	M & R Equip - CG Check Station	6B	-	-	-	-	-	-	-	-	-	-	-	-	
892	Services	4a	67,374	41,652	6,786	11,736	20,754	31,698	-	13,966	-	42,306	3,612	96	
893	Meters & House Regulators	6C	-	-	-	-	-	-	758,167	106,987	6,968	5,468	617	3,793	
895	Other Equipment	11	20,234	12,526	2,204	3,445	1,119	338	128,106	234,361	6,567	517	47	1,966	
894	Other Equipment	11	-	-	-	-	-	-	4,625	1,842	71	-	-	33	
901	Supervision	7	-	-	-	-	-	-	324,859	35,838	543	434	36	290	
902	Meter Reading Expenses	7	-	-	-	-	-	-	61,974	939	939	751	63	501	
903	Customer Records & Coll Expenses	7	-	-	-	-	-	-	4,362,261	481,239	7,292	5,833	486	3,889	
907	Supervision	7	-	-	-	-	-	-	120,252	13,266	201	161	13	107	
908	Customer Assistance Expenses	9	-	-	-	-	-	-	668,000	13,266	-	-	-	-	
910	Miscellaneous Customer Service & Info. Exp.	7	-	-	-	-	-	-	25,127	2,772	42	34	3	22	
911	Supervision	8	-	-	-	-	-	-	-	-	-	-	-	-	
912	Demonstrating And Selling Expenses	8	-	-	-	-	-	-	491,782	54,218	-	-	-	-	
920	Administrative & General Salaries	12	1,818,852	994,423	170,875	268,644	105,696	59,894	4,352,033	893,131	29,066	93,365	7,927	14,093	
921	Office Supplies And Expenses	12	49,560	27,096	4,656	7,320	2,880	4,656	2,544	792	792	2,544	216	384	
925	Injuries and Damages	12	113,968	62,321	10,709	16,836	6,624	3,754	272,743	55,973	1,822	5,851	497	883	
932	Maintenance of General Plant	12	39,648	21,677	3,725	5,856	2,304	1,306	94,867	19,469	634	2,035	173	307	
	Total Direct Labor Expense		6,627,630	3,942,463	683,366	1,075,661	468,679	320,922	16,437,559	4,535,978	138,727	417,239	36,457	58,325	

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 15. ALLOCATION OF RETURN AND TAXES.

Factors are based on the result of allocating the original cost measure of value, as presented on the following page.

Service Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 252,630,563	0.2736
Rate N	151,418,578	0.1640
Rate DS	25,694,534	0.0278
Rate LFD	40,492,378	0.0439
Rate XD	11,392,295	0.0123
Interruptible	691,235	0.0007
<u>Customer Costs</u>		
Rate R	341,605,418	0.3700
Rate N	89,423,131	0.0968
Rate DS	3,962,313	0.0043
Rate LFD	3,835,990	0.0042
Rate XD	388,500	0.0004
Interruptible	1,857,203	0.0020
Total	<u>\$ 923,392,138</u>	<u>1.0000</u>

FACTOR 16. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER REVENUES.

Factors are based on the allocated cost of service excluding those items being allocated.

Service Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 63,763,774	0.2305
Rate N	37,129,679	0.1342
Rate DS	6,352,111	0.0230
Rate LFD	10,007,945	0.0362
Rate XD	3,227,351	0.0117
Interruptible	957,150	0.0035
<u>Customer Costs</u>		
Rate R	122,232,253	0.4418
Rate N	29,131,508	0.1053
Rate DS	1,130,014	0.0041
Rate LFD	2,003,855	0.0072
Rate XD	176,262	0.0006
Interruptible	530,049	0.0019
Total	<u>\$ 276,641,951</u>	<u>1.0000</u>

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COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Factor Ref.	Account (1)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
RATE BASE														
DISTRIBUTION PLANT														
374	Land	2,273,343	1,165,998	721,559	127,307	200,736	55,697	2,046	-	-	-	-	-	-
375	Land Rights of Way	-	-	-	-	-	-	-	-	-	-	-	-	-
376	Structures And Improvements	739,180	379,125	234,616	41,394	65,270	18,110	665	-	-	-	-	-	-
377	Mains - Small	215,322,849	120,645,392	74,695,496	13,371,549	6,610,411	-	-	-	-	-	-	-	-
378	Mains - Large	328,559,063	165,528,056	102,444,716	17,906,469	42,679,822	-	-	-	-	-	-	-	-
379	Mains - Direct Assign	14,193,075	-	-	-	-	13,686,419	506,656	-	-	-	-	-	-
379	Measuring & Regulating Equipment - General	28,975,073	14,661,315	9,166,688	1,622,604	2,568,499	709,888	26,078	-	-	-	-	-	-
379	Measuring & Regulating Equipment - SCADA	656,319	336,626	209,316	36,754	57,953	16,080	591	-	-	-	-	-	-
379	Measuring & Regulating Equipment - City Gate	1,700,598	872,237	539,770	95,233	150,163	41,665	1,531	-	-	-	-	-	-
380	Meters	433,144,508	-	-	-	-	-	-	372,331,019	52,540,429	3,421,842	2,665,496	303,201	1,662,521
381	Meter Installations	36,121,391	-	-	-	-	-	-	12,472,716	22,817,883	639,349	-	-	191,443
382	House Regulators	42,041,136	-	-	-	-	-	-	14,516,804	26,557,386	744,128	-	-	222,818
383	House Regulator Installations	5,737,053	-	-	-	-	-	-	1,981,004	3,624,096	101,546	-	-	30,406
384	Industrial Measuring & Regulating Equipment	6,928,942	-	-	-	-	-	-	2,392,564	4,377,013	122,642	-	-	36,723
385	Other Property on Customer Premises - Farm Taps	2,576,972	-	-	-	-	-	-	600,692	1,300,372	3,653	-	-	4,123
386	Other Property on Customer Premises - Gas Lights	206,382	-	-	-	-	-	-	125,323	229,269	6,424	-	-	1,094
386	Other Property on Customer Premises - CNG Refuel	1,113	-	-	-	-	-	-	384	703	20	-	-	6
386	Other Property on Customer Premises - Other	1,036	-	-	-	-	-	-	(358)	(654)	(18)	-	-	(5)
387	Other Equipment	1,330,441	274,337	169,764	29,669	46,832	24,081	20,489	483,748	236,947	8,515	28,072	2,528	3,459
387	Other Equipment - Graphic Data Base	44,275	9,130	5,649	987	1,558	801	682	16,098	7,952	283	934	84	115
387	Total Distribution Plant	1,120,913,616	304,072,216	188,216,574	33,231,966	52,371,244	14,552,742	558,738	404,390,566	111,424,088	5,048,384	4,531,525	460,947	2,354,627
GENERAL PLANT														
389	Land and Land Rights	1,492,767	308,256	168,533	29,980	45,529	17,913	10,151	737,576	151,367	4,926	15,823	1,343	2,388
390	Structures And Improvements	16,370,674	3,380,544	1,848,249	317,591	499,306	196,448	111,321	8,088,750	1,659,966	54,023	173,529	14,734	26,193
391	Office Furniture And Equipment	1,227,472	253,473	138,582	23,813	37,438	14,730	8,347	606,494	124,466	4,051	13,011	1,105	1,964
392	Transportation Equipment	7,209,695	148,824	81,366	13,981	21,981	8,648	4,901	3,586,095	73,078	2,378	7,639	649	1,153
394	Tools, Shop And Garage Equipment	6,627,397	1,368,557	748,233	128,572	202,136	79,529	45,066	3,274,597	672,018	21,870	70,250	5,965	10,604
396	Power Operated Equipment	55,398	11,440	6,254	1,075	1,690	665	375	27,372	5,617	183	587	81	145
397	Communication Equipment	90,438	18,675	10,210	1,754	2,758	1,085	615	44,685	9,170	298	959	81	145
398	Miscellaneous Equipment	515,186	106,386	58,164	9,995	15,713	6,182	3,503	254,553	52,240	1,700	5,461	464	824
399	Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-	-	-
399	Total General Plant	27,100,027	5,596,155	3,059,591	525,741	826,551	325,200	184,281	13,390,122	2,747,942	89,429	287,259	24,391	43,360
COMMON PLANT ALLOCATED @ 15.36%														
Total Plant														
1,148,013,643														
COMMON PLANT ALLOCATED @ 48.83%														
390.2	Structures and Improvements	3,171	655	358	62	97	38	22	1,567	322	10	34	3	5
391	Office Furniture and Equipment	110,484	22,811	12,471	2,143	3,369	1,326	751	54,580	11,201	365	1,171	99	177
392.1	Transportation Equipment	1,520	314	172	29	46	18	10	751	154	5	16	1	2
Total Common Plant														
115,155														
INFORMATION SERVICES (IS) ALLOCATED @ 48.83%														
391	Office Furniture and Equipment	9,425,306	1,946,326	1,064,117	182,851	287,472	113,104	64,092	4,657,044	955,726	31,104	99,908	8,483	15,080
391.1	Total Information Services	43,006,009	1,946,326	1,064,117	182,851	287,472	113,104	64,092	38,593,592	4,257,595	64,509	151,607	4,301	34,405
Less: Reading Service Center Allocated to Other Divisions														
390.1	Structures And Improvements @ 51.74%	(476,229)	(98,341)	(53,766)	(9,239)	(14,525)	(5,715)	(3,238)	(235,305)	(48,290)	(1,572)	(5,048)	(429)	(762)
INTANGIBLE PLANT														
301	Organization (Allocated at 15.36%)	21,345	5,840	3,501	593	935	263	15	7,900	2,066	92	90	9	43
302	Franchises And Consents	7,731	1,238	786	1,238	348	348	20	10,458	2,735	122	119	11	57
304	Land and Land Rights	381,652	104,420	62,591	10,610	16,716	4,694	267	141,249	36,944	1,641	1,603	153	763
305	Manufactured Gas Plant Remediation	316,923	234,238	-	-	-	-	-	-	-	-	-	-	-
Total Nondepreciable Plant														
748,176														
Total Utility Plant in Service														
1,200,832,060														
OTHER RATE BASE ELEMENTS														
1	Gas Storage Inventory	21,730,000	16,060,643	5,669,357	-	-	-	-	461,012,524	119,090,483	5,234,089	4,969,284	497,969	2,447,757

UGI UTILITIES, INC. - GAS DIVISION

COST OF SERVICE AS OF SEPTEMBER 30, 2017, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
Cash Working Capital	12	10,687,000	2,206,866	1,206,562	207,328	325,954	128,244	72,672	5,280,447	1,089,662	35,267	113,282	9,618	17,099
Cash Working Capital - Purchased Gas Related	1	7,961,000	5,883,975	2,077,025	-	-	-	-	-	-	-	-	-	-
Materials & Supplies	12	4,212,000	869,778	473,535	81,713	128,466	-	28,642	2,081,149	427,097	13,900	44,647	3,791	6,739
Deferred Taxes	14	(307,196,000)	(84,048,826)	(50,380,144)	(8,540,049)	(13,455,185)	(3,778,511)	(215,037)	(113,693,240)	(29,736,573)	(1,320,943)	(1,290,223)	(122,878)	(614,392)
Customer Deposits	8	(14,517,000)	-	-	-	-	-	-	(13,075,462)	(1,441,538)	-	-	-	-
Investment Tax Credit	14	(277,123,000)	(59,027,564)	(40,951,665)	(8,251,008)	(13,000,765)	(3,599,723)	(113,723)	(119,407,106)	(29,667,352)	(1,271,776)	(1,132,294)	(109,469)	(590,554)
Total Other Rate Base Elements			\$ 252,864,801	\$ 151,501,263	\$ 25,694,534	\$ 40,492,378	\$ 11,392,295	\$ 691,235	\$ 341,605,418	\$ 89,423,131	\$ 3,962,313	\$ 3,835,990	\$ 388,500	\$ 1,857,203
Total Measure of Value		\$ 923,709,060												

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 17. ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES ASSOCIATED WITH LARGE MAINS.

Factors are based on the allocation of rate base for large and directly assigned mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 165,528,056	0.4830
Rate N	102,444,716	0.2989
Rate DS	17,906,469	0.0522
Rate LFD	42,679,822	0.1245
Rate XD	13,686,419	0.0399
Interruptible	506,656	0.0015
 Total	 <u>\$ 342,752,138</u>	 <u>1.0000</u>

FACTOR 18. ALLOCATION OF RATE BASE ASSOCIATED M&R STATION EQUIPMENT.

Factors are based on the composite allocation of all mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 286,173,448	0.5129
Rate N	177,140,212	0.3174
Rate DS	31,278,018	0.0560
Rate LFD	49,290,233	0.0883
Rate XD	13,686,419	0.0245
Interruptible	506,656	0.0009
 Total	 <u>\$ 558,074,986</u>	 <u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 19. ALLOCATION OF UNCOLLECTIBLE ACCOUNTS

Factors are based on history of net write-offs by class.

Service Classification	5-Yr. Average of Write-offs	Allocation Factor
(1)	(2)	(3)
<u>Customer Costs</u>		
Rate R	\$ 6,527,255	0.9186
Rate N	446,108	0.0628
Rate DS	42,855	0.0060
Rate LFD	56,327	0.0079
Rate XD	-	0.0000
Interruptible	33,323	0.0047
Total	<u>\$ 7,105,868</u>	<u>1.0000</u>

FACTOR 20. ALLOCATION OF PENALTY REVENUE

Factors are based on an analysis of penalty revenue, by class.

Service Classification	Penalty Revenue	Allocation Factor
(1)	(2)	(3)
<u>Customer Costs</u>		
Rate R	\$ 1,756,329	0.5863
Rate N	1,029,704	0.3437
Rate DS	208,436	0.0696
Rate LFD	-	0.0000
Rate XD	-	0.0000
Interruptible	1,200	0.0004
Total	<u>\$ 2,995,668</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Fully Allocated Customer Costs							
Customer Costs	151,994,907	\$ 120,685,796	\$ 28,197,769	\$ 923,694	\$ 2,010,897	\$ 176,751	\$ 529,529
Number of bills	4,651,164	4,177,440	460,728	7,104	5,568	324	3,864
Customer Cost per bill		\$ 28.89	\$ 61.20	\$ 130.02	\$ 361.15	\$ 545.53	\$ 137.04
Direct Customer Costs							
O & M Expenses:							
874 Mains And Services Expenses							
Mains							
Services	5,224,437	4,510,321	636,461	41,451	32,531	3,673	22,562
876 M & R Station Expenses - Industrial	416,333	-	97,203	-	294,027	25,103	667
878 Meter and House Regulator Expenses	1,948,617	676,443	1,237,500	34,674	-	-	10,383
879 Customer Installations Expenses	1,274,211	442,329	809,208	22,674	-	-	6,789
890 M & R Equip - Industrial	241,612	-	56,410	-	170,634	14,568	387
892 Services	1,632,948	1,409,744	198,932	12,956	10,168	1,148	7,052
893 Meters & House Regulators	613,730	213,050	389,759	10,921	-	-	3,270
901 Supervision	424,661	381,395	42,075	638	510	43	340
902 Meter Reading Expenses	1,000,199	898,297	99,099	1,502	1,201	100	801
903 Customer Records & Coll Expenses	13,670,055	12,277,329	1,354,419	20,522	16,417	1,368	10,945
904 Uncollectible Accounts	3,668,158	3,372,781	217,384	33,666	44,327	-	26,372
905 Miscellaneous Cust Accts Expenses	357,714	321,269	35,442	537	430	36	286
907 Supervision	163,868	147,173	16,236	246	197	16	131
908 Customer Assistance Expenses	1,308,000	1,308,000	-	-	-	-	-
910 Miscellaneous Customer Service Exp.	115,907	104,098	11,484	174	139	12	93
911 Supervision	-	-	-	-	-	-	-
912 Demonstrating and Selling Expenses	3,635,001	3,274,045	360,956	-	-	-	-
913 Advertising Expenses	111,000	99,978	11,022	-	-	-	-
916 Miscellaneous	104,000	93,673	10,327	-	-	-	-
926 Employee Pensions and Benefits	6,995,403 *	5,331,656	1,472,123	45,088	135,264	11,272	19,162
408 Payroll Taxes	2,108,178 *	1,606,781	443,648	13,588	40,764	3,397	5,775
Subtotal O & M Expenses	45,014,032	36,468,362	7,499,688	238,637	746,609	60,736	115,015

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Depreciation Expense							
380 Services	18,361,237	15,851,481	2,236,837	145,680	114,331	12,908	79,294
381 Meters	1,545,565	536,527	981,536	27,502	-	-	8,235
382 Meter Installations	1,570,413	545,152	997,317	27,944	-	-	8,368
383 House Regulators	402,170	139,609	255,405	7,156	-	-	2,143
384 House Regulator Installations	267,570	92,884	169,925	4,761	-	-	1,426
385 Industrial M & R Equipment	128,474	-	29,995	-	90,732	7,747	206
390 Structures and Improvements	686,526 *	555,813	114,065	3,712	11,924	1,012	1,800
391 Office Furniture And Equipment	3,890,321 *	3,403,191	454,232	9,847	21,252	1,799	4,983
Subtotal Depreciation	26,852,276	21,124,657	5,239,312	226,602	238,239	23,466	106,455
Rate Base							
380 Services	431,281,987	372,331,019	52,540,429	3,421,842	2,685,496	303,201	1,862,521
381 Meters	35,929,948	12,472,716	22,817,883	639,349	-	-	191,443
382 Meter Installations	41,818,318	14,516,804	26,557,386	744,128	-	-	222,818
383 House Regulators	5,706,646	1,981,004	3,624,096	101,546	-	-	30,406
384 House Regulator Installations	6,892,219	2,392,564	4,377,013	122,642	-	-	36,723
385 Industrial M & R Equipment	2,572,849	-	600,692	-	1,817,023	155,134	4,123
390 Structures And Improvements	9,991,022 *	8,088,750	1,659,986	54,023	173,529	14,734	26,193
391 Office Furniture and Equipment	49,540,412 *	43,911,710	5,348,988	100,029	165,697	13,988	51,626
Deferred Taxes	(146,163,857) *	(113,693,240)	(29,736,573)	(1,320,943)	(1,290,223)	(122,878)	(614,392)
Customer Deposits	(14,517,000)	(13,075,462)	(1,441,538)	-	-	-	-
Subtotal Rate Base	423,052,544	328,925,865	86,348,362	3,862,616	3,551,522	364,179	1,811,461
Taxes and Return @ 12.3%	51,901,631	40,353,826	10,593,532	473,880	435,714	44,679	222,237
Total Direct Customer Costs	\$ 123,767,938	\$ 97,946,845	\$ 23,332,532	\$ 939,119	\$ 1,420,562	\$ 128,881	\$ 443,707
Less: USP and EEC Recovery	9,015,112	8,125,794	393,673	90,181	405,463	-	-
Total	\$ 114,752,827	\$ 89,821,051	\$ 22,938,859	\$ 848,938	\$ 1,015,098	\$ 128,881	\$ 443,707
Number of bills	4,651,164	4,177,440	460,728	7,104	5,568	324	3,864
Direct Costs per bill	\$	\$ 21.50	\$ 49.79	\$ 119.50	\$ 182.31	\$ 397.78	\$ 114.83

* Customer cost portion of account.

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF COSTS RELATED TO LFD AND XD DEMAND CHARGES

Capital Costs	LFD	XD
Depreciation	\$ 1,356,416	\$ 370,654
Taxes Other Than Income	194,436	73,698
Income Taxes	1,661,922	465,641
Income Available for Return	3,313,001	928,244
Total	\$ 6,525,775	\$ 1,838,237
Cost Per Month	\$ 543,815	\$ 153,186
Demand Volume Units per Month	73,215	103,283
Demand Costs per MCF	\$ 7.43	\$ 1.48

UGI UTILITIES, INC. - GAS DIVISION

Docket No. R-2015-2518438

COST OF SERVICE ALLOCATION STUDY

AS OF SEPTEMBER 30, 2017

(Average of Cost of Service Allocation Studies)

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Harrisburg, Pennsylvania

C O N T E N T S

Schedule A-2. Comparison of Cost of Service with Revenues Under Present and Proposed Rates by Service Classification for the Twelve Months Ended September 30, 2017 - Without Gas Costs	1
Schedule B-2. Development of Rate of Return by Service Classification Under Present Rates	2
Schedule C-2. Development of Rate of Return by Service Classification Under Proposed Rates	3

UGI UTILITIES, INC. - GAS DIVISION

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
BY SERVICE CLASSIFICATION FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017
WITHOUT GAS COSTS

Service Classification (1)	Average of Cost of Service Studies		Pro Forma Margin Revenues,		Revenue Increase			
	Amount (2)	Percent (3)	Under Present Rates Amount (4)	Percent (5)	Under Proposed Rates Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Rate R	\$ 183,209,711	66.7%	\$ 108,668,733 *	50.3%	\$ 152,001,162	55.3%	\$ 43,332,429	39.9%
Rate N	64,549,196	23.5%	55,100,277	25.5%	67,596,056	24.6%	12,495,779	22.7%
Rate DS	7,086,431	2.6%	10,602,234	4.9%	11,583,714	4.2%	981,480	9.3%
Rate LFD	11,383,433	4.1%	25,008,284	11.6%	26,762,521	9.7%	1,754,237	7.0%
Rate XD Firm	3,421,615	1.2%	11,785,496	5.5%	11,785,496	4.3%	-	0.0%
Interruptible	4,979,568	1.8%	4,900,000	2.3%	4,900,000	1.8%	-	0.0%
Total	\$ 274,629,954	99.9%	\$ 216,065,024	100.1%	\$ 274,628,950	99.9%	\$ 58,563,925	27.1%
Other Operating Revenues	4,480,000		4,480,000		4,480,000		0	
Total	\$279,109,954		\$220,545,024		\$279,108,950		\$58,563,925	26.6%

* Includes GL.

UGI UTILITIES, INC. - GAS DIVISION

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PRESENT RATES

Item (1)	AVERAGE of Cost of Service Studies (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	\$ 216,065,024	\$ 108,668,733	\$ 55,100,277	\$ 10,602,234	\$ 25,008,284	\$ 11,785,496	\$ 4,900,000
2. Other Revenues	4,480,001	2,849,807	1,310,476	235,676	39,628	12,388	32,026
3. Total Operating Revenues	220,545,025	111,518,540	56,410,753	10,837,910	25,047,912	11,797,884	4,932,026
4. Less: Operating Expenses	164,798,592	112,876,869	36,807,363	3,951,974	6,245,088	2,003,327	2,913,971
5. Return and Income Taxes	55,746,433	(1,358,329)	19,603,390	6,885,936	18,802,824	9,794,557	2,018,055
6. Less: Interest Expense	20,044,000	12,751,993	5,135,273	649,426	883,940	256,563	366,805
7. Taxable Income	35,702,433	(14,110,322)	14,468,117	6,236,510	17,918,884	9,537,994	1,651,250
8. Less: Income Taxes	13,962,000	(5,519,179)	5,657,402	2,439,161	7,007,528	3,730,646	646,441
9. Net Return (Ln 5 - Ln 8)	41,784,433	4,160,850	13,945,988	4,446,775	11,795,296	6,063,911	1,371,614
10. Original Cost Measure of Value (Factor 15.)	923,476,350	587,567,225	236,607,199	29,918,200	40,722,880	11,790,871	16,869,975
11. Rate of Return, Percent	4.52%	0.71%	5.89%	14.86%	28.96%	51.43%	8.13%
12. Relative Rate of Return	1.00	0.16	1.30	3.28	6.40	11.37	1.80

UGI UTILITIES, INC. - GAS DIVISION

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PROPOSED RATES

Item (1)	AVERAGE of Cost of Service Studies (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	\$ 274,628,950	\$ 152,001,162	\$ 67,596,056	\$ 11,583,714	\$ 26,762,521	\$ 11,785,496	\$ 4,900,000
2. Other Revenues	4,480,001	2,845,252	1,313,241	236,509	40,123	12,355	32,521
3. Total Operating Revenues	279,108,951	154,846,414	68,909,297	11,820,223	26,802,644	11,797,851	4,932,521
4. Less: Operating Expenses	165,785,954	113,935,153	36,809,480	3,799,352	6,326,312	1,994,755	2,920,902
5. Return and Income Taxes	113,322,997	40,911,261	32,099,817	8,020,871	20,476,332	9,803,096	2,011,619
6. Less: Interest Expense	20,044,000	12,756,002	5,139,282	623,368	899,976	256,563	368,810
7. Taxable Income	93,278,997	28,155,259	26,960,535	7,397,503	19,576,356	9,546,533	1,642,809
8. Less: Income Taxes	37,857,000	11,429,028	10,940,673	3,002,060	7,946,184	3,872,771	666,283
9. Net Return (Ln 5 - Ln 8)	75,465,997	29,482,233	21,159,144	5,018,811	12,530,148	5,930,325	1,345,336
10. Original Cost Measure of Value (Factor 15.)	923,709,065	587,934,654	236,847,425	28,718,618	41,467,208	11,780,795	16,960,365
11. Rate of Return, Percent	8.17%	5.01%	8.93%	17.48%	30.22%	50.34%	7.93%
12. Relative Rate of Return	1.00	0.61	1.09	2.14	3.70	6.16	0.97

UGI UTILITIES, INC. – GAS DIVISION

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Information Submitted Pursuant to

Section 53.51 et seq of the Commission’s Regulations

UGI GAS EXHIBIT F – CURRENT TARIFF

ORIGINAL TARIFF

UGI UTILITIES, INC. – GAS DIVISION – PA P.U.C. NO. 6

DOCKET NO. R-2015-2518438

Issued: January 19, 2016

Effective: March 19, 2016

UGI UTILITIES, 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
West Region East Region
Including Territory Described on Pages 8 and 9

Issued: December 10, 2015

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

Issued By:

Paul J. Szykman
Vice President – Rates and Government Relations
Vice President and General Manager – Electric Utilities
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, PA 19612-2677

<http://www.ugi.com>

NOTICE

This tariff makes decreases and changes to existing rates. (See Page 1.)

UGI UTILITIES, INC.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

(Page Numbers Refer to Official Tariff)

Rules and Regulations – Paragraph 14, Page 39.

- The State Tax Surcharge is decreased.

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TERRITORY COVERED BY THIS TARIFF

WEST REGION

DAUPHIN COUNTY: CITY of Harrisburg; BOROUGHS of Dauphin, Highspire, Hummelstown, Middletown, Paxtang, Penbrook, Royalton and Steelton; TOWNSHIPS of Conewago, Derry (including Hershey), East Hanover, Londonderry, Lower Paxton, Lower Swatara, Middle Paxton, South Hanover, Susquehanna, Swatara and West Hanover.

(C) CUMBERLAND COUNTY: BOROUGHS of Camp Hill, Carlisle, Lemoyne, Mechanicsburg, Mt. Holly Springs, New Cumberland, Shiremanstown, West Fairview, Wormleysburg; TOWNSHIPS of Dickinson, East Pennsboro, Hampden, Lower Allen, Middlesex, Monroe, North Middleton, Silver Spring, South Middleton and Upper Allen.

LEBANON COUNTY: CITY of Lebanon; BOROUGHS of Cleona, Cornwall, Myerstown, Palmyra and Richland; TOWNSHIPS of Annville, Bethel, Jackson, Millcreek, North Annville, North Cornwall, North Lebanon, North Londonderry, South Annville, South Lebanon, South Londonderry, Swatara, Union, West Cornwall, and West Lebanon.

YORK COUNTY: TOWNSHIPS of Fairview and Newberry

FRANKLIN COUNTY: Portions of TOWNSHIPS of Greene, Hamilton, and Letterkenny located in the Letterkenny Army Depot.

LANCASTER COUNTY: CITY of Lancaster; BOROUGHS of Adamstown (part), Akron, Columbia, Denver, East Petersburg, Elizabethtown, Ephrata, Lititz, Manheim, Marietta, Millersville, Mount Joy, Mountville, New Holland, Quarryville, and Strasburg; TOWNSHIPS of Caernarvon, Clay, Conoy, Earl, East Earl, East Cocalico, East Donegal, East Drumore, East Hempfield, East Lampeter, Ephrata, Lancaster, Leacock, Manheim, Manor, Mount Joy, Paradise, Penn, Pequea, Rapho, Strasburg, Upper Leacock, Warwick, West Cocalico, West Donegal, West Earl, West Hempfield and West Lampeter.

EAST REGION

(C) BERKS COUNTY: CITY of Reading; BOROUGHS of Adamstown (part), Bally, Birdsboro, Boyertown, Fleetwood, Kenhorst, Kutztown, Laureldale, Leesport, Lyons, Mohnton, Mt. Penn, New Morgan, Robeson, St. Lawrence, Shillington, Sinking Spring, Topton, Wernersville, West Reading, Womelsdorf, Wyomissing and Wyomissing Hills; TOWNSHIPS of Alsace, Amity, Bern, Caernarvon, Colebrookdale, Cumru, Douglass, Exeter, Heidelberg, Hereford, Longswamp, Lower Alsace, Lower Heidelberg, Maiden Creek, Marion, Maxatawny, Muhlenberg, Ontelaunee, Perry, Richmond, Robeson, Rockland, Ruscombmanor, South Heidelberg, Spring, Union and Washington.

MONTGOMERY COUNTY: TOWNSHIPS of Douglass, New Hanover and a restricted area of Limerick Township.

CHESTER COUNTY: TOWNSHIP of Honey Brook (part).

TERRITORY COVERED BY THIS TARIFF (Continued)

EAST REGION (Continued)

- LEHIGH COUNTY: CITIES of Allentown, Bethlehem (part); BOROUGHES of Alburtis, Catasauqua, Coopersburg, Coplay, Emmaus, Fountain Hill, Macungie, TOWNSHIPS of Hanover, Lower Macungie, North Whitehall, Salisbury, South Whitehall, Upper Macungie, Upper Milford, Upper Saucon, Weisenburg, and Whitehall.
- (C) NORTHAMPTON COUNTY: CITIES of Bethlehem (part), Easton; BOROUGHES of Bath, Freemansburg, Glendon, Hellertown, Nazareth, Northampton, North Catasauqua, Stockertown, Tatamy, West Easton, Wilson; TOWNSHIPS of Allen, Bethlehem, Bushkill, East Allen, Forks, Hanover, Lower Mount Bethel, Lower Nazareth, Lower Saucon, Palmer, Upper Nazareth, and Williams.
- BUCKS COUNTY: BOROUGHES of Perkasio, Quakertown, Richlandtown, Riegelsville, Sellersville, Silverdale, Trumbauersville; TOWNSHIPS of Durham, East Rockhill, Haycock, Hilltown, Milford, Nockamixon, Richland, Springfield, and West Rockhill.
- CARBON COUNTY: BOROUGH of East Side; TOWNSHIPS of Banks, Kidder and Packer.
- (C) LUZERNE COUNTY: CITY of Hazleton; BOROUGHES of Conyngham, Freeland, West Hazleton and White Haven; TOWNSHIPS of Butler, Dennison, Foster, Hazel, Hollenback (in part), and Sugarloaf.
- MONROE COUNTY: BOROUGH of Mount Pocono; TOWNSHIPS of Chestnuthill, Coolbaugh, Paradise, Pocono, Tobyhanna and Tunkhannok.
- (C) SCHUYLKILL COUNTY: BOROUGH of McAdoo; TOWNSHIPS of East Union and Kline.

RULES AND REGULATIONS

1. THE GAS SERVICE TARIFF

- 1.1 Filing and Inspection. A copy of this Tariff, under which gas service will be supplied, is on file with the Pennsylvania Public Utility Commission and is open to inspection at the offices of the Company.
- 1.2 Application. The Tariff provisions apply to any person applying to receive or in receipt of gas service, aggregation and balancing services or interconnection coordination services from the Company under this Tariff, and the lawful receipt of such services from the Company shall constitute the receiver a “Customer” of the Company.
- 1.3 Rules and Regulations. The Rules and Regulations, filed as a part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable, unless specifically modified by a rate provision.
- 1.4 Statement by Agents. No representative has authority to modify a Tariff rule or provision, or to bind the Company by any contrary promise or representation.

2. CONTRACT FOR GAS SERVICE

- 2.1 Standard Service Contract. A written application for gas service may be required from each Applicant and for each service location. An application for service upon acceptance by the Company constitutes a contract between the Company and the Customer. The term “Applicant” shall mean any person, corporation or other entity that (i) desires from the Company natural gas or any other service provided for in this Tariff at a specific location, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet lawfully receiving from the Company any service provided for in this Tariff at such location. For residential utility service, the term “Residential Applicant” shall mean any Applicant who is (i) a natural person at least 18 years of age not currently receiving service who applies for residential service, or (ii) any adult Occupant whose name appears on the mortgage, deed or lease of the property for which the residential service is requested. The term “Residential Applicant” shall not include a (1) Residential Customer who seeks to transfer service within the Company’s service territory, or (2) a Residential Customer who, within 30 days after Termination or Discontinuance of Service, seeks to have service reconnected at the same location or transferred to another location within the Company’s service territory.
- (C) (C) The term “Occupant” shall mean a natural person who resides in the premises to which gas service is provided. The term “Residential Customer” shall mean a Customer who is either (i) a natural person at least 18 years of age in whose name a residential account is listed and who is primarily responsible for payment of bills rendered for the service, or (ii) any adult Occupant whose name appears on the mortgage, deed or lease of the property for which residential service is requested. A Residential Customer shall remain a Customer after discontinuance or termination of service until the final bill for service is past due. A Residential Customer includes a person who, within 30 days after Termination or Discontinuance of Service, seeks to have service reconnected at the same location or transferred to another location within the Company’s service territory.
- 2.2 Other Contracts. Contracts, other than standard contracts, may be entered into between the Company and a Customer by mutual agreement.
- 2.3 Right to Reject. The Company may limit the amount and character of service it will supply or may reject applications for service not available, or which might affect the supply of service to other Customers, or for other good and sufficient reasons.

(C) Indicates Change

RULES AND REGULATIONS (Continued)**2. CONTRACT FOR GAS SERVICE (Continued)**

- 2.4 Application of Rates. The rates named in this Tariff are based upon supply to one Customer through one meter at one premise. Each service to a different location and/or of a different rate classification shall be billed as a separate Customer. Customers who take service at two or more locations on the same property under the same rate schedule may, by request, have their use of gas combined for billing purposes; Customers electing to take advantage of this rule on or after January 8, 1994 may do so only at the time initial service is established to the premises and shall pay the cost of all additional service connections required unless, in the Company's sole judgment, the Company's investment in such connections is warranted by the revenue anticipated from the service to be supplied. Customers may not pool together for purposes of qualifying for a rate schedule. Service to churches and to elementary and secondary schools served on December 31, 1982 shall be treated as residential service only for the purpose of fixing their minimum bill under the rates named in this Tariff.
- (C) 2.4.1 Selection of Rate Schedule. When the characteristics of usage or service conditions of an Applicant or Customer are such that more than one rate schedule is available, the Applicant or Customer shall select the schedule to be applied. Upon request, the Company will assist to a reasonable extent in selecting the most advantageous schedule. For Customers changing schedules, the Company will bill the Customer under the selected rate beginning with the date of the next scheduled meter reading following notification of the selected rate. When service under a Demand Charge rate commences prior to the installation of equipment for determining the Customer's demand, the Customer's demand for billing purposes will be estimated by the Company.
- 2.5 Term of Contracts. Standard service contracts for service other than to Rates R and RT shall be for a term of at least one (1) year. Service may be supplied for a shorter term contract when the Company has available capacity, provided a charge may be collected to meet the cost of the supply and discontinuance of such short term service.
- (C) 2.6 Unauthorized Use of Service. Unreasonable interference or diversion of service, including meter tampering (any act which affects the proper registration of service through a meter), by-passing unmeasured service that flows through a device connected between a service line and customer-owned facilities and unauthorized service restoral.
- (C) 2.7 User Without Contract. A natural person who takes or accepts gas service without the knowledge or approval of the Company, other than the Unauthorized Use of Service as defined in Section 2.6.
- (C) 2.8 Compliance with Availability Provisions. The use of the Company's service shall not be for any purpose other than that covered by the availability provisions of the rate under which service is supplied.
- (C) 2.9 Resale of Gas. Gas service is provided upon the express condition that it shall be supplied exclusively by the Company and that the Customer shall not sell, or otherwise dispose of, the gas or any part thereof without the written consent of the Company.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

3. GUARANTEE OF PAYMENT

- 3.1(a) Deposits for Non-Residential Accounts. A cash deposit may be required from a non-residential Applicant to secure payment of bills for regulated distribution service. In addition, the Company may require a deposit, letter of credit or other adequate assurance of payment, or any combination thereof, from a non-residential Customer if the Customer has been delinquent in payment of any bill in the preceding twelve (12) months or the Company otherwise has reasonable grounds to require security for payment of bills. In evaluating a non-residential Customer's credit standing, factors to be considered include, but are not limited to, average monthly consumption, average monthly bill for regulated distribution service, evaluations by credit rating services, payment history with the Company during the prior twelve-month period and payment history and credit standing with lenders or other providers of utility services or providers of other goods or services.
- 3.1 (b) Deposits for Residential Accounts. The Company may require a cash deposit from a Residential Applicant or Residential Customer to secure payment of bills for regulated distribution service based upon the following:
- (i) A Residential Applicant or Residential Customer whose service was terminated for any of the following reasons: (1) Nonpayment of an undisputed delinquent account; (2) failure to complete payment of a deposit, providing a guarantee or establish credit; (3) failure to permit access to meters, service connections or other property of Company for the purposes of replacement, maintenance, repair, or meter reading; (4) Unauthorized Use of Service on or about the affected dwelling; (5) failure to comply with the material terms of a payment arrangement; (6) fraud or material misrepresentation of identity for the purposes of obtaining utility service; (7) tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment; or (8) violating tariff provisions on file with the PUC so as to endanger the safety of a person or the integrity of the Company's delivery system.
 - (ii) Any Residential Applicant who is unable to establish creditworthiness to the satisfaction of Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that falls within the range of general industry practice and specifically assesses the risk of utility bill payment.
 - (iii) A Residential Customer who fails to comply with the material terms or condition of a settlement or payment arrangement.
 - (iv) A Residential Customer who has been delinquent in the payment of two (2) consecutive bills, or three (3) or more bills within the preceding twelve (12) months.
 - (v) The Company has established separate credit procedures and standards for Residential Applicants and Residential Customers who are victims with a protection from abuse order or for whom there is a court order from a court of competent jurisdiction in this Commonwealth, which provides clear evidence of domestic violence against the Residential Applicant or Residential Customer. These procedures shall be publicly posted on the Company's website and maintained on file in each of the business offices of the Company and made available, upon request, for inspection by members of the public.
- 3.2 Amount of Deposit. For Residential Applicants, the amount of the cash deposit shall not be more than 1/6 of a Residential Applicant's estimated annual bill, with such estimated annual bill determined at the time the deposit is required. In lieu of a cash deposit from a Residential Applicant, the Company may

(C) Indicates Change

RULES AND REGULATIONS (Continued)

3. GUARANTEE OF PAYMENT (Continued)

- (C) accept a written third-party guaranty on behalf of the Residential Applicant, provided that the guarantor establishes credit with the Company under Section 3.1(b) and the terms of the written guaranty are approved in writing by the Company, with such approval not to be unreasonably withheld.

For Residential Customers, the amount of the cash deposit shall not be more than the estimated charges for service based on the Residential Customer's prior consumption for the period equal to one average billing period plus one average month, not to exceed two (2) months. Deposit amounts for residential Applicants and Residential Customers may include Natural Gas Supplier charges where such Supplier is a participant in the Company's Purchase of Receivables Program. For non-residential Customers, the deposit shall not be more than the bill for the estimated usage for one average monthly billing period plus that for the highest monthly billing period within the most recent twelve (12) months.

3.3 Payment Period for Deposits.

- (C) (a) Any Non-Residential Applicant seeking to establish service at a new or different service location or seeking to reconnect service at the same service location previously terminated or discontinued, shall pay the required deposit in full prior to the provision of service.
- (C) (b) Any Residential Applicant or Residential Customer seeking to establish service at a new or different location or seeking to reconnect service at the same service location previously terminated or discontinued, shall pay the required deposit in full within 90 days. A Residential Applicant or Residential Customer may elect to pay the required deposit in three installments as follows: 50% of the required deposit billed upon the establishment or reconnection of service, 25% of the required deposit to be billed by the Company 30 days after the establishment or reconnection of service and the remaining 25% billed 60 days after the establishment or reconnection of service. Nothing shall preclude the Residential Applicant or Residential Customer from electing to pay the deposit in full before or on the due date.
- (C) (c) Any Customer receiving service from the Company shall pay the required deposit in full on or before the due date. A Residential Customer may elect to pay the required deposit in three installments as follows: 50% of the required deposit billed upon the determination by the Company under Section 3.1(b)(iii) or (iv) above that the deposit is required, with 25% to be billed by the Company 30 days after the determination and the remaining 25% billed 60 days after the determination.

- (C) 3.4 Deposit Hold Period for Residential Customers and Refund of Deposit. A timely payment history is established for a Residential Customer when the Residential Customer has paid in full and on time for twelve (12) consecutive months. The Company may hold a deposit on a Residential Customer's account until a timely payment history is established (the "Deposit Hold Period"). At the end of the Deposit Hold Period, Company shall credit the deposit, plus accrued interest, to the Residential Customer's Account. Deposits credited after the end of the Deposit Hold Period shall first be applied to any past due amounts. If service is terminated or discontinued before the end of the Deposit Hold Period, Company shall deduct any outstanding balance from the deposit and return any positive balance to the Residential Customer within sixty (60) days. Deposits secured from non-residential Customers will be refunded when the non-residential Customer discontinues service and has no unpaid bills or at Company's sole discretion. Upon termination or discontinuance of service, the Company shall promptly apply the deposit, including accrued interest, to any outstanding balance for service and refund the remainder to the non-residential Customer.

3.5 Adjustments. The amount of the deposit may be adjusted when there is a change in consumption that will significantly change the amount of the deposit as computed in Rule 3.2.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

3. GUARANTEE OF PAYMENT (Continued)

(C)

(C)

3.6 Interest on Deposits. Deposits from all customers shall bear interest computed at the simple annual interest rate determined by the Secretary of Revenue for interest on underpayment of tax under Section 806 of the Act of April 19, 1929 (P.L. 343, No. 176), known as The Fiscal Code which will be credited annually to the Customer's deposit or account. The interest rate in effect when the deposit is required to be paid shall remain in effect until the later of the date the deposit is refunded or credited or December 31 of each year. On January 1 of each year, the new interest rate for that year will apply to the deposit. Deposits shall cease to bear interest upon termination or discontinuance of service.

3.7 Prior Debts and Transfer of Accounts

- (a) Residential. As a condition of furnishing, transferring or reconnecting service to a Residential Applicant or Residential Customer, the Company may require payment of any outstanding balance which accrued within the past four years on any account for which the Residential Applicant or Residential Customer is legally responsible. The foregoing four-year limitation shall not apply if the outstanding balance includes past due amounts that the Company was not aware of due to unauthorized Use of Service, fraud or theft; in which case, the Company may require payment of all such past due amounts without regard to the four-year limitation. The Company may render a make-up bill to a Residential Customer for previously unbilled service which accrued within the past four (4) years resulting from billing error, meter failure, leakage that could not reasonably have been detected or loss of service. If the make-up bill exceeds the otherwise normal estimated bill for the billing period during which the make-up bill is issued by at least 50% or at least \$50, whichever is greater, the Company shall at the option of the Customer, amortize the bill at least as long as: (i) the period during which the excess amount accrued; or (ii) necessary so that the quantity of service billed in any one billing period is not greater than the normal estimated quantity for that period plus 50%.
- (b) Commercial and Industrial. Applications for gas service in new locations will be accepted only when all bills for service to Customer at previous locations have been paid.
- (c) The Company may utilize all means of determining an Applicant's or Customer's liability for any outstanding balances, including, but not limited to, the following: (1) use of Company records that contain confidential information previously provided to the Company, (2) information contained on a valid mortgage, lease or deed, (3) other information contained in the Company's records that indicate that the Applicant was an adult Occupant during the time the balances accrued, (4) use of commercially available consumer credit reporting service, (5) use of commercially available skip tracing software that contains records of names and addresses, and (6) use of information contained in credit reporting data utilized by the Company.

3.8 Security from Large Volume Customers

- (a) Whether or not the Company could otherwise require security for payment, the Company may require a deposit, letter of credit, other adequate assurance of payment, or any combination thereof, to the extent the Customer seeks any combination of delivery or retail service for volumes in excess of 3,000 MCF per month. Such security may be established for an amount up to two billing periods of all service requirements calculated at the retail rate.
- (b) In addition, the Company may take one or more of the following actions:
 - (1) Reduce the meter reading and billing period to less than one month, (and with agreement by the Customer) require payment in no less than three calendar days from billing.
 - (2) Require payment by certified check or wire transfer;
 - (3) Before reflecting delivery service on bills, require either (a) affidavits of delivery from a reputable supplier or (b) the maintenance of two billing periods of delivery service supply on the Company's system;

(C) Indicates Change

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RULES AND REGULATIONS (Continued)

3. GUARANTEE OF PAYMENT (Continued)

- (C)
- (4) In the case of delivery service, require the Customer to enter into direct contracts with and make payments directly to the transmission pipeline companies and other parties involved in selling, brokering, or transporting such gas; and
 - (5) Impose other procedures reasonably designed to reduce potential exposure to credit risk.
- (c) The amount of security shall be only that amount reasonably necessary to ensure payment for all service rendered up to timely service termination plus 3 business days (in the event termination is deferred subject to emergency proceedings).
- (d) The Company may, in its discretion, specify the manner in which security and payments shall be credited and applied to past due or current bills or to replenish security.

4. SERVICE - SUPPLY FACILITIES

- 4.1 Service-Supply Pipe and Service Connection. The Company will maintain and own the service-connection pipe (supply-main to curb) and the service-supply pipe (curb to meter).
- 4.2. Location of Curb Line. Where no curb line is evident, the nearest edge of the public highway in which the supply-main is located shall be considered the curb line.
- 4.3 Point of Entry. The location of the point of entry to the Customer's building and the location of an outside meter shall in all cases be determined by the Company.
- 4.4 Service-Supply Equipment. The Company will maintain and own any meters, regulators, connections or other equipment required for the supply of service. All such equipment shall remain the exclusive property of the Company, and the Company shall have the right to remove such property from the premises of the Customer at any time after the termination of service, whatever may have been the reason for such termination.
- 4.5 Location of Service-Supply Equipment. The Customer shall provide, without charge, a suitable place for the meters, regulators, connections or other equipment of the Company. The location shall be as near as possible to the point where the supply piping enters the Customer's building and where the connections are not concealed. Such places shall be conveniently accessible to the Company's employees and otherwise acceptable to the Company.
- 4.6 Relocation of Service-Supply Facilities. Changes in location of service-supply pipe, meters, regulators, connections or other equipment for the accommodation of the Customer shall be done by the Company at the expense of the Customer.
- 4.7 Non-Standard Service. The Customer will ordinarily be required to pay the cost of any special installation necessary to meet his requirements for service at other than standard conditions.
- 4.8 Reverse Flow. Where necessary, as determined by the Company, the Customer may be required to install check valves, or other devices, at the expense of the Customer, to prevent compressed air or other gases from entering the Company's mains.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

5. EXTENSION REGULATION

(C) 5.1 Supply-Main Construction. The Company will install, own and maintain all gas supply-mains located on the highway or in right-of-way acquired by the Company and used or usable as part of the Company's system.

5.2 Obligation to Extend. Under the rules set forth below and under normal conditions of construction and installation, upon written application, the Company will extend its facilities within its service territory, provided that (a) the requested extension will not adversely affect the availability or deliverability of gas supply to existing customers and (b) the Company's investment in facilities is warranted by the anticipated revenue to be derived from the extension. The costs of extending facilities beyond that provided by the Company shall be paid by the applicant.

5.3 General

- (a) Anticipated Base Revenue. As used in these rules, the anticipated base revenue is the annual base rate revenue from the extension, as determined by the Company using consistently applied, then-current standards, less the cost of fuel included in base rates. Where gas is used as a supplemental source of fuel for peak heating purposes, base revenues from such use shall be excluded from anticipated base revenue.
- (b) Estimates and Special Costs. Cost estimates used by the Company in analyzing a proposed extension of facilities will be based on construction and installation conditions anticipated for the particular extension, standard street opening terms and fees and installation during the construction season. Notwithstanding the foregoing, applicant may be required to pay for additional costs attributable to nonstandard street opening terms and fees and estimated additional costs attributable to winter season installation.
- (c) Surface Restoration. The Company will restore the street surface in accordance with applicable local government regulations and provide rough backfilling of the installation trench from the curb to the meter. Applicant may be required to perform or pay the Company's cost of additional surface restoration, including but not limited to replacement or repair of sidewalks, driveways, landscaping or sod.

5.4 Residential Gas Service

- (a). Meter, Regulator and Service-Supply Pipe. For service to single dwelling units, the Company will install at its cost the meter, regulator, and service connection (main to curb). The Company will also install at its expense that length of service-supply pipe (curb to meter) with an estimated installed cost of up to two times or where the requested service will not require a supply-main extension three times, the anticipated base revenue, provided that the excess, if any, is paid by the applicant.

RULES AND REGULATIONS (Continued)

5. EXTENSION REGULATION (Continued)

- (b). Supply-Mains. For service to single dwelling units, the Company will provide the necessary supply-mains, provided the applicant pays, as an extension deposit, the excess, if any, of the estimated cost for the minimum system of supply-main needed to serve the proposed extension over an amount equal to four times the anticipated base revenue.
- (c). Developments. As used in these rules, a development is five or more lots designated by the owner or developer for the construction of individually metered dwelling units. Normal conditions of construction in a development include trenching provided by the developer. The Company will install at its cost the meter, regulator, service connection and up to 75 feet of service-supply pipe per dwelling unit. The Company will provide the necessary supply-mains, provided the applicant pays the excess, if any, of the estimated cost for the minimum system of supply-main needed to serve the proposed extension over an amount equal to four times the anticipated base revenue from all units. An extension deposit may be required up to the amount of the Company's total estimated investment in the extension. This provision does not apply to separately occupied, vertically arranged dwelling units (multi-unit housing).

5.5 Commercial and Industrial Gas Service (including apartment buildings and multi-unit housing)

- (a). In extensions costing up to \$10,000 from which the Company in its sole judgment anticipates long-term, continuous usage at projected volumes, the Company will install, at its cost, a meter, regulator, and service connection. The Company will provide service-supply pipe and supply-main, provided that the investment by the Company will not exceed: (a) for the estimated cost of service-supply pipe, an amount up to two (2) times the anticipated base rate revenue; and (b) for the combined estimated cost of service-supply pipe and supply-main (minimum system), an amount up to four (4) times the anticipated base rate revenue. The applicant shall pay any costs in excess of the above limit on the Company's investment.
- (b). For all other extensions, applicant shall pay for the amount of the estimated cost, if any, in excess of the investment determined by the Company in its sole judgment to be warranted by the anticipated revenue to be derived from the extension.
- (c). The Company may condition its agreement to extend its facilities upon satisfactory long-term and short-term usage commitments and any other terms and conditions of service as are mutually agreeable to the Company and the applicant. An extension deposit may be required up to the amount of the Company's total investment in the extension.

5.6 Deposits and Refunds

Except as otherwise described herein, when an extension deposit is required by the Company, the terms and conditions of refunds and or future payments that may be required of the applicant will be governed by the service agreement between the Company and the applicant. When an extension deposit is required by the Company from an applicant pursuant to Paragraph 5.4B, and additional customers are added to the extended facilities, the original customer who paid the deposit will be entitled to a refund (without interest) during the five year period immediately following completion of this extension, of a pro rata portion of the original deposit based upon the additional gas-only appliance usage by such additional customers.

RULES AND REGULATIONS (Continued)

5. EXTENSION REGULATION (Continued)

5.7 Taxes on Deposits for Construction & Customer Advances. Any deposit, advance or other like amounts received from the applicant which shall constitute taxable income as defined by the Internal Revenue Service will have the income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a deposit or advance will not be charged to the specific depositor of the capital.

(C) 5.8 – Pilot Growth Extension Tariff (“GET Gas”) Rider

5.8.1 Availability and Purpose. In lieu of the extension rules set forth in Rules 5.1-5.7, the following GET Gas tariff rules may apply. These GET Gas tariff rules will be applied to eligible customers as part of a 5 year pilot program, unless suspended or terminated earlier pursuant to Rule 5.8.4 or Commission order.

The GET Gas pilot program is designed to test new tariff rules to facilitate the extension of natural gas service to the general class of residential homes and non-residential buildings, not currently receiving natural gas distribution service, which:

- (a) are in an Unserved Area (a small group or pocket of customers in a neighborhood location in close proximity to an existing main) or an Underserved Area (a significant portion of a general community or town location or municipality where the Company has identified significant potential for natural gas service demand and existing natural gas facilities are located within a reasonable distance);
- (b) are reasonably expected over time to reach target customer saturation levels which will produce revenues, including GET Gas Rider charges, that will support required investments and not unduly burden existing customers; and
- (c) otherwise meet the applicable requirement conditions of the GET Gas program.

Under the GET Gas Program, the Company may designate Company facilities extended to an applicant or applicants, as “GET Gas Facilities” and will assess an incremental GET Gas Rider charge amount related to the recovery of GET Gas amounts, as determined on a general class basis, from the class of customers who may connect to these GET Gas facilities during an initial twelve year period.

5.8.2 Designation. Subject to the funding limitations set forth in Rule 5.8.5, Company may apply the GET Gas program tariff rules to service extension requests which exceed a cost of \$15,000 from an Underserved Area or an Unserved Area reasonably designated by Company, where:

- (a) there is, in the Company’s sole discretion, a reasonable prospect that (i) fifty percent (50%) or more of existing residential homes along the GET Gas project facility extension route or area will convert their primary heating source to natural gas and directly connect to the GET Gas facilities within 12 years (“GET Gas Customers”); and
- (b) the estimated total investment for each GET Gas Customer to be connected does not exceed \$10,000 (inclusive of any projected commercial customers).

(C) Indicates Change

(C)

RULES AND REGULATIONS (Continued)

5. EXTENSION REGULATION (Continued)

5.8.3 Get Gas Rider. Customers receiving service by connections to Company facilities designated by Company as GET Gas pursuant to Rule 5.8.2 within an initial twelve years following installation, and which receive service under Rate Schedules R, RT, N or NT, shall be required to pay GET Gas Rider charges listed below as part of distribution service for a period of ten years, beginning from the first date the meter is set. GET Gas Rider charges will not be considered Basic Natural Gas Service Charges during the Pilot Period. Non-residential customers subject to the GET Gas Rider charge, as determined by the Company in its sole discretion, may not avoid the charge by electing an alternate rate schedule. In lieu of paying the monthly GET Gas Rider charges, Customers may elect at any time to pay a lump sum upfront payment equal to the remaining principal portion of the GET Gas surcharge. The lump sum upfront payment made by Non-Residential Customers shall be based on anticipated annual customer usage, as determined by the Company in its sole discretion.

GET Gas Rider Rate:

Rate Schedules R and RT: \$54.95 monthly charge

Rate Schedules N and NT: \$7.86 monthly charge plus \$7.37 /Mcf for all usage.

5.8.4 Limitations. If the differential between Average Residential Annual Natural Gas Costs per MMBtu and Average Residential Annual Heating Oil Costs per MMBtu drops and remains below \$10.00 per MMBtu for two consecutive quarters (with such calculations performed for the quarters ending March, June, September and December), the Company will evaluate whether to continue to invest in new GET Gas facilities based on market specifics at that time, except that the Company will continue to invest in (a) service connections to GET Gas Facilities that are already installed or (b) GET Gas projects that are currently underway or have been committed to by the Company.

For purpose of the above limitation:

Average Residential Annual Heating Oil Costs per MMBtu = (12 month future period average of NYMEX “HO” Contract) plus (delivery variable); and

Average Residential Annual Natural Gas Costs per MMBtu = (All applicable Rate R volumetric rates and riders) plus (All applicable Rate R monthly charges, excluding the monthly GET Gas Rider, divided by the current average annual residential volumes).

Company also reserves the right to temporarily close or to terminate the program at its discretion for good cause.

5.8.5 Funding. Funding for this pilot GET Gas tariff program shall be limited to an annual average level of \$5 million for the duration of the 5 year pilot term, with total funding not to exceed \$25 million, absent Commission approval to exceed these amounts.

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RULES AND REGULATIONS (Continued)

6. CUSTOMER'S FACILITIES

- 6.1 **Company's Right to Inspect.** Piping, fixtures and appliances on Customer's premises must be installed at the expense of the Customer or owner of the property. The Company shall have the right, but shall not be obliged, to examine the Customer's installation and appliances at the time service is first supplied or at any later time. If at any time the installation or appliance is found defective or unsafe, service may be refused or discontinued until Customer has the condition corrected. The Company's inspection, or failure to inspect or reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects or inadequacies in the installation, piping, or appliances, or from violation of the Company rules, or from accidents which may occur upon the premises of the Customer.
- 6.2 **Final Connection.** In all cases the final connection between the Customer's installation and the Company's service-supply pipe shall be made by or under the supervision of a representative of the Company.

RULES AND REGULATIONS (Continued)**7. CUSTOMER'S RESPONSIBILITY FOR COMPANY'S PROPERTY**

- 7.1 Protection by Customer. The Customer shall be responsible for the protection of the Company's property on his premises, and shall not permit any unauthorized person to do any work on such property. In the event of damage or destruction of the Company's property, the Customer shall pay the costs of repairs and/or replacement.
- 7.2 Tampering. In the event of the Company's meter or other property being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for any repairs or replacements required, as well as for costs of inspections, investigations, and protective installations.
- 7.3 Access to Premises. The authorized agents or employees of the Company, properly identified, shall have free access at all reasonable times to the premises of the Customer for the purpose of reading meters and disconnecting service, for installing, testing, inspecting, repairing, adjusting or removing any Company property.

8. METER READING

- 8.1 Measurement. The measurement of gas service shall be by meters furnished and installed by the Company.
- 8.2 Meter Reading Intervals. The Company will read its meters at scheduled regular intervals of approximately two (2) months or less, at the option of the Company, for service furnished during the preceding period.
- 8.3 Telemetering. Where deemed necessary by the Company in its sole discretion, the Company will install, at the Customer's expense, telemetering facilities for purposes of monitoring and/or billing Customer volumes. Customer shall provide and maintain phone and/or electric lines to the location of such facilities as specified by the Company.
- (C) 8.4 Automatic Meter Reading. The term "Automatic Meter Reading" or "AMR" shall mean metering using technologies that automatically read and collect data from metering devices and transfer that data to a central database for billing and other purposes and does not include Remote Meter Reading Devices (defined herein). All meter readings by an AMR shall be deemed actual readings. The term "Remote Meter Reading Devices" shall mean a device which by electrical impulse or otherwise transmits readings from a meter, usually located within a residence, to a more accessible location outside a residence, and does not include AMR and devices that permit direct interrogation of the meter.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

9. BILLING AND PAYMENT

9.0 Unless otherwise stated in this section, 9. Billing and Payment, all billing and payment provisions of this section apply to Customers served under all Company rate schedules, including Rate Schedules RT, NT and CT, where a Customer's Choice Supplier also participates in the Company's Purchase of Receivables ("POR") program.

(C) 9.1 Billing Period. Residential Customers will be billed monthly. The Company may elect to bill non-residential Customers monthly or bi-monthly. In circumstances where the Company may require a deposit or other adequate assurance of payment from a non-residential Customer, the Company may, without adjusting the amount of the deposit or other form of security, read the Customer's meter and render bills at shorter intervals. When different base rate prices apply to usage during a billing cycle, and usage is not metered daily, usage will be presumed to occur at a level rate throughout the period for purposes of billing. All Customers will receive an estimated bill during the non-reading billing period. When the Company is unable at any regular reading date to gain access to the meter, the Company may render an estimated bill. For Residential Customers, the billing month is a period of not less than 26 or greater than 35 days. An initial bill for a new Residential Customer may be less than 26 days or greater than 35 days; provided however, if an initial bill exceeds 60 days the Residential Customer shall be given the opportunity to amortize the amount over a period equal to the period covered by the initial bill without penalty. A final bill due to the discontinuance may be less than 26 days or greater than 35 days but may never exceed 42 days. In cases involving termination, a final bill may be less than 26 days. In addition, bills for less than 26 days or more than 35 days shall be permitted if they result from rebilling initiated by the Company or Customer dispute to correct a billing problem. Bills for less than 26 days or more than 35 days shall be permitted if they result from a meter reading route change initiated by the Company.

(C) 9.2 Budget Billing. Residential Heating Customers served under Rate R and Rate RT may elect an optional billing procedure which averages the estimated Company regulated service costs over a revolving twelve (12) month Budget Billing plan. These customers will be billed for the use of gas during the next eleven (11) months beginning with whatever month that they select. UGI will review the Budget Billing amount on the fourth (4th), seventh (7th) and tenth (10th) months during the term of the first eleven (11) months, adjusting upward or downward the Budget Billing amount based on actual usage to date and projected usage to the close of the twelve (12) month Budget Billing plan. The twelfth bill will be for usage for the month, with an adjustment for the difference between payments made and actual charges for gas service for the prior eleven (11) months, inclusive. At the conclusion of the budget billing year, any resulting reconciliation amount exceeding \$100 may be amortized over a twelve (12) month period upon Residential Heating Customer request.

The optional twelve (12) month Budget Billing plan, as described above, is available to Commercial and Industrial Heating Customers served under Rate N or Rate NT provided that at least seventy-five (75) percent of the Customer's total gas consumption is for space heating. If a Customer has an unpaid balance equal to the amount of two (2) Budget Billing plan bills, billing under this plan may be terminated by the Company.

HUD Financed Housing: Budget billing for Service, as described above, is available to master metered multifamily dwelling units during the time that such unit is either owned by the Federal Department of Housing and Urban Development or subject to a first mortgage held or guaranteed by that agency.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

9. BILLING AND PAYMENT (Continued)

- (C) 9.3 Payment Period. The due date for payment of a Residential Customer's bill shall be not less than twenty (20) days from the date of mailing and fifteen (15) days for a non-residential bill with the exception that bills to the Commonwealth of Pennsylvania, the Government of the United States, or any of their agencies, and elementary and secondary schools shall be due thirty (30) days after the date of mailing.

For all billings, if the due date for payment should fall on a Saturday, Sunday, bank holiday or any other day when offices of the Company where payments are regularly received are not open to the general public, the due date shall be extended to the next business day. Failure to receive a bill will not release the Customer from payment obligations.

- (C) 9.3.1 Due Date Extension Program. Residential Customers meeting the qualification requirements of the Due Date Extension Program shall, upon written application, have the due date for payment of bills for service to their personal residence extended. To qualify, Applicants must submit proof that their sole source of support, and that of others in their household, is derived from a permanent fixed income plan, issuing monthly checks. Under the program, the due date for payment on a bill normally falling due between the sixth day of the month and the twentieth day of the month shall be extended to the first working day after the twentieth of the month. The due date for payment on a bill normally falling due between the twenty-first day of the month and the fifth day of the following month, shall be extended to the first working day after the fifth day of the latter month. Initial applications for due date extensions must be made at Company offices.

- (C) 9.4. Company Late Payment Charge. After the due date, a late payment charge is applicable in accordance with provisions of the Rate Schedule under which service is supplied. For all service this shall be the late payment charge.

The late payment charge on residential service will be calculated on the overdue portions of the Company's regulated share of the bill only and shall not be charged against any sum that falls due during a current billing period. For Residential Customer payments made through the mail, the Company shall not impose a late payment charge unless payment is received more than 5 days after the due date.

The Company may waive the collection of the late payment charge and accept the net amount of an overdue bill for any Customer once in each calendar year for reasons deemed by the Company to be good and sufficient.

(C) Indicates Change

RULES AND REGULATIONS (Continued)**9. BILLING AND PAYMENT (Continued)**

- 9.5 Date of Payment. When Residential Customers' bills are paid through the mail, the date of the postmark will be considered the date of payment. When Residential Customers' bills are paid through electronic transmission, the effective date of payment shall be the date of actual receipt of payment by the Company. When Residential Customers' bills are paid at a branch office or an Authorized Payment Agent, the effective date of payment shall be the date of actual receipt of payment at that location. For purposes of this section, an "Authorized Payment Agent" shall mean an agent expressly authorized by Company to accept payments from Customers on Company's behalf.
- 9.6 Payment Made to Collector Charge. When a customer pays the collector to avoid termination at their business or residence, a seven dollar (\$7) service fee is due and payable.
- 9.7 Return Check Charge. The Company may impose a service charge of twenty dollars (\$20) for each check received from a Customer in payment of bills for service that is dishonored and returned by the bank on which it is drawn. The Company may require a Customer to tender non-electronic payment after the Customer tenders two (2) consecutive electronic payments that are subsequently dishonored, revoked, canceled or otherwise not authorized.
- (C) 9.8 Billing History. Any Customer requesting usage and/or billing information for a period in excess of the most recent thirty (30) months will be assessed a service charge of fifteen dollars (\$15).
- 9.9 LIFSO (Landlord If Shut Off). Landlords may elect this optional program which transfers natural gas service to the landlord each time a customer notifies the Company it has vacated the landlord's rental property. The Company may impose a twenty dollar (\$20) handling fee for all LIFSO accounts, but not exceeding \$100 annually per landlord.
- 9.10 Payment Refunds. Refunds due customers greater than two dollars (\$2) shall be mailed to the Customer. Refunds less than two dollars (\$2) may be picked up at the office within sixty (60) days. After sixty (60) days, the refund shall be applied to Operation Share.
- 9.11 Turn On Charge. The Company may assess its service charge for 1/2 hour if the natural gas flow to the property has been discontinued.
- 9.12 Shut Off Charge. The Company may assess its service charge for 1/4 hour if the Customer requests that natural gas service to the property be discontinued, thereby resulting in service being shutoff. When requesting a shutoff, if the Customer elects to read the meter and the Company accepts the customer's final meter reading, the foregoing service charge will not apply.
- 9.13 Set Meter Charge. The Company may assess its service charge for 3/4 hour if a meter must be installed to initiate or reinstitute natural gas service to the customer.
- 9.14 Change of Customer Charge. The Company may assess its service charge for 1/4 hour if the new party requesting service requests the Company to read the meter. The charge does not apply if the Company accepts the Customer's meter reading.

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RULES AND REGULATIONS (Continued)**9. BILLING AND PAYMENT (Continued)**

9.15 Application of Payments for Rates RT, NT and CT. Where Company renders a bill for natural gas supply service on behalf of a Choice Supplier and a partial payment is received, the partial payment shall first be applied to pre-retail access Company balances and then to post-retail access balances. In the event a customer has a pre-retail access Company balance, partial payment shall be applied in the following order of priority:

- (C)
1. First to outstanding pre-retail access Company balances, or the installation amount on a payment arrangement with Company on this balance; then to
 2. Current regulated Company charges; then to
 3. Choice Supplier supply charges; then to
 4. Non-Basic Service charges; then to
 5. Hardship Energy Fund contributions.

In the event a Customer develops a post-retail access balance, partial payment shall first be applied to the pre-retail access Company balances in the order of priority specified above. Thereafter, partial payment shall be Company applied in the following order of priority:

- (C)
1. First to outstanding post-retail access Company Balances, or the installation amount on a payment arrangement with Company on this balance; then to
 2. Current regulated Company charges; then to
 3. Choice Supplier service charges; then to
 4. Non-Basic service charges; then to
 5. Hardship Energy Fund contributions.

Where Company renders a budget bill on behalf of a Choice Supplier for Natural Gas Supply service, partial payments shall be applied on a pro rata basis after outstanding pre-retail access balances and post retail access balances have been paid in accordance with the orders of priority specified above.

For purposes of this Section, pre-retail access balances means outstanding account balances incurred prior to Customer transferring to Rate RT, NT or CT.

For purposes of this Section, post-retail access balances means outstanding account balances incurred after Customer transfers to Rate RT, NT or CT.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

10. TESTS

10.1 Meter Tests. The Company may, from time to time and at its expense, inspect and test its meters. The Customer has the right to have the Company test the meter in service at the Customer's premises, and, upon written request, the Company will, as applicable, remove, seal and test the meter in accordance with the Gas Service Regulations of the Pennsylvania Public Utility Commission ("Regulations") or secure an in-person meter reading to confirm the accuracy of an automatic meter reading device when a Customer disconnects service or requests new service. Together with the written request for a meter test, the Customer shall deposit with the Company the meter testing fee specified by the Regulations. If the meter tests within the accuracy limits specified by the Regulations, the meter shall be deemed for all purposes to have registered accurately. In such case, no billing adjustment shall be made and the meter testing fee deposited with the Company shall be credited to the Company.

(C)

10.2 Adjustment for Meter Error. If any meter becomes defective or fails to test accurately, an adjustment will be made to the Customer's bill in accordance with the Regulations and the meter testing fee deposited with the Company shall be refunded to the Customer.

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RULES AND REGULATIONS (Continued)

11. TERMINATION OR DISCONTINUANCE OF SERVICE

- (C) 11.1 Termination of Service. (a) Termination of service shall mean the cessation of service, whether temporary or permanent, without the consent of Customer. The Company may terminate service on reasonable notice and remove its equipment in case of (i) nonpayment of an undisputed delinquent account, (ii) failure to complete payment of a deposit, provide a guarantee of payment or establish credit, (iii) failure to permit access to meters, service connections or other property for the purpose of replacement, maintenance, repair or meter reading, (iv) failure to comply with the material terms of a payment arrangement, or (v) violation of tariff Rules and Regulations. The Company may terminate service promptly and without notice for (i) Unauthorized Use of Service delivered on or about the affected dwelling, (ii) fraud or material misrepresentation of the customer's identify for the purpose of obtaining service, (iii) abuse of or tampering with the meters, connections or other equipment of the Company, (iv) violating tariff Rules and Regulations which endanger the safety of a person or the integrity of the Company's distribution system, (v) tendering payment for reconnection of service that is subsequently dishonored, revoked, canceled or otherwise not authorized and which has not been cured or otherwise made in full payment within three business days of the Company's notice, or (vi) after receiving termination notice from the Company, tendering payment which is subsequently dishonored under 13 Pa. C.S. § 3502, or, in the case of an electronic payment, that is subsequently dishonored, revoked, canceled or otherwise not authorized and which has not been cured or otherwise made in full payment within three business days of the Company's notice. Prior to restoration of service terminated for any of these reasons, the Company may require a payment in advance of all arrearages, applicable deposit, and a reconnect charge equal to the Company's service charge for 1/2 hour plus one month's customer charge except where it has become necessary to remove the service pipe or connection to discontinue service, in which case service will be restored on payment to the Company of the costs of discontinuance and restoration.
- (C) (b) For Residential Customers, the Company will accept the following as verification of household income in determining the eligibility of an account under Chapter 56 for termination during the period of December 1 through March 31: (i) recent pay stubs or W-2 forms, (ii) access card or statement from Department of Public Welfare ("DPW"), (iii) if a source of income is rental income, then a verified copy of rent receipt(s), (iv) if the Residential Customer receives social security payments, pension payments, disability payments, Supplemental Security Income (SSI) payments, or any other source of fixed income with direct deposit, then a copy of bank statement or benefit letter, (v) child support and/or alimony support verification letter, (vi) if the Residential Customer receives payments from unemployment benefits or workers' compensation, then a copy of the determination letter or check stub, (vii) previous year's income tax statement, (viii) a filed 1099 form showing any interest income, annuity or dividends, and (ix) a verification letter from DPW of any approved cash or crisis grant applicable to the current heating season.
- 11.2 Discontinuance of Service by Customer. Discontinuance of service shall mean the cessation of service with the consent of Customer. Any Customer who is about to vacate any premises supplied with gas service or wishes to have service discontinued for any reason shall give at least seven (7) days written notice to the Company and any non-Customer occupant of the premises to which service is being supplied, specifying the date on which it is desired that service be discontinued. If a Residential Customer requests a discontinuance of service at the Residential Customer's residence, and the Residential Customer and the members of the Residential Customer's household are the only Occupants, the Company may discontinue service without additional notice to the affected premise. If a Customer (other than a landlord ratepayer) requests discontinuance of service at either (i) a dwelling other than the Customer's residence, or (ii) at a single meter, multi-family residence, whether or not the Customer's residence, then the Customer must state in writing (under penalty of law) that the premises

(C) Indicates Change

RULES AND REGULATIONS (Continued)**11. TERMINATION OR DISCONTINUANCE OF SERVICE (Continued)**

- (C) are unoccupied. If the premises are occupied, the Customer's written notice requesting discontinuance of service must be endorsed by all affected Occupants. If the foregoing conditions are not met, the Company may discontinue service at the affected premises upon notice to the affected premises in accordance with Chapter 56. The Customer shall be liable for gas consumed until transfer of the account or the meter shut off. When discontinuance of service by customer is for a period of less than twelve (12) months, the Company may require a payment of an amount equal to the Company's service charge for 1/2 hour plus payment of customer charges for each month the service has been discontinued in order to have the service restored.

- 11.3 If service to any non-residential Customer is discontinued for the reasons set forth in Sections 11.1 (Termination of Service) or 11.2 (Discontinuance of Service by Customer) hereof, the Company shall not be under any obligation to resume service to the same Customer at the same premises within twelve months unless it shall receive payment of an amount equal to the minimum bill for each month of the intervening period in addition to the Company's service charge for 1/2 hour.

12. GENERAL

- 12.1 Service Continuity. The Company will use reasonable diligence to provide a regular and uninterrupted supply of gas. Should the supply of service be interrupted by the Company for the purpose of making repairs, changes or improvements in any part of its system for the general good of the service or the safety of the public, or should the supply of service be interrupted or fail by reason of accident, strike, legal process, State or Municipal interference, or any other cause whatsoever beyond its control, the Company shall not be liable for damages, direct or consequential, resulting from such interruption or failure.
- 12.2 Gratuities to Employees. The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered by them while working for the Company on Company's time.

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RULES AND REGULATIONS (Continued)**13. SECTION 1307(f) PURCHASED GAS COSTS**

13.1 Provisions for Recovery of Purchased Gas Costs

The Purchased Gas Cost ("PGC"), or Natural Gas Supply Charge, shall be calculated separately for Rates BD and CIAC ("PGC-2") and for the other rate schedules to which it applies ("PGC-1").

Natural Gas Supply Charge:

(I) PGC-1 \$ 4.4886 per Mcf

(I) PGC-2 \$ 3.8975 per Mcf

Gas Cost Adjustment:

(D) PGC-1 -\$0.2224 per Mcf

(D) PGC-2 \$0.1952 per Mcf

The PGC shall equal the Natural Gas Supply Charge plus the Gas Cost Adjustment. The Gas Cost Adjustment (previously referred to as the E Factor) is equal to the net over or undercollection of purchased gas costs for each applicable PGC Rate.

13.2 Computation of Natural Gas Supply Charge

PGC(1) purchased gas costs, per Mcf, shall be computed to four decimal places in accordance with the formulae set forth below:

For Rate Schedules R, GL, and N:

$$PGC1 = \left(\frac{C1}{S1} \right)$$

Effective December 1, 1993, for PGC(2) purchased gas costs shall be computed as follows:

For Rate Schedules BD and CIAC:

$$PGC2 = PGCC2 + PGCD2$$

$$PGCC2 = \left(\frac{CC2}{S2} \right)$$

(I) Indicates Increase

(D) Indicates Decrease

RULES AND REGULATIONS (Continued)**13. SECTION 1307(f) PURCHASED GAS COSTS (Continued)**

$$\text{PGCD2} = \frac{\text{D2}}{(\text{DCR2}) \times 12}$$

In computing purchased gas costs, pursuant to the formulae, above, the following definitions shall apply:

"PGC1" - purchased gas costs determined to the nearest \$0.0001 to be included in rates for each Mcf of gas supplied under Rate Schedules R, GL and N of this tariff.

"PGCC2" - applicable purchased commodity gas costs determined to the nearest \$0.0001 to be included in the commodity charge set forth under Rate Schedules BD and CIAC of this tariff.

"PGCD2" - applicable purchased demand gas costs determined to the nearest (\$.0001) to be included in the Demand Charge set forth under Rates BD. The commodity charge under rate CIAC shall reflect the equivalent PGCD2.

"C" - a number of dollars, determined as follows: (a) for all types of purchased gas, project the cost of each purchase (adjusted for net current gas stored) for the projected period when rates will be in effect plus (b) the arithmetical sum of (1) the projected book value of noncurrent gas at the beginning of the computation period, minus (2) the projected book value of noncurrent gas at the end of the computation period.

"C1" - "C" minus "C2".

"C2" - The projected pipeline demand costs (D2) for high load factor usage plus the applicable commodity cost of gas (CC2) for projected PGC purchases for customers served under Rates BD and CIAC.

- Company will share off-system sales margins made with or without utilizing PGC assets (including those derived from reservation charge contracts), locational exchange revenues, storage asset management fees and capacity release revenues derived from PGC assets, on a before-tax basis, beginning December 1, 2008 and ending November 30, 2016 such that 75% is allocated to the PGC and 25% is allocated to the Company. Provided, however, that capacity release revenues credited to the PGC shall be further allocated 92% to the PGC and 8% to firm transportation customers who utilized PGC capacity.
- (C) Beginning December 1, 2011, through October 31, 2012, Choice Suppliers will have their direct assigned capacity costs credited monthly, for a share of storage asset management fees and off system sales margins related to use of peaking assets, not otherwise retained by UGI or non-Choice transportation customers. Such credit shall be computed in accordance with the PUC's Order, approving the PGC Settlement at Docket No. R-2011-2238953.

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RULES AND REGULATIONS (Continued)**13. SECTION 1307(f) PURCHASED GAS COSTS (Continued)**

- (C) The amount retained by the Company will be an incentive to pursue additional sales and will be treated below the line for ratemaking purposes. For purposes of calculating this margin, the cost of gas will be equal to the monthly average commodity cost of gas plus variable transportation costs to deliver the gas to the off-system customer. The monthly average commodity cost of gas shall be defined as the monthly average commodity cost of gas purchases for all supplies scheduled at the beginning of the month; provided, however, that if an additional unscheduled purchase is made during the month specifically for an off-system sale, such purchase shall be considered to be the gas used to make the off-system sale and the commodity cost of such purchase will be assigned to off-system sales up to the volume of the purchase.

Total DS Credits resulting from transportation service pursuant to Rule 17 shall include credits to purchased gas costs for Delivery Service and the Retail Standby Service, as provided for in rate schedules and General Terms for Delivery Service. Effective December 1, 1994 projected DS credits and applicable Capacity Release Credits shall be reflected in the "C1" and "C2". The foregoing credits shall continue until the effective date of any change to the present charges under firm transportation rates or Retail Standby Rider or the effective date of any order, rule or regulation specifying any other revenue transfer or credit applicable hereto, whichever first occurs.

Purchased Gas Costs shall be credited with an Interruptible Revenue Credit (IRC) equal to the margin realized from interruptible sales and interruptible transportation customers utilizing pipeline capacity reflected in rates established under 1307(f).

During the transition period for Customer Choice rates (October 1, 2000 through November 30, 2001), the IRC is designed to refund to PGC customers \$16,672,795 on an annualized basis. Any over or under refunding of this amount will be reconciled to \$16,672,795 on an annualized basis in subsequent PGC filings.

Beginning December 1, 2001 and each year thereafter, the IRC will be established based on estimated margins and reconciled to actual data in subsequent PGC filings.

Purchased Gas Costs shall be credited with Retail Credits resulting from transportation service provided under Rates RT, NT and CT utilizing pipeline capacity reflected in rates established under Section 1307(f). Such credits may include Peaking Facility use, Cash Out revenues and payments and certain incremental costs recovered from Choice Suppliers due to their failure to perform.

Interest on over or undercollections for each PGC rate shall be computed at the appropriate rate as provided for in Section 1307(f)(5) of the Public Utility Code. If either PGC class is undercollected, that class will be charged interest on the undercollection. If either PGC class is overcollected, that class will be refunded interest on the overcollection.

S1" - projected Mcf of gas to be billed under Rates Schedules R, GL and N during the projected period when rates will be in effect.

S2" - projected Mcf of gas to be billed under Rate Schedules BD and CIAC during the projected period when rates will be in effect.

S" - sum of "S1" plus "S2".

RULES AND REGULATIONS (Continued)

13. SECTION 1307(f) PURCHASED GAS COSTS (Continued)

DCR2" - projected Daily Contract Requirement for the PGC2 class for the projected period when rates will be in effect.

"Purchased gas" - the volume of gas purchased by the Company that is delivered to the Company's customers under Rates R, GL, N, CIAC, GBM, and BD, plus such portion of the Company's used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, synthetic natural gas, liquefied natural gas and any natural gas substitutes, including liquefied propane and naphtha.

In the event a Natural Gas Supplier discontinues service or defaults before its contract with the Customer expires, any costs incurred by the Company during the period between the Natural Gas Supplier's discontinuance of service or default and the first day of the Customer's next regular billing cycle which cannot be recovered from the Natural Gas Supplier shall be considered a Purchased Gas Cost.

13.3 Computation of Gas Cost Adjustment

GCA(1) gas cost adjustment, per Mcf, shall be computed to four decimal places in accordance with the formulae set forth below:

(C) For Rate Schedules R and N:

(C)
$$GCA1 = \frac{(E1)}{S1}$$

For Rate Schedules BD and CIAC:

$$GCA2 = \frac{(E2)}{S2}$$

In computing purchased gas costs, pursuant to the formulae, above, the following definitions shall apply:

GCA1" – E1, as defined below divided by S1, as defined below determined to the nearest \$0.0001 to be included in rates for each Mcf of gas supplied under Rate Schedules R, GL and N of this tariff.

GCA2" – E2, as defined below divided by S2, as defined below determined to the nearest \$0.0001 to be included in the commodity charge set forth under Rate Schedules BD and CIAC of this tariff.

"E1" - the net over or undercollection of purchased gas costs for gas supplied under Rate Schedules R, GL and N of this tariff.

(C) Indicates Change

RULES AND REGULATIONS (Continued)**13. SECTION 1307(f) PURCHASED GAS COSTS (Continued)**

The "E1" factor shall include (1) Amortization of applicable Supplier Refunds, plus applicable interest, multiplied by the ratio of S1 to S, (2) Total DS Credits less PGC2 DS Credits, (3) the net over or under-collection of demand and commodity-related costs allocable to gas supplied under these same Rate Schedules, and (4) any interest, as calculated below, resulting from the above overcollection. Beginning December 1, 2010 and, until affected Rate GBM customers are converted to natural gas service, purchased gas cost shall be credited with the difference between the PGC rate and the GBM transition commodity rate with respect to volumes used by Rate GBM customers for which the Company committed to convert to natural gas service at PUC Docket No. R-2010-2172933.

"E2" - the net over or undercollection of purchased gas costs for gas supplied under Rate Schedules BD and CIAC of this tariff.

The "E2" factor shall include (1) Amortization of applicable Supplier Refunds, plus applicable interest, multiplied by the ratio of S2 to S, (2) PGC2 DS Credits, (3) the net over or undercollection of demand and commodity-related costs allocable to gas supplied under these same Rate Schedules, and (4) any interest, as calculated below, resulting from the above overcollection.

In addition, the E1 and E2 will include net revenue resulting from operational off-system sales. Operational off-system sales are defined as an emergency sale of natural gas.

Applicable Supplier Refunds for each PGC class are defined as the amounts of PGC Supplier Refunds that are related to each PGC based on the C1 and C2 factors that were charged to each PGC during the relevant time periods of the refunds.

(C) Supplier refunds received and the aforesaid credits will be included in the calculation of the "E1" and "E2" factors with interest added at the annual rate of six percent (6%) calculated in accordance with the foregoing procedure, beginning with the month such refund is received or such service is rendered by the Company. Supplier refunds received will be included in the calculation of "E1".

Interest on over or undercollections for each PGC rate shall be computed at the appropriate rate as provided for in Section 1307(f)(5) of the Public Utility Code. If either PGC class is undercollected, that class will be charged interest on the undercollection. If either PGC class is overcollected, that class will be refunded interest on the overcollection.

"S1" - projected Mcf of gas to be billed under Rates Schedules R, GL and N during the projected period when rates will be in effect.

"S2" - projected Mcf of gas to be billed under Rate Schedules BD and CIAC during the projected period when rates will be in effect.

"S" - sum of "S1" plus "S2".

(C) Indicates Change

RULES AND REGULATIONS (Continued)

13. SECTION 1307(f) PURCHASED GAS COSTS (Continued)

13.4 Filing with Pennsylvania Public Utility Commission; Audit; Rectification. Each year the Company shall file a statement which reconciles the total fuel revenue with the total fuel cost and explains any difference between incurred cost and allowed cost, consistent with the Company's least cost procurement policy. Charges under the above rate schedule are subject to upward or downward adjustment to correct prior period differences between actual fuel costs and the fuel costs reflected in rates allowed by the Commission.

Quarterly Adjustments

When making the December 1, March 1 and June 1 quarterly C-factor adjustments, the Company will refund or recover all actual and projected incremental over or under collections from December 1 through November 30 over remaining PGC year sales volumes. When making September 1 quarterly C-factor adjustments, the Company will refund or recover all actual and projected incremental over or under collections from December 1 through November 30 over sales volumes applicable to the six months of June through November. Any quarterly PGC rate change will be capped at 25% of the then-current PGC rate, with any amounts above this cap being brought forward for inclusion in the calculation of subsequent quarterly C-factor adjustments. When actual November data is reconciled with the projected November data used to establish PGC rates effective December 1, the resulting over or under collection amount shall be refunded or recovered in the Company's next quarterly filing over the applicable annual PGC sales volumes plus migration rider volumes.

13.5 Migration Rider. This Migration Rider provides for a method under Section 1307 (f) of the Public Utility Code for the recovery of the experienced net under / overcollection of purchased gas costs from customers who shifted from PGC(1) or PGC(2) retail service to Delivery Service or service under Rates RT, NT and CT on or after December 1, 1998. Except for customers served under Rates RT, NT and CT, the Company may waive this rider for customers with competitive conditions.

The Migration Rider Rate for PGC(1) and PGC(2) shall equal the current Section 1307(f) rates less the C-Factors (projected cost of gas) as approved in the Company's most recent Section 1307(f) natural gas cost proceeding. All revenue recovered under this rider will be credited to the Company's Section 1307(f) mechanism. The recovery period for the experienced net over/(under) collection of purchased gas costs from a customer to whom this rider applies will be one year from the date on which a customer last shifted from retail service to delivery service.

Customers that have received transportation service from the Company for at least twelve consecutive months and that transfer to service under Rate R, GL, N, BD or CIAC shall not be charged the associated PGC Gas Cost Adjustment for a period of twelve months.

Applicable Surcharges	<u>\$/MCF</u>
(D) Customers Shifting from PGC-1	- \$0.2224
(D) Customer Shifting from PGC-2	\$0.1952

(D) Indicates Decrease

(C)

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RULES AND REGULATIONS (Continued)

13. SECTION 1307(f) PURCHASED GAS COSTS (Continued)

13.6 Surcharges for Recovery of Transition Costs (TC) and Education Costs

(a). Transition Costs. Commodity rates for each MCF (1,000 cubic feet) of gas supplied or delivered to Group I customers shall be increased by the amount stated below. Demand rates for each MCF of

firm pipeline capacity for Group II customers shall be increased by a demand surcharge to recover TC billed to UGI pursuant to FERC-allowed tariffs of UGI's pipeline suppliers. These charges apply to the firm tariff rates as indicated below.

- (1) TC shall include all GSR and Stranded natural gas costs that are billed or will be billed to UGI in conformance with FERC regulations that otherwise are not recoverable by UGI through the 1307(f) clause.
- (2) Group I customers are those core market customers receiving service under firm retail tariff rates R, GL, N, CIAC, RT, NT and CT.
- (3) Group II customers are firm contractual customers receiving firm service under rates BD, XD, LFD and CDS, including rate DS.
- (4) TC shall be assigned on the basis of the applicable firm pipeline capacity for each group. Group II customer capacity is defined as the summation of each customer's firm daily contractual commitment for service.
- (5) The TC surcharge for Group I customers is noted in the table below. The TC surcharges for Group II are capacity based and change monthly as billed by the applicable interstate pipelines.

TC Charge

Retail & Customer Choice

(I)	Group I	\$0.000 / MCF
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- (6) The above stated TC volumetric surcharge shall also be applied to interruptible customers volumes, whenever such interruptible volumes are moved on Group I capacity. Interruptible volumes shall not, without limitation, be deemed to be using Group I capacity where such volumes utilize capacity acquired by, assigned to, released to or costed to Group II. If the full volumetric surcharge cannot be recovered on the applicable TC interruptible volumes due to competitive conditions, then any applicable TC shortfall not recovered from the interruptible class will be recovered from within the Group II category, and further, if the shortfall cannot be recovered from all Group II customers, then it will be recovered from the remaining customers in Group II.

RULES AND REGULATIONS (Continued)**13. SECTION 1307(f) PURCHASED GAS COSTS (Continued)**

- (7) TC costs will be recovered from each group during the application period which is defined as the year beginning March 1 and ending February 28. On August 1 and each quarter thereafter, the Company shall file with the Commission its revised Group I TC surcharges along with its (supporting documentation to be effective for the subsequent application quarters which begin the month following the quarterly filing. Such revised surcharges shall reflect updated TC costs including the reconciliation of TC revenue received by the Company and TC incurred by the Company.

With each November filing, the Company shall reconcile experienced TC costs to experienced TC revenue for each group. For each group any over or under recovery of TC will be refunded or recovered, as applicable within each group, during the 12 month period beginning December. For purposes of reconciliation, TC volumetric surcharges applicable to the use of Group I capacity by interruptible customers shall be credited to Group I TC recovery. Interest on the under or over collection of TC dollars shall be computed monthly at the appropriate rate as provided for in 52 Pa. Code 53.66(d).

- (8) Applicable supplier refunds relating to TC shall be applied to reduce TC dollars. Interest on applicable supplier refunds will be added at the annual rate of 6% as provided for at 52 Pa. Code 53.66(f).
- (9) In its discretion, UGI may allow a Group II customer the option of an amortized payment of TC over an extended period of time. The customer must enter a service agreement for a period at least equal to the extended payment period and must agree to pay a specified total amount plus separately stated interest on the customer's unrecovered TC balance.
- (10) Transition Cost Surcharges shall not be applied to Pennsylvania produced gas.
- (b) Education Costs. Company shall recover costs attributable to the Company's payment of the Statewide Education Assessment, plus interest at the legal rate from the date of incurrence through the date of recovery and its own local customer choice education costs incurred, plus interest, pursuant to a plan approved by the Commission. Initially, Company shall offset the existing credit balance in the Group I Transition Costs. Upon elimination of the Transition Cost balance, Company will recover Education Costs through the following surcharge ("Education Cost Surcharge") applicable to Group I customers. The Education Cost Surcharge shall be updated annually and shall be fully reconciled. It shall be included as a component of the applicable Group I customer distribution charge.

Education Cost Surcharge**(D)**

\$0.0000 / MCF

RULES AND REGULATIONS13.A Rider MFC - Merchant Function ChargeApplicability and Purpose

This Rider shall be applied to rates for each Mcf (1,000 cubic feet) of gas supplied under Rate Schedules R, N, and CIAC of this Tariff, and shall be reflected in the Price to Compare. Effective September 2, 2010 through February 28, 2011, Rider MFC shall be a volumetric charge as described below. Effective March 1, 2011, Rider MFC is equal to the fixed percentage, established by the PUC in Company's last general base rate proceeding, of purchased gas costs which are expected to be uncollectible, and shall not be reconciled to reflect actual results. Rider MFC is intended to make Company's Price to Compare more comparable to the gas supply service prices offered of other Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses.

Rider MFC Charge

Effective September 2, 2010, through February 28, 2011, Rider MFC volumetric charges are as follows:

Residential PGC Customers:	\$0.1078 per Mcf
Non-Residential PGC Customers:	\$0.0175 per Mcf

Effective March 1, 2011, Rider MFC shall be equal to 2.19% for Residential PGC Customers and 0.36% for Non-Residential PGC Customers subject to Section 13.1 Recovery of Purchased Gas Costs and Section 13.5 Migration Rider charges.

Effective December 1, 2011, Rider MFC volumetric rates will revert to the pre-March 1, 2011 rates if the Company's POR program has not yet achieved operational status and Rider MFC shall remain at those levels until such time the Company's POR program does achieve operational status. Thereafter, upon the date operational status of the POR program is achieved, Rider MFC shall be equal to 2.19% for Residential PGC Customers and 0.36% for Non-Residential PGC Customers subject to Section 13.1 Recovery of Purchased Gas Costs and Section 13.5 Migration Rider charges.

- (C) The collection of the Rider MFC charges will be summarized by Rate Schedule sub-accounts in the Gas Operating Revenue FERC Account No. 480000 for Rate R and 481000 for Rates N and CIAC. The associated costs are recorded in FERC Account Nos. 904001 and 904002.

(C) Indicates Change

Issued: April 2, 2013

Effective for Service
Rendered on and after
April 3, 2013

RULES AND REGULATIONS**13.B Rider GPC - GAS PROCUREMENT CHARGE****Applicability**

This non-reconcilable Rider shall be applied to rates for each Mcf (1,000 cubic feet) of gas supplied under Rate Schedules R, N, and CIAC of this Tariff, and shall be reflected in the Price to Compare. Effective April 3, 2013, Rider GPC shall be a volumetric charge as described below, and shall remain in effect until reviewed and updated in the Company's next base rate case.

Rider GPC, or Gas Procurement Charge ("GPC"), recovers costs associated with gas procurement that were unbundled from base rates in the Commission's Order at Docket No. R-2012-2314235. The GPC rate is calculated by dividing total unbundled gas procurement costs by the sales volumes for the 12 months ending September 30, 2012, for Rate R, N and CIAC customers as approved by the Public Utility Commission at Docket No. R-2012-2314235.

Rider GPC Charge

Rates: R, N and CIAC: \$ 0.0400 per Mcf

The collection of the Rider GPC charges will be summarized by Rate Schedule sub-accounts in the Gas Operating Revenue FERC Account No. 480000 for Rate R and 481000 for Rates N and CIAC. The associated costs are recorded in FERC Accounts Nos. 920101, 920201, 920401, 920501, 921005, 923001, 923007, 926001 through 926027, 131000 through 176000 and 231000 through 245000.

13.C PRICE TO COMPARE

The Price to Compare ("PTC") is composed of the Natural Gas Supply Charge, Gas Cost Adjustment, Gas Procurement Charge and Merchant Function Charge. The PTC rate will change whenever any components of the PTC change. The current PTC rate is detailed below:

	<u>Price to Compare</u>	<u>Rate R / Ccf</u>	<u>Rate N / Mcf</u>	<u>Rate CIAC / Mcf</u>
(I)(I)(I) Natural Gas Supply Charge		\$ 0.44886	\$ 4.4886	\$ 3.8975
(D)(D)(D) Gas Cost Adjustment		-\$ 0.02224	-\$0.2224	\$ 0.1952
Gas Procurement Charge		\$ 0.00400	\$ 0.0400	\$ 0.0400
(D)(D)(D) Merchant Function Charge		<u>\$ 0.00934</u>	<u>\$ 0.0154</u>	<u>\$ 0.0147</u>
(D)(D)(D) Total Price to Compare		<u>\$ 0.43996</u>	<u>\$ 4.3216</u>	<u>\$ 4.1474</u>

(I) Indicate Increase
(D) Indicates Decrease

RULES AND REGULATIONS (Continued)

14. STATE TAX SURCHARGE

Applicable to All Rates.

- (D) In addition to the net charges provided for in this Tariff, a surcharge of -0.63% will apply to all service rendered on or after December 20, 2015.
(C)

The above surcharge will be recomputed, using the same elements prescribed by the Commission whenever any of the tax rates used in calculation of the surcharge are changed;

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasioned such recomputation; and that if the recomputed surcharge is less than the one in effect, the utility will, and if the recomputed surcharge is more than the one then in effect the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after filing.

(D) Indicates Decrease (C) Indicates Change

Issued: December 10, 2015

Effective for Service
Rendered on and after
December 20, 2015

14.A. RIDER LISHP - LOW INCOME SELF HELP PROGRAM**Applicable Rates**

This Rider shall be applicable to all Residential Customers except customers in the Company's Low Income Self Help Program (LISHP).

Character of Rate

This Rider has been established to recover costs related to the Company's LISHP.

Rate

In addition to the charges provided in this tariff, an amount shall be added to the otherwise applicable charge for each Mcf of sales volumes or distribution volumes distributed by the Company to Customers receiving service under Rate Schedules R, RT, or successor rate schedules, as provided below.

(I) Rate per Mcf
R/RT \$0.0839

Provided, however, that no charge shall be applicable to Customers enrolled in the Company's LISHP.

Calculation of Rate

The Rider LISHP shall be determined as follows:

- 1) For up to 4,000 LISHP participants, calculate the LISHP shortfall (the difference between the total residential sales service rate, excluding CAP customer GET Gas charges, and the LISHP rate based upon the current discounts at normalized annual volumes of the then-current LISHP participants) in excess of \$752 per LISHP participant (but in no event shall this amount be less than zero); and
- 2) Add base rate increase amounts permitted under paragraph 11.g.(3) of the restructuring settlement approved by the Pennsylvania Public Utility Commission at Docket No. R-00994786 (Order entered March 14, 2001); and
- 3) Add LIURP amounts permitted under paragraph E (5) of the Terms and Conditions of the Joint Exceptions in Settlement of the Acquisition Proceeding approved by the Pennsylvania Public Utility Commission at Docket No. A-120011F2000 (Order entered August 18, 2006); and
- 4) For existing LISHP participants in excess of 4,000, calculate the total LISHP shortfall; and
- 5) Calculate the total LISHP participant application costs; and
- 6) To the extent LISHP participant levels are in excess of 4,000, calculate one-half of the LISHP shortfall for projected customer additions to LISHP during the period that the LISHP Rider Rate will be in effect at the average discount of current LISHP participants at normalized annual volumes; and
- 7) Divide the sum of the amounts calculated pursuant to paragraphs 1 through 6 by the total annual projected throughput volumes of all residential non-LISHP customers established in the Company's most recent Purchased Gas Cost proceeding to determine the volumetric rate for Rider LISHP.

Quarterly Adjustment

The Rider LISHP shall be adjusted quarterly. Each quarter, the Company shall recalculate the Rider LISHP rate pursuant to the calculation described above to reflect the Company's current data for the components used in the LISHP rate calculation. The Company shall file the updated rate with the Commission to be effective one (1) day after filing.

(I) Indicates Increase

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

14.A. RIDER LISHP - LOW INCOME SELF HELP PROGRAM (Continued)

Annual Reconciliation

On or before November 1, the Company shall file with the Commission, data showing the reconciliation of actual revenues received under the Rider and actual recoverable costs incurred for the preceding 12 months ending September 30. The resulting over/(under) collection (plus interest calculated at 6% annually) will be reflected in the LISHP quarterly rate adjustment to be effective December 1.

RULES AND REGULATIONS (Continued)**(C) 15. EMERGENCY SERVICE AND CURTAILMENT OF SERVICE**

15.1 Company's Right To Reduce or Curtail Service. An emergency exists whenever the aggregate demand for firm service on the Company's system, or confined segment of the system, exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity with respect to Priority 1 Customers. In the event of a natural gas emergency, the Company shall have the right to impose a mandatory reduction or curtailment on any Customer's use of gas.

- (a) Prior to taking any action under section 15.2 to curtail Customer usage, provided sufficient time exists as determined by the Company in its sole judgement, the Company shall use reasonable efforts and methods to: (1) interrupt all interruptible services, (2) issue Operational Flow Orders or Daily Flow Directives and, (3) call for voluntary usage reductions by any or all Customers.
- (b) In planning for natural gas emergency situations, the Company shall make reasonable efforts to make contractual or informal arrangements with Customers and others which would allow the Company to obtain supplies or implement usage reductions in an effort to avoid or mitigate any emergency action pursuant to subsections 15.2 or 15.3 requiring firm service reductions. In making such arrangements, the Company may enter into specific negotiated terms, conditions and rates with any Customer or entity where a clear benefit exists to the Company for the management or avoidance of an emergency. Related costs, if any, may be included as gas costs for recovery under Section 13 of this tariff.

15.2 Priority-Based Curtailments. In the event of an emergency, where the Commission has mandated priority-based curtailments, the available gas supplies to the Company shall be prorated, if practicable, among Customers and NGSs according to the priorities set forth below, listed in descending order. Customers in a higher priority category shall not be curtailed until all Customers falling into a lower priority category have been curtailed to plant protection use levels, unless operational circumstances or physical limitations warrant a different result. Additionally, where only a partial restriction of a category is required, implementation shall be pro rata to the extent practical under the circumstances. Whenever possible, as determined by the Company in its sole discretion, allocation actions shall be limited to confined geographic or operational portions of the Company's system where the emergency exists.

- (a) Priority 1. Service for residential and firm critical commercial essential human need use.
- (b) Priority 2. Firm service not included in Priority 1, which for purpose of curtailment shall be prioritized in the following subcategories:
 - (1) Firm small commercial and industrial service for plant protection under Rates CIAC, CT, N, NT, DS and the small firm option of Rate CDS.

RULES AND REGULATIONS (Continued)**(C) 15. EMERGENCY SERVICE AND CURTAILMENT OF SERVICE (Continued)**

(2) Firm large commercial and industrial service for plant protection under Rates BD, LFD, XD and the large firm option of Rate CDS.

(3) Firm commercial and industrial service under Rates CT, NT, DS, LFD, XD and CDS, to the extent actual gas deliveries are being made to the Company's system on behalf of the customer; all except for plant protection.

(4) Firm commercial and industrial service provided by Company gas purchase activities; all except for plant protection.

15.3 Mandatory Reductions

- (a) In the event of an emergency under subsection 15.1, the Company may require each commercial and industrial retail and transportation Customer that is not a Priority 1 Customer to reduce its consumption of gas. In requiring mandatory reductions, the gas supplies available to the Company may be allocated to Customers in accordance with the priorities of use specified in subsection 15.2.
- (1) The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety.
 - (2) The mandatory reduction shall be for a period specified by the Company and may be until further notice. The Company may change a Customer's authorized usage, upon notice, at any time during an emergency.
 - (3) Mandatory reductions shall be for a maximum duration of five (5) consecutive business days, unless extended by Commission order.
 - (4) Except as provided in 15.3(a)(5), the minimum authorized usage may not be lower than the minimum usage of firm service necessary for plant protection use.
 - (5) When all other service has been curtailed except for Priority 1 service and the Company continues to be unable to meet Priority 1 requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to Customers if curtailments to plant protection use are found to be necessary.
 - (6) Consistent with its responsibility to maintain system integrity at all times, the Company shall provide periodic status updates and restore service as soon as practicable to any gas-fired electric generation facility that is deemed critical to electric system reliability by the electrical system's control area operator.
 - (7) Transportation Customers and NGSs are required to deliver, or cause to be delivered, natural gas supplies to the Company's system during an emergency, regardless of any mandatory gas consumption reductions imposed by the Company on such transportation Customers or NGSs' Customers. Such natural gas delivery may be required up to the Customer's or NGS's applicable DFR, MDQ, DDR or otherwise specified daily delivery quantity as determined by the Company in its discretion.

RULES AND REGULATIONS (Continued)**15. EMERGENCY SERVICE AND CURTAILMENT OF SERVICE (Continued)**

15.4 Notice of Restriction or Curtailment

- (a) Notice of any restriction or curtailment shall be made to affected Customers or NGSs via methods and mediums most reasonably expected to accomplish such notice; these may include, but are not limited to: telephone, facsimile or electronic data exchange. If necessary, the Company will make notice through the media in order to communicate specific requests to large groups of Customer categories that are affected, including any relevant geographic limitations.
- (b) It is the Customer's or NGS's responsibility to provide the Company with appropriate contact information, and to keep such information updated, in order to assure timely and efficient notices can be provided.
- (c) The Company shall endeavor to provide the maximum notice time possible in the event of any notice of restriction or curtailment.
- (d) The Company shall provide specific restriction or curtailment notices stating gas usage reduction percentages, absolute usage allowances or other reduction actions. In addition, the Company shall specify compliance timelines and restriction or curtailment durations as appropriate for the circumstance.

- 15.5 Emergency Allocation. The Company reserves the sole right to authorize exemptions in cases of verified Customer emergency situations affecting health and welfare.

15.6 Definition of Terms

- (C) (a) Residential Use - Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes; all Residential Customers served under Rates R, RT and GL and apartments served under Rate N, NT, CIAC or CT, or subsequent rates classified by the Company as residential.
- (b) Firm Service – Natural gas service offered by the Company to Customers under tariffs or contracts that anticipate no interruptions. Such schedules are Rate R, RT, GL, CIAC, CT, N, NT, DS, BD, LFD, XD and the firm options of Rate CDS or subsequent firm rate schedules.

(C) Indicates Change

RULES AND REGULATIONS (Continued)**(C) 15. EMERGENCY SERVICE AND CURTAILMENT OF SERVICE (Continued)**

(c) Commercial Use – Gas usage by Customers engaged primarily in the sale of goods or services including consumption by office buildings, institutions and government agencies, and classified as commercial class for Company accounting purposes. Commercial Customers are served under Rates GL, N, NT, CIAC, CT, DS, BD, LFD, XD, CDS, IS and IL, or subsequent rates classified by the Company as commercial.

(d) Essential Human Needs Use - Gas usage into any building where persons normally dwell, including residences, apartment houses, dormitories, hotels, hospitals and nursing homes.

(e) Industrial Use - Gas usage by Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power, and classified as industrial for Company accounting purposes. Industrial Customers are served under Rates GL, N, NT, CIAC, CT, DS, BD, LFD, XD, CDS, IS and IL, or subsequent rates classified by the Company as residential.

(f) Plant Protection Use - Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's plant facilities or danger to plant personnel at the facility when the protection cannot be afforded through the use of an alternate fuel. Plant protection uses include usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

(g) Alternate Fuel – Any fuel other than natural gas.

(h) Interruptible Service - Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.

(i) NGS – Natural Gas Supplier

(j) Daily Flow Directive (“DFD”) – An order issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations. DFDs will be communicated to affected Customers or NGSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSs must provide the Company with a 24-hour contact for DFDs. Failure to comply with a DFD may result in the Customer or NGS being assessed the penalty charge set forth in Section 15.11.

(k) Operational Flow Order (“OFO”) – A directive issued by the Company that is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day. OFOs will be communicated as soon as reasonably practical to affected Customers or NGSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSs must provide the Company with a 24-hour contact for OFOs. Failure to comply with an OFO may result in the Customer or NGS being assessed the penalty charge set forth in Section 15.11.

RULES AND REGULATIONS (Continued)**(C) 15. EMERGENCY SERVICE AND CURTAILMENT OF SERVICE (Continued)**

15.7 Limitation of Liability. In the event of any limitation of service or curtailment, the Company may restrict, curtail or discontinue service in accordance with this Section 15, or Commission order, without incurring any penalty or liability for any loss, injury or expense that may be sustained by the Customer except when the restriction or discontinuation of service is a result of the Company's willful or wanton misconduct.

15.8 Appropriation Liability.

- (a) The Company may appropriate natural gas and/or pipeline capacity pursuant to this Section 15, a Commission policy statement, directive or order, or an emergency order issued by the Governor of Pennsylvania.
- (b) The Company shall compensate the Customer or the Customer's NGS for the cost of appropriated gas supplies. The compensation, in the aggregate, shall equal but not exceed, the greater of:
 - (1) the city gate cost of the appropriated natural gas including all transportation charges up to the Company's city gate; or,
 - (2) the reasonable cost actually paid by the Customer or the Customer's NGS for delivered substitute energy, as documented by the Customer or the Customer's NGS and presented as evidence to the Company. Such compensation may be a later delivery of in-kind gas service at the sole discretion of the affected Customer or NGS.

RULES AND REGULATIONS (Continued)

(C) 15. EMERGENCY SERVICE AND CURTAILMENT OF SERVICE (Continued)

15.9 Discontinuance of Service. The Company may discontinue service at its sole discretion, without notice, for the duration of an emergency, to any Customer that continues to take gas in violation of any rules, notice of limitation or curtailment provided for under this section 15.

15.10 Penalties for Unauthorized Takes.

- (a) The company may, in its sole discretion, issue penalties for any unauthorized taking of gas to any Customer failing to comply with any restriction or curtailment made under this Section 15.
- (b) The penalty for unauthorized takes associated with this section shall be \$75 per Mcf, plus all natural gas costs, all pipeline transportation costs including fuel loss and any associated upstream penalties. Payment of penalties under this section shall be in addition to any liability for direct or indirect damages resulting from Customer's or Customer's NGS failure to comply.
- (c) The Customer shall be liable to the Company for any costs incurred in taking action to discontinue service in accordance with actions taken under subsection 15.9.

15.11 Penalties for DFD or OFO Violations

- (a) Any Customer or NGS who does not comply with a DFD or OFO may be charged \$75/Mcf plus all incremental costs incurred by the Company as a result of the Customer's or NGS' failure to comply.

(C) **RULES AND REGULATIONS (Continued)**

(C) **16. GENERAL TERMS FOR INTERCONNECTION COORDINATION SERVICES FOR
CONNECTING ENTITIES**

- (C) 16.1 Any entity with actual or potential sources of gas supply connected to Company facilities (Connecting Entity) shall be obligated to enter into an agreement with the Company (Coordination Agreement) addressing, to the extent applicable: (1) the duties and obligations of the parties with respect to their respective facilities, (2) measurement of deliveries of gas, (3) gas quality standards, (4) nomination requirements, (5) permitted variations in supply deliveries and imbalance resolution and (6) other operational issues raised by the nature of the supply source connection.

(C) Indicates Change

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RULES AND REGULATIONS (Continued)

17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL

17.1 Application of Rates

- (a) Rates; Notification of Delivery. Transportation of customer-owned gas (delivery service) is available to eligible Customers under Rates DS, LFD, CDS, XD and the Delivery Service Option of Rates IS and IL (Delivery Service Schedules). Upon Customer's request, the Company may arrange for the purchase of gas for Customer's account, as agent for the Customer. Customer shall notify the Company of any and all gas deliveries to the Company's system, including, but not limited to, the provision of nomination, revised nomination and scheduling information, in accordance with the Company's *Nomination Procedure*. The quantity of gas received on behalf of the Customer shall be determined from the monthly billing records of the gas transmission pipeline(s). It is the Customer's responsibility to arrange that any necessary billing information be provided the Company and its gas transmission pipeline(s). Customers failing to provide nomination, billing, scheduling and/or other required information to the Company or pipeline(s), or otherwise failing to comply with the Company's *Nomination Procedure*, shall be subject to applicable imbalance charges in accordance with the provisions set forth within these General Terms for Delivery Service and, in addition, be charged an Administrative Scheduling Fee in an amount no greater than \$1,000 per day for every day such required information is delayed.
- (b) Meter Sequencing. Gas purchased from the Company (retail) shall be billed as first gas through the Customer's meter each billing month. Gas delivered under the Delivery Service Schedules shall be billed as the last gas through the meter, except that gas purchased under the Retail and Standby Rider shall be billed as following delivery service gas. Gas billed under firm rate schedules shall be billed prior to gas billed under interruptible rate schedules. In lieu of otherwise specified tariff provisions, where the Company and Customer agree, Company shall use pipeline metering facilities for measuring and billing total deliveries to the Customer's facility.
- (c) Payment of Charges, Penalties. The Customer shall pay the Company for any and all additional charges incurred on the Customer's behalf or resulting from the Customer's actions which the Company can demonstrate arise out of the provision of transportation service including, but not limited to, pipeline transportation and service charges. Any such charge, penalty or obligation imposed by a pipeline transporter or supplier as result of balancing of gas delivered to the Customer shall be paid by the Customer in addition to applicable charges set forth in the Delivery Service Schedule and the Retail and Standby Rider. By Commission order, no take-or-pay penalties will automatically be passed through to transportation customers.

RULES AND REGULATIONS (Continued)

17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)

- (C) (d) Late Payment Charge. The late payment charge shall be 5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.
- (e) State Tax Surcharge. No State Tax Surcharge shall apply to Delivery Service Schedules.
- (f) Purchased Gas Cost Rate.
- (1) The Purchased Gas Cost Rate shall not apply to Delivery Service Schedules or Retail and Standby Rider, and the volume of gas delivered or sold, and revenue billed thereunder, shall not be included for purposes of the calculation of the Purchased Gas Cost Rate (PGC) under Paragraph 13 of the Rules and Regulations or otherwise.
- (2) This paragraph applies only where the Customer utilizes Company assigned pipeline capacity. In calculating the PGC, the Company shall credit purchased gas cost the applicable capacity charges and applicable System Access Fee charges billed to its firm transportation customers as specified by the appropriate firm transportation rate schedules. The Company shall also credit purchased gas cost with respect to applicable volumes purchased under the Retail and Standby Rider with an amount equal to the applicable commodity cost of gas, as specified under the Retail and Standby Rider, plus an amount equal to the applicable supply reservation charge revenue received pursuant to the Retail and Standby Rider. The PGC credit shall be reduced to reflect other authorized capacity charge reductions and delivery charge reductions as set forth in the rate schedules and in 17.2. Incremental storage and/or balancing costs incurred as a result of transportation and/or balancing services provided to transportation customers shall be credited to the PGC in an amount equal to such costs.
- (3) If at any time the PGC Credits referenced in Paragraph (2) above are increased, the Delivery Service Schedules and the Retail and Standby Rider shall be increased accordingly. The Company may waive or delay implementation of all or a portion of any related increase. The Company shall provide the Pennsylvania PUC with written notification of the change in charges and/or credits at least five (5) days prior to billing new charges.
- (g) Curtailment of Supply, Capacity. In the event that service to Priority 1 requirements is threatened, the Customer must agree, at the Company's sole discretion, to (1) sell its gas to the Company at the higher of the Customer's cost or the Company's average cost of gas contained in its most recently approved PGC or, (2) restrict deliveries in accordance with Company's direction.

RULES AND REGULATIONS (Continued)

17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)

- (h) Pennsylvania Gas. "Pennsylvania Gas" refers to gas that is produced within the Commonwealth of Pennsylvania. The Customer must demonstrate the volumetric proportion of its gas that meets the above definition in order to qualify for an applicable rate, not later than ninety (90) days after the conclusion of the billing month.
- (i) Voluntary Customer Billing Pools. Two or more transportation Customers may join together in pooled transactions for the purchase and delivery of gas. In accordance with terms and conditions agreed to by the Company and the Customer, the Company may allocate among all such customers the volumes of gas or imbalances for purposes of determining responsibility for charges, rates, penalties or other obligations imposed by the Company, gas seller(s), transporters, marketers, brokers or third parties incurred by, on behalf of, or in connection with operation of the pool. Except as the Company otherwise agrees, the Company is not responsible for determining individual customer responsibility for such charges. Suppliers to Voluntary Customer Billing Pools must execute an agreement with the Company prior to initiating gas deliveries.
- (1) Each Voluntary Customer Billing Pool shall appoint a Lead Buyer or Agent who will coordinate nomination, billing, reconciliation, allocation and any other necessary communication between the Voluntary Customer Billing Pool and the Company.
- (2) All members of a Voluntary Customer Billing Pool shall be of like service classification. The Company may restrict formation or operation of any Voluntary Customer Billing Pool in order to meet like service classification or pipeline imposed eligibility requirements.
- (3) Service under Rate NNS is required by, and shall be individually billed to, any and all members of a Voluntary Customer Billing Pool except when all pool members are monitored on a daily basis through the use of Company owned automated metering facilities at all meter locations. Additionally, service under Rate MBS is required by, and shall be individually billed to, any and all members of a Voluntary Customer Billing Pool when the billing month for each pool member does not end on the same calendar date; Voluntary Customer Billing Pools having all customers monitored and billed through the use of Company owned automated meter reading facilities at all meter locations shall be exempt from this requirement.
- (4) Pooling Fees. A pooling fee of \$30 per month shall be charged to each member of a Voluntary Customer Billing Pool except, pool members limited by a DFR, MDQ or otherwise specified daily contract quantity shall be charged \$0.30 per Mcf per month of such contract quantity.
- (j) Supplier Notification. Each transportation customer may purchase gas supplies from an unlimited number of suppliers, brokers, marketers or other individuals ("Suppliers"). Customer must notify the Company, as specified in the Company's *Nomination Procedure*, of each Supplier from which the Customer intends to purchase. Customers utilizing Suppliers without proper notification will be charged a \$500 per month Supplier Administration Fee per supplier for those Suppliers.

RULES AND REGULATIONS (Continued)

17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)

- (C) (k) Information Service. For the use of a daily monitored Customer in nominating, scheduling and balancing transportation use and deliveries, the Company will, upon Customer's written request, provide daily meter read information, on a one day delayed basis, to Customer via facsimile, phone or as otherwise specified in the Company's *Nomination Procedure*. An Information Service Fee charge of \$66 per meter per month shall be assessed for this service to the Customer. This service is available only to those Customers having Company installed and owned automated metering facilities.
- (l) Recognition of Supplies. Volumes transported on behalf of the Customer will be recognized in the Customer's current billing month based on nominated or scheduled volumes information and may be adjusted after notification is received from the pipeline supplier(s) of the volumes transported on behalf of the Customer. Volumes scheduled shall be determined on the basis of best available actual or confirmed pipeline and/or Company information at the time of billing.
- (m) Each Customer served under an interruptible Delivery Service Schedule shall specify a Maximum Daily Quantity ("MDQ"), in Mcf per day, which may be used by the Company, in such a manner and at such times as the Company deems necessary, in order to restrict customer nominations, deliveries or takes on a daily basis. The Company reserves the right to adjust Customer's MDQ at any time to reflect historic, projected or otherwise estimated maximum usage capabilities of the Customer.

17.2 Pipeline Transportation

- (a) Arrangements for Transportation. The Company will endeavor either to provide or to assist the Customer in securing from gas transmission pipelines the transportation service necessary to transport Customer's gas to the pipeline delivery points on the Company's system. Agency service is available on an optional basis. When transportation service is arranged by the Customer, the Company will not be responsible for gas transmission pipeline capacity reservation, reservation charges or transportation charges. Service may be interrupted on notice of gas transmission pipeline operating constraints. When transportation service is arranged through the Company, all gas transmission pipeline capacity charges will be billed through the Company. The Company shall not be responsible for transportation charges incurred on behalf of Customer, nor for the performance or non-performance of any transmission pipeline service or Supplier, nor for continued availability of any transmission pipeline service.

RULES AND REGULATIONS (Continued)

17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)

- (b) Limitation -- FERC Order 436 Transportation. During any period of temporary inadequacy, curtailment or allocation of transportation service provided by transmission pipelines, the Company may apply limitations on firm or interruptible transportation services provided to any Customer hereunder (including limitations as to individual pipeline transmission company volumes). Limitations will be determined by the Company in its discretion, and may be based on duration of service to the Customer or other methods reasonably designed to make fullest beneficial use of available transmission pipeline services and to minimize disruption of services rendered to all customers.
- (c) Pipeline Component Rates, Terms of Service. The Company may revise terms, conditions or charges of delivery service and associated standby or retail service to reflect changes in the terms, conditions or charges of the Company's gas transmission pipeline(s) filed with the Federal Energy Regulatory Commission ("FERC"). The Company will revise the terms and conditions of service and charges no more frequently than monthly, and at such time will provide the Commission with written notification of the proposed change(s) at least five (5) days prior to billing such revised charges.

17.3 Facilities and System Access. Each Customer with a Daily Firm Requirement ("DFR") or peak usage capability of 1,000 Mcf per day or greater shall mutually plan and coordinate with the Company development of all gas facilities to the Customer's premises (including pipelines, mains, service lines and appurtenances), in order to minimize duplication of facilities and to avoid unnecessary construction, as follows:

- (a) If the Customer proposes to acquire, construct or contract for the use or service of gas facilities ("Customer gas facilities"), the Customer will provide advance notice to the Company in writing, at least sixty (60) days in advance of the earlier of contracting for or commencing construction of Customer gas facilities. The Company shall be provided with sufficient information and a reasonable opportunity to evaluate the proposal and to submit to Customer for its consideration one or more alternative proposals (including expansion of Company facilities or other methods).
- (b) The Customer agrees to submit all design and construction specifications and drawings to the Company in advance of construction, which demonstrate compliance with all applicable requirements as to gas main and service construction and pipeline safety. If the Company determines that Customer gas facilities will encroach upon or interconnect with Company facilities, serve common gas utilization equipment with Company facilities or are in the immediate vicinity of Company facilities such that the safety of Company facilities may be adversely affected thereby, the Company shall have the right to approve the design and location of such Customer gas facilities. The Company shall act upon its right to approve such Customer gas facilities within 90 days after the later of submission of all design and construction specifications and drawings to the Company, or Customer notification required under Rule 17.3(a).

RULES AND REGULATIONS (Continued)

17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)

- (c) If the full 60-day notice required in Rule 17.3(a) is not given or if the Customer otherwise fails to comply with Rule 17.3, then the Customer shall pay the Company the amount of \$1,000 per day for each day the Customer failed to comply but in no event more than \$30,000.

17.4 Balancing and No-Notice Service.

- (a) Each Customer shall use best efforts to balance purchases, deliveries and receipts of gas at all times. Except as specified in 17.1(i), for the purposes of balancing excess deliveries and shortfalls and purchasing services under Rates NNS and MBS, Voluntary Customer Billing Pools may be treated as a single entity. Subject to the terms and conditions set forth below, the Company shall provide no-notice and monthly balancing services under Rate Schedules NNS and MBS. Service under Rate Schedules NNS and MBS is available only for inadvertent fluctuations, limited by the terms and conditions of each Rate Schedule, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. In the event the Customer fails to use best efforts to balance deliveries and receipts, or otherwise misuses no-notice or balancing services as determined by the Company in its sole discretion, the Company may impose retail and/or standby rates or storage charges for the period of such default or misuse and may specify mandatory levels of service under Rates NNS and/or MBS for any continued service.
- (b) Daily Balancing. The Company shall allow Customer's daily takes to inadvertently vary from daily scheduled deliveries by +/-10% without imposing balancing charges, provided the total daily volume taken does not exceed Customer's Daily Firm Requirement, MDQ or otherwise specified contract demand limit. Volumes taken or delivered in excess of the 10% tolerance, unless otherwise provided by service elected under Rate NNS, shall be assessed a maximum charge of \$0.61 per Mcf unless otherwise specified in Customer's contract, in addition to the charges specified in the Delivery Service Schedule, on all such quantities.
- (c) Imbalance Resolution. Customer's monthly imbalances will be calculated at the end of each billing period to determine if any overdelivery (excess) or underdelivery (shortfall) condition exists for volumes scheduled versus volumes metered. If the Customer is determined to be in an imbalance condition, and has not elected service under Rate MBS, then the Company shall sell and the Customer shall buy any shortfall amount according to the following cash-out pricing:

(C)	<u>Shortfall Percent</u>	<u>Cash-Out Price</u>
	Up to 5%	Average Monthly Index ("AMI")
	Greater than 5%, but not greater than 15%	AMI x 1.1
	Greater than 15%, but not greater than 25%	AMI x 1.3
	Greater than 25%	AMI x 1.5

RULES AND REGULATIONS (Continued)

17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)

Likewise, the Customer shall sell and the Company shall buy any excess amount according to the following cash-out pricing:

<u>Excess Percent</u>	<u>Cash-Out Price</u>
Up to 5%	Average Monthly Index ("AMI")
Greater than 5%, but not greater than 15%	AMI x 0.9
Greater than 15%, but not greater than 25%	AMI x 0.7
Greater than 25%	AMI x 0.5

The AMI (Average Monthly Index) shall be calculated as the average of the published Henry Hub, La. natural gas price during the Customer's billing month, plus the Company's average monthly cost for transportation, plus applicable Gross Receipts Tax.

The AMI is applicable to the above tables only for inadvertent monthly imbalances. The HMI (Highest Monthly Index) or the LMI (Lowest Monthly Index) as defined below shall apply respectively to shortfall and excess conditions in those situations where intentional imbalances are involved.

The HMI shall be calculated as the sum of the highest published Henry Hub, La. natural gas price, during the Customer's billing month, plus the Company's highest monthly cost for transportation, plus applicable Gross Receipts Tax.

The LMI shall be calculated as the sum of the lowest published Henry Hub, La. natural gas price, during the Customer's billing month, plus the Company's lowest monthly cost for transportation.

(d) The Company may extend the balancing period for gas volumes and may increase volumes eligible for balancing in its discretion, but only if it determines that such action is consistent with its obligations to other customers. The Company in its discretion may determine amounts of customer imbalances which may be carried into a future balancing period in lieu of the application of storage service charges, retail charges or other consequences of Customer imbalances existing at the end of the normal balancing period.

(e) Supply Transfers. The Company, by written agreement, shall allow Customers, Voluntary Customer Billing Pools or Suppliers to transfer supplies at the city gate from the designated receiving Customer or Voluntary Customer Billing Pool to another Customer or Voluntary Customer Billing Pool on Company's system for the purpose of controlling inadvertent imbalances provided, in the Company's sole discretion: (1) such transfer is requested prior to the end of the billing month for both the transferee and the transferor, (2) such transfer is physically possible given system operating constraints, and system supplies and reliability are not adversely affected, (3) the gas transferred is not due to decreased Customer requirements as a result of alternate fuel consumption, or other activities which otherwise could have been avoided. Supply Transfers shall be assessed a \$0.25/MCF Transfer Fee due and payable at the time of transfer.

RULES AND REGULATIONS (Continued)**17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)**

- (f) Customers that use the Company as agent for securing transportation service from gas transmission pipelines will have all the same balancing privileges as other customers.
- (C) (g) Competitive Volume Customers. In the case of Customers or applicants seeking service for facilities with a design volume capability allowing for direct connection to transmission or gathering lines for bypass of Company facilities, Company shall have the right to establish daily and monthly balancing tolerances at levels other than those specified in subsections (b) and (c) of this Section 17.4 to reflect specific operational limitations or to protect the interests of other Customers, as determined by the Company in its sole discretion. Additionally, the Company may establish special nomination rules, imbalance resolution rules and communication protocols that reflect the Customer's or applicant's commercial alternatives, and which are consistent with its obligations to other Customers.

17.5 Customer Default. In the event a Customer fails to pay for delivery service, and for so long as an unpaid balance exists, the Company has and may enforce a lien upon any undelivered Customer-owned gas then or thereafter in the possession of the Company, and a right of setoff against any unpaid balances for retail or delivery service. Such lien and setoff may be perfected, at any time that such gas is or is deemed in the possession of the Company, by written claim mailed to the Customer, as the exclusive means of notification and perfection. In addition to and not in lieu of any other remedies, the Company may:

- (a) initiate service termination procedures in accordance with the Commission's regulations and this tariff;
- (b) enter into an extended payment agreement or compromise payment plan;
- (c) discontinue unbilled and subsequent deliveries and substitute retail service;
- (d) place Customer-owned gas into storage under Rate SS;
- (e) purchase Customer-owned gas, crediting the Customer's past due and current accounts in the amount of the lesser of the contract price or the Company's avoided commodity cost of gas;
- (f) institute legal action to collect amounts due the Company or otherwise enforce its rights; and
- (g) exercise any other remedy available at law or equity.

The Company may resume delivery service billing after the Customer's accounts are fully paid.

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RULES AND REGULATIONS (Continued)**17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND
THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)****(C)** 17.6 Service Agreement and General.

(a) Limitation on Liability.

- (1) The Company shall not be liable for curtailment of service under the Delivery Service Schedules or loss of the Customer's gas as a result of any steps taken to comply with any law, regulation or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation or order.
- (2) Gas transported and delivered by the Company to the Customer hereunder shall be and remain the property of the Customer. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during and after receipt by the Company.
- (3) The Company shall not be liable for any loss to the Customer arising from or out of service hereunder, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the Customer with other supplies.

(b) Warranty, indemnity and special provisions. The receipt of delivery service constitutes Customer's agreement to the following representations and warranties, together with related provisions in the delivery service agreement:

- (1) clear and marketable title to the Customer's gas;
- (2) delivery points, pressure, quality and other specifications acceptable to gas transmission pipeline(s) and the Company;
- (3) eligibility of the Customer for service;
- (4) existence of lawful authority for sale, transportation and delivery;
- (5) agreement to pay all excise, sales, use, gross receipts, or other taxes (other than income taxes) all tariff charges and all penalties, charges, fees for transportation, balancing etc., associated with delivered gas, which may be levied upon or incurred by the Company at any time;
- (6) agreement to indemnify and hold the Company harmless from breach of representations or warranties, and any liability associated with Customer's gas while on the Company's system.

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RULES AND REGULATIONS (Continued)

17. GENERAL TERMS FOR DELIVERY SERVICE FOR RATES DS, LFD, CDS, XD AND THE DELIVERY SERVICE OPTION OF IS AND IL (Continued)

- (C) (c) Copy of Gas Purchase Agreements, Other Documents. When requested by the Company, the Customer shall provide the Company with a copy of Customer's gas purchase contract and any related transportation, marketing and brokerage contracts, or, in lieu of providing such contracts, certify pertinent information as required by the Company, and, in order to meet mandated state or federal requirements, a sworn affidavit setting forth the Customer's cost of gas for the period requested by the Company. The Company shall endeavor to protect the confidentiality of information provided by the customer in accordance with this provision. The Company will provide such information to third parties only when required to do so by law, regulation or order and in such case, will attempt to maintain confidentiality to the extent possible, but under no circumstances will coded data be provided to the Pennsylvania Public Utility Commission.
- (d) Unless otherwise provided by contract, if any Customer of the Company bypasses the Company for all or a portion of their natural gas service needs then the Company thereafter shall have no obligation to serve or maintain the gas supply or physical capacity necessary to serve such Customer under regulations specified herein. In addition, to the extent that such Customer continues to purchase natural gas or natural gas transportation service from the Company, the Company shall have the right to charge a negotiated rate for continued, subsequent or standby service that, at a maximum, is established solely by competitive market conditions.

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RULES AND REGULATIONS (Continued)**18. CAPACITY RELEASE ON INTERSTATE GAS PIPELINES**

The Company will make maximum use of interstate pipeline capacity including capacity obtained through a FERC required posting process to satisfy all on system requirements. An off system capacity releasing procedure will be offered by the Company to make capacity available to any entity who wants to obtain that capacity by contracting with the applicable interstate pipeline. Such releases will be made to improve the capacity utilization on a year round basis through higher overall load factor consumption in the following manner:

- (1) Such off system releases are available only when in the Company's determination there are adequate levels of interstate pipeline capacity beyond that required to serve the anticipated requirements for its retail and transportation customers, and
- (C) (2) Capacity release revenue generated by administrative releases to third parties that fill the Company's storage shall be credited 100% to PGC customers. Other revenue received by the Company for off system Capacity Release of interstate pipeline capacity will be credited to all firm customers.

RATE R**GENERAL SERVICE – RESIDENTIAL**AVAILABILITY

This Rate applies to all Residential Customers in the entire gas service territory of the Company. A Residential Customer shall be defined as a Customer using natural gas in (1) a one or two-family dwelling, (2) separately metered apartments of a multiple dwelling, or (3) premises used as a single family dwelling and for one or more business uses, provided the proprietor of the business resides in the single family dwelling, and the business uses less than fifty percent of the anticipated gas usage served through a single meter. Service will be supplied only where the Company's facilities are suitable to the service desired.

STANDBY AVAILABILITY

Where service is provided under this Rate to any Residential Customer utilizing natural gas as a backup, auxiliary or temporary fuel, a Standby Surcharge shall apply. For purposes of applying the Standby Surcharge, backup, auxiliary or temporary functionality shall be determined at the Company's sole discretion where natural gas is being utilized as a backup heating fuel to any other fuel service.

MONTHLY RATE TABLECustomer Charge:

\$8.55 per customer

Plus

Distribution Charge:

- (D) First 5,000 cubic feet - \$0.33082 per 100 cubic feet
(D) Over 5,000 cubic feet - \$0.26634 per 100 cubic feet

Plus

Natural Gas Supply Charge:

As Stated in Section 13.1

Plus

Gas Cost Adjustment

As stated in Section 13.1

Plus, if Standby:

Customer Charge Surcharge: \$6.764 per Customer
Plus

Commodity Charge Surcharge: \$0.0600 per 100 cubic feet

(D) Indicates Decrease

RATE R (Continued)

GENERAL SERVICE - RESIDENTIAL

Rider MFC, Rider GPC, the State Tax Surcharge, and the Surcharge for Recovery of Transition Costs and the Rider LISHP, as set forth in the Rules and Regulations apply to the above rates.

A late payment charge of 1-1/4% per month is due on all amounts unpaid after the due date.

MINIMUM BILLS

Customer Charge set forth above.

TOTAL SPACE CONDITIONING OPTION

- (C) For Customers who take service under Rate R and have associated gas cooling use billed under this option, the above rates shall be PGC(2) based and shall be reduced by \$0.01735 per 100 cubic feet to reflect the associated gas cost. This option is available only to customers who: 1) utilize natural gas as the primary energy source for space conditioning requirements - heating and cooling, 2) utilize natural gas for water heating purposes, and 3) maintain one or more additional gas appliances (range, dryer, cooktop or oven.) The qualifying natural gas cooling unit must be installed and operational and be of a make/manufacture approved by the Company. Customers receiving service under this option agree to allow the company, at its option, to install load monitoring facilities.

LOW INCOME SELF-HELP PROGRAM (LISHP)

This Low Income Self-Help Program is available to a maximum of 10,000 customers.

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RATE RT**GENERAL SERVICE – RESIDENTIAL TRANSPORTATION**AVAILABILITY

This Rate applies to all Residential Customers in entire gas service territory of the Company who are served by a qualified Choice Supplier receiving service under Rate AG. A Residential Customer shall be defined as a Customer using natural gas in (1) a one or two-family dwelling, (2) separately metered apartments of a multiple dwelling, or (3) premises used as a single family dwelling and for one or more business uses, provided the proprietor of the business resides in the single family dwelling, and the business uses less than fifty percent of the anticipated gas usage served through a single meter. Service will be supplied only where the Company's facilities are suitable to the service desired.

STANDBY AVAILABILITY

Where service is provided under this Rate to any Residential Customer utilizing natural gas as a backup, auxiliary or temporary fuel, a Standby Surcharge shall apply. For purposes of applying the Standby Surcharge, backup, auxiliary or temporary functionality shall be determined at the Company's sole discretion where natural gas is being utilized as a backup heating fuel to any other fuel service.

MONTHLY RATE TABLECustomer Charge:

\$8.55 per customer

Distribution Charge:

- (D) First 5,000 cubic feet - \$0.33082 per 100 cubic feet
(D) Over 5,000 cubic feet - \$0.26634 per 100 cubic feet

Plus, if Standby:

Customer Charge Surcharge: \$6.764 per Customer

Plus

Delivery Charge Surcharge: \$0.0600 per 100 cubic feet

The State Tax Surcharge, the Surcharge for Recovery of Transition Costs, the Migration Rider Surcharge and the Rider LISHP, as set forth in the Rules and Regulations apply to the above rates.

(D) Indicates Decrease

Issued: April 2, 2013

Effective for Service
Rendered on and after
April 3, 2013

RATE RT (Continued)**GENERAL SERVICE – RESIDENTIAL TRANSPORTATION**

Where a Customer is returned to the Company or an alternate Supplier of Last Resort prior to the next regular meter reading date, due to the Licensed Choice Natural Gas Supplier's non-performance, Customer will receive service from Company or alternate Supplier of Last Resort for the remainder of the billing month at the contract rate between the Customer and Choice Supplier. Customer must provide evidence of the applicable contract rate, if requested by Company, to receive the contract rate price. As of the next regular meter read date, Customer will be transferred to Rate R, unless enrolled as a Rate RT customer by another Choice Supplier, effective as of the next regular meter read date.

A late payment charge of 1-1/4% per month is due on all regulated amounts unpaid after the due date.

MINIMUM BILLS

Customer Charge set forth above.

GENERAL TERMS

- (D) Company shall retain for Company use and unaccounted for 0.5% of the total volume of gas delivered into its system for Customer's account.

(D) Indicates Decrease

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

**RATE GL
GAS LIGHT SERVICE**AVAILABILITY

This Rate applies to all constant burning gas light service from an unmetered gas supply to installations which meet the requirements of the Company.

MONTHLY RATE TABLE

A. Gas Service Only

- | | | |
|-----|--|--------------------|
| (D) | For each light having an input rating of 2-1/2 cubic feet per hour or less, a monthly charge of | \$ 12.51 per light |
| (D) | For each additional one-half cubic foot per hour to nearest one-half cubic foot, an additional monthly charge of | \$ 2.42 per light |

Cost of maintenance and repair is not included in this Rate.

- B. Service under Section B is limited to installations being served and those for which a written commitment for service has been made at June 28, 1974.

Gas and Maintenance Service

- | | | |
|-----|---|-------------------|
| (D) | Company will supply gas and maintenance service covering lighting, adjusting, cleaning and mantle replacement for a monthly charge of | \$14.20 per light |
|-----|---|-------------------|

When customer selects a light with gas consumption more than 2-1/2 cu. ft. per hour, the monthly charge will be increased in accordance with the provision of Paragraph A.

(D) Indicates Decrease

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

RATE GL (Continued)

GAS LIGHT SERVICE

- (C) The State Tax Surcharge, and the Surcharge for Recovery of Transition Costs as set forth in the Rules and Regulations apply to the above rates.

LATE PAYMENT CHARGE

Commercial and Industrial Customers:

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

Residential Customers:

1-1/4% per month on all amounts unpaid after the due date.

RATE N**GENERAL SERVICE - NON-RESIDENTIAL**AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Customers, except Residential Customers, using gas for any purpose. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate N service may not be applied to supplement or back up interruptible service under Rates IS, IL or DS, except to the extent of needs for plant protection use. Service to the same customer under Rates N and Rates IS, IL or DS, or service to a new customer having an annual usage of 4,000 Mcf or greater after October 1, 2000, or, transfers of a customer or customer load from Rates IS or IL or DS to Rate N or transfers of a customer having an annual use of 4,000 Mcf or greater from Rates NT to Rate N shall be permitted only as determined by the Company, and subject to reasonable limitations.

STANDBY AVAILABILITY

Where service is provided under this Rate to any non-residential customer utilizing natural gas as a backup, auxiliary or temporary fuel, a Standby Surcharge shall apply. For purposes of applying the Standby Surcharge, backup, auxiliary or temporary functionality shall be determined at the Company's sole discretion where natural gas is being utilized as a backup heating fuel to any other fuel service.

MONTHLY RATE TABLE

Billing Period:	<u>April through October</u>	<u>November through March</u>
Customer Charge:	\$8.55 per Customer	\$8.55 per Customer
Plus		
<u>Distribution Charge:</u>		
(D)	First 25 MCF @ \$4.0268 per MCF	First 25 MCF @ \$4.0268 per MCF
(D)	Next 475 MCF @ \$3.5309 per MCF	Next 475 MCF @ \$3.5309 per MCF
(D)	Over 500 MCF @ \$2.2902 per MCF	Over 500 MCF @ \$2.4374 per MCF
Plus		
<u>Natural Gas Supply Charge:</u>		
	As Stated in Section 13.1	
Plus		
<u>Gas Cost Adjustment:</u>		
	As Stated in Section 13.1	

(D) Indicates Decrease

RATE N (Continued)

GENERAL SERVICE - NON-RESIDENTIAL

Plus, if Standby:

Customer Charge Surcharge: \$42.37 per Customer

Plus

Commodity Charge Surcharge: \$0.478 per MCF

Rate MFC, Rider GPC, the State Tax Surcharge, and the Surcharge for the Recovery of Transition Costs as set forth in the Rules and Regulations applies to the above rates.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

MINIMUM BILLS

Where gas is used for space heating or other use directly related to weather conditions and no gas is separately metered and billed to other Customers on the premises, the bill is 3% of the average monthly use during January, February, and March billing periods of each year, as estimated by the Company.

For all others, the Customer Charge set forth above.

TOTAL SPACE CONDITIONING OPTION

- (C) For customers who take service under Rate CIAC and have associated use billed under this option and maintain a load factor consistent with the average PGC(2) group, the above rates shall be PGC(2) based and shall be reduced by \$0.1735 per Mcf to reflect the associated gas cost. This option is available only to customers who utilize natural gas as the primary energy source for space conditioning requirements. Annual load factors shall be reviewed at the end of the October billing period to determine customer eligibility for the following year. Customers receiving service under this option agree to allow the company, at its option, to install load monitoring facilities.

(C) Indicates Change

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

RATE NT**GENERAL SERVICE - NON-RESIDENTIAL TRANSPORTATION**AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Customers who are served by a Choice Supplier receiving service under Rate AG, except Residential Customers, using gas for any purpose. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate NT service may not be applied to supplement or back up interruptible service under Rates IS, IL or DS, except to the extent of needs for plant protection use. Service to the same customer under Rate NT and Rates IS, IL or DS and transfers of a customer or customer load from Rates IS, IL or DS to Rate NT shall be permitted only as determined by the Company, and subject to reasonable limitations.

STANDBY AVAILABILITY

Where service is provided under this Rate to any non-residential customer utilizing natural gas as a backup, auxiliary or temporary fuel, a Standby Surcharge shall apply. For purposes of applying the Standby Surcharge, backup, auxiliary or temporary functionality shall be determined at the Company's sole discretion where natural gas is being utilized as a backup heating fuel to any other fuel service.

MONTHLY RATE TABLE

Billing Period:	<u>April through October</u>	<u>November through March</u>
Customer Charge:	\$8.55 per Customer	\$8.55 per Customer
Plus		
<u>Distribution Charge:</u>		
(D) First 25 MCF @	\$4.0268 per MCF	First 25 MCF @ \$4.0268 per MCF
(D) Next 475 MCF @	\$3.5309 per MCF	Next 475 MCF @ \$3.5309 per MCF
(D) Over 500 MCF @	\$2.2902 per MCF	Over 500 MCF @ \$2.4374 per MCF

Plus, if Standby:

Customer Charge Surcharge: \$42.37 per Customer

Plus

Commodity Charge Surcharge: \$0.478 per MCF

The State Tax Surcharge, the Surcharge for the Recovery of Transition Costs and the Migration Rider Surcharge as set forth in the Rules and Regulations applies to the above rates.

(D) Indicates Decrease

RATE NT (Continued)**GENERAL SERVICE - NON-RESIDENTIAL TRANSPORTATION**

Where a Customer is returned to the Company or an alternate Supplier of Last Resort prior to the next regular meter reading date, due to the Choice Natural Gas Supplier's non-performance under Rate AG, Customer will receive service from Company or alternate Supplier of Last Resort for the remainder of the billing month at the contract rate between the Customer and Choice Supplier. Customer must provide evidence of the applicable contract rate, if requested by Company, to receive the contract rate price. As of the next regular meter read date, Customer will be transferred to Rate N, unless enrolled as a Rate NT customer by another Choice Supplier, effective as of the next regular meter read date.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

MINIMUM BILLS

Where gas is used for space heating or other use directly related to weather conditions and no gas is separately metered and billed to other Customers on the premises, the bill is 3% of the average monthly use during January, February, and March billing periods of each year, as estimated by the Company.

For all others, the Customer Charge set forth above.

GENERAL TERMS

- (D) Company shall retain for Company use and unaccounted for 0.5% of the total volume of gas delivered into its system for Customer's account.

(D) Indicates Decrease

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

(C)

RATE GBM – GAS BEYOND THE MAINS (Single Tank Service)

This Rate Schedule is cancelled.

(C) Indicates Change

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

(C) **RATE GBM – GAS BEYOND THE MAINS (Piped Propane Service)**

APPLICABILITY

- (C) This Page is applicable to customers receiving Piped Propane service in accordance with the Commission’s Final Order at Docket No. M-2008-2072850 entered on December 19, 2013.

AVAILABILITY

In accordance with the Commission’s Final Order at Docket No. M-2008-2072850 entered on December 19, 2013, Rate GBM is available to (1) residential customers until UGI obtains authority from the Commission to abandon such service no later than December 31, 2015 or (2) small commercial customers until UGI obtains authority from the Commission to abandon such service no later than December 31, 2020, who are served by piped propane systems in existence as of December 19, 2013 (“Existing Propane Systems”), or through reasonable extensions of such Existing Propane Systems made consistent with the line extension provisions of this tariff.

RATE

The charges for natural gas distribution service for each billing period shall be equal to the current charges set forth in this tariff under the otherwise applicable rate schedule. In addition, Rate GBM customers receiving Piped Propane service shall pay a commodity rate calculated as follows:

Beginning August 1, 2014, an initial rate of \$21.4845 per Mcf (the “GBM Commodity Rate”). This GBM Commodity Rate (a) is designed to recover the full costs of propane acquired to provide GBM service without subsidies from non-GBM service customers, (b) shall be reconciled based on actual GBM commodity rate revenues rerecorded and actual propane costs incurred beginning December 1, 2014 and annually thereafter with any variations being recovered or refunded through a Gas Cost Adjustment (E-Factor) charge to the otherwise applicable commodity rate (the E-Factor effective December 1, 2014, shall be computed based on the ratio of GBM sales to total GBM and PGC1 sales for the twelve month period ending November 30, 2014), (c) shall be subject to quarterly adjustments, effective on one day’s notice, effective March 1, June 1 and September 1. To the extent there is an over or under recovery of propane costs at the time Rate GBM service is ended, the balance shall be recovered or refunded from all Rate R, N and CIAC customers by inclusion in the subsequent PGC1 Gas Cost Adjustment charge calculation.

The current GBM rate for customers receiving Piped Propane service is:

- (C) (D) December 1, 2015 through November 30, 2016 \$12.2823 per Mcf

GBM customers may elect to receive natural gas commodity service from an alternate natural gas supplier, but shall still be responsible for payment of the GBM Commodity rate less a credit equal to the current PGC 1 rate to reflect the displacement impact of the alternate natural gas supplier’s delivery of associated natural gas into the Company’s distribution system.

(C) Indicates Change (D) Indicates Decrease

Issued: November 25, 2015

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December 1, 2015

(C) **RATE GBM – GAS BEYOND THE MAINS (Piped Propane Service) (Continued)**

ADDITIONAL SERVICE PROVISIONS

1. The costs of converting a Customer's appliance to or from propane or natural gas service, unless otherwise agreed by Company, shall be paid by the customer.
2. The customer shall provide a suitable location for any required propane facilities as determined by UGI.
3. If propane service is requested by a developer for a planned or actual real estate development with multiple actual or potential service locations, the developer shall enter into an agreement with Company addressing the provision of suitable locations for required propane facilities, appliance conversion characteristics and responsibilities for use of propane distribution facilities.

UGI UTILITIES, INC.

(C)

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RATE CIAC

**GENERAL SERVICE--COMMERCIAL
AND INDUSTRIAL AIR CONDITIONING**

AVAILABILITY

This Rate applies in the entire territory of the Company where natural gas is supplied. It is available to any commercial or industrial Customer using gas for air conditioning purposes when Customer has a written agreement contracting for use of gas under the terms of this Tariff.

Service will be supplied only where the Company's facilities and available quantities of gas are suitable to the service desired. The number of Customers to receive service under this Rate may be limited by the Company.

The use of gas under this Rate will only be available beginning with the April billing period and ending with the October billing period.

TERMS AND BILLING

Service shall be for a period of not less than one (1) year with monthly payments for service taken. Gas sold under this Rate Schedule shall be determined and billed by the Company upon the basis of:

- (a) Gas used in excess of the estimated use for purposes other than air conditioning, or
- (b) Gas used for air conditioning separately metered where it is practical and economical.

Where gas is also used for space heating service under Rate N and CIAC usage during the billing month is equal to or greater than 3% of the average Rate N gas usage during January through March, then all air conditioning usage will be billed under Rate CIAC; if less than 3% of the average is consumed, then air conditioning usage will be billed under Rate CIAC, and the difference will be billed under Rate N.

All other gas used, including gas used for air conditioning purposes during months other than the billing periods of April through October, shall be paid for under other rates applicable to Customer.

RATE CIAC (Continued)

**GENERAL SERVICE--COMMERCIAL AND
INDUSTRIAL AIR CONDITIONING**

MONTHLY RATE TABLE

Customer Charge: \$8.55 per Customer

Plus

(D) Distribution Charge: \$1.9207 per MCF

Plus

Natural Gas Supply Charge as Stated in Section 13.1

Plus

Gas Cost Adjustment as Stated in Section 13.1

(C) Rider MFC, Rider GPC the State Tax Surcharge, and the Surcharge for the Recovery of Transition Costs as set forth in the Rules and Regulations applies to the above rates.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

MINIMUM BILL

Customer Charge set forth above.

(C) Indicates Change (D) Indicates Decrease

RATE CT
GENERAL SERVICE--COMMERCIAL
AND INDUSTRIAL AIR CONDITIONING - TRANSPORTATION

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to any commercial or industrial Customer, served by a Choice Supplier receiving service under Rate AG, using gas for air conditioning purposes when Customer has a written agreement contracting for use of gas under the terms of this Tariff. Service will be supplied only where the Company's facilities and available quantities of gas are suitable to the service desired. The number of Customers to receive service under this Rate may be limited by the Company.

The use of gas under this Rate will only be available beginning with the April billing period and ending with the October billing period.

TERMS AND BILLING

Service shall be for a period of not less than one (1) year with monthly payments for service taken. Gas sold under this Rate Schedule shall be determined and billed by the Company upon the basis of:

- (a) Gas used in excess of the estimated use for purposes other than air conditioning, or
- (b) Gas used for air conditioning separately metered where it is practical and economical.

Where gas is also used for space heating service under Rate N or NT and CT usage during the billing month is equal to or greater than 3% of the average Rate N or NT gas usage during January through March, then all air conditioning usage will be billed under Rate CT, if less than 3% of the average is consumed, then air conditioning usage will be billed under Rate CT, and the difference will be billed under Rate N or NT.

All other gas used, including gas used for air conditioning purposes during months other than the billing periods of April through October, shall be paid for under other rates applicable to Customer.

MONTHLY RATE TABLE

Customer Charge: \$8.55 per Customer

Plus

(D) Distribution Charge: \$1.9207 per MCF

The State Tax Surcharge, Surcharge for the Recovery of Transition Costs and the Migration Rider, as set forth in the Rules and Regulations applies to the above rates.

(D) Indicates Decrease

RATE CT (Continued)**GENERAL SERVICE--COMMERCIAL AND
INDUSTRIAL AIR CONDITIONING - TRANSPORTATION**

Where a Customer is returned to the Company or an alternate Supplier of Last Resort prior to the next regular meter reading date, due to the Choice Supplier's non-performance under Rate AG, Customer will receive service from Company or alternate Supplier of Last Resort for the remainder of the billing month at the contract rate between the Customer and Choice Supplier. As of the next regular meter read date, Customer will be transferred to Rate N, unless enrolled as a Rate NT customer by another Choice Supplier, effective as of the next regular meter read date.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1.1/2% per month for each month thereafter.

MINIMUM BILL

Customer Charge set forth above.

GENERAL TERMS

- (D) Company shall retain for Company use and unaccounted for 0.5% of the total volume of gas delivered into its system for Customer's account.

(D) Indicates Decrease

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RATE PV

PROPANE VAPORIZATION SERVICE

AVAILABILITY

This service applies in the entire territory, except the Hazleton District of the Lehigh Area, served by the Company.

The Company will vaporize propane, as agent for any commercial or industrial customer of the Company served under other rate schedules, where the customer provides suitable commercial grade propane fuel delivered to the Company's premises for vaporization.

This service is available to customers on a first-come, first-served basis, subject to the right of the Company to refuse, limit, or discontinue service at its discretion at any time to protect the reliability of gas service to other customers and to offset the effects of curtailments of customers. In order to assure that vaporization service hereunder does not reduce gas service to its other customers in any way, the Company reserves the right, by written notice to the customer, to adjust the future level of all gas deliveries to the customer (whether under this schedule or other schedules of this Tariff) upward or downward, as necessary to protect all other customers. Furthermore, nothing herein shall modify the customer's obligation for penalties for excess use provided for in other rate schedules of the Tariff or the forfeiture provision of the Company's curtailment rule.

The customer must enter a service agreement and provide assurances and documentation to the Company as set forth below.

MONTHLY RATE TABLE

The following rate shall apply to monthly service available to the customer under this rate, but only to the extent such use is authorized under this Schedule:

Fixed Charge per MCF of service available to the customer:

\$2.81 per MCF

No State Tax Surcharge shall apply to service on this schedule.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

RATE PV (Continued)

PROPANE VAPORIZATION SERVICE

Volumes delivered on this schedule shall not be included in sales volumes for purposes of the calculation of Purchased Gas Cost under Part of the Rules and Regulations or otherwise.

PROPANE SUPPLY

(C) The customer shall provide propane to the sites designated by the Company, in volumes and at times coordinated by the parties. The customer shall be responsible for all arrangements and costs associated with the transportation of propane including demurrage charges if applicable. The customer must warrant that it has good and legal title to all propane supplied to the Company as the Customer's agent. Customer must comply with all federal, state and local regulations and laws related to the sale, transportation, storage and handling of propane.

The Company will only accept fully loaded transport trailers or railway cars at its points of delivery.

The customer shall be entitled to gas service of 88.473 MCF under this rate schedule for each 1,000 gallons of propane physically delivered to the Company hereunder, subject to the Company's right to refuse, limit, or discontinue service, in which case the customer may withdraw any unused propane it has delivered to the Company hereunder, provided it compensates the Company for all costs associated with such withdrawal.

LIMIT OF LIABILITY

The Company agrees to vaporize propane supplied by the customer, subject to the provisions set forth under Availability, above. However, the Company shall not be liable for any loss to the customer, or any third parties, arising from or out of service under this rate schedule, including without limitation, loss of propane in transit or in the possession of the Company, or any other cause, except gross or willful negligence of the Company's own employees or agents, and the customer must indemnify and hold the Company harmless against any loss. The Company shall not be liable for curtailment of service under this Rate as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order. The Company reserves the right to commingle propane supplied by the customer with other supplies and to vaporize and use the same in its operation. The customer shall be responsible for maintaining all necessary insurance to protect its property interest in propane supplies before, during and after delivery to the Company.

RATE SS
STORAGE SERVICE

AVAILABILITY

This service applies in the entire territory served by the Company, for commercial and industrial customers.

Storage capacity will be provided by the Company which will store gas as agent for the Customer where the Customer provides suitable gas or other fuel. Service is continuously available, including periods of curtailment caused by inadequate gas supply of the Company under Rule 15, but only to the extent that the Company has available redelivery capacity. The Company may refuse to provide, limit or discontinue service at any time if it deems it necessary, in its discretion, to protect the reliability of firm gas service for residential use and critical and small commercial and industrial use, or if storage capacity is not adequate or available.

The Customer must execute a service agreement and provide assurances and documentation to the Company as set forth below.

MONTHLY RATE TABLE

The rate shall be the sum of the following charges:

On Receipt Charge: The Customer's otherwise applicable delivery service charge multiplied by volumes accepted by the Company to be stored for the Customer during the billing month (except as provided below for propane and released gas). Accepted volumes are nominated volumes less compressor fuel and unaccounted for volumes.

Monthly Storage Charge: \$0.10 per MCF of contract storage capacity of the Customer; provided, that the minimum storage charge will be the current monthly storage charge per Mcf times the maximum volume of contract storage capacity of the Customer during any prior month of the current contract year. The contract year shall commence on April 1 and end on the succeeding March 31.

Redelivery Charge: \$0.81 per MCF nominated by the Customer for delivery from storage during the billing month.

RATE SS (Continued)

STORAGE SERVICE

No Purchased Gas Cost Rate shall apply to service on this schedule (except as described under Propane for Rate PV Service) and volumes delivered on this schedule shall not be included in sales volumes for purposes of the calculation of Purchased Gas Cost Rate under Part of the Rules and Regulations or otherwise (except as described under Released Gas for the applicable rate).

No State Tax Surcharge shall apply to service on this schedule.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

STORAGE AND TRANSPORTATION

Customer shall provide gas or propane of suitable quality at delivery points to the Company or at propane storage facilities of the Company, which the Company shall designate, in volumes, at pressures and at times coordinated by the parties in advance. Customer may provide gas from inter- or intrastate gas supply owned by the Customer, from released gas or volumes which the Customer is entitled to receive under other rate schedules, or from unused vaporized propane provided by the Customer under Rate Schedule PV - Propane Vaporization Service.

- (C) Gas: The Customer must warrant that it has good and legal title to all gas supplied to the Company and hold the Company harmless from any loss or claim in regard to the same. Customer must comply with all federal, state and local regulations and laws related to the sale, transportation, storage and handling of propane.

Propane: The Customer shall advise the Company of the volumes scheduled for storage hereunder, and the Company will transfer such volumes into storage for the customer. Each such transfer into storage shall be considered the rendition of service to the Customer at the date of such transfer under Rate Schedule PV. The Customer must pay for vaporized propane transferred into storage hereunder at the applicable charge under Rate PV including State Tax Surcharge in lieu of the On Receipt charge for gas set forth above.

RATE SS (Continued)

STORAGE SERVICE

Released Gas: If the Customer, through fuel substitution or gas conservation, does not take the full volume of gas service available under any other rate schedule of the Company (after taking into account any applicable curtailment under Rule 15), the Customer may schedule such unused volume for storage hereunder by advance notice to the Company. "Fuel substitution or gas conservation" includes the use of other fuels, instead of gas, or the reduction of gas use by any other means to a level below the Base Volumes in Categories 1 through 4 assigned to the Customer under Rule 15. The Customer shall pay for released gas transferred into storage at the applicable charge including Purchased Gas Cost Rate and State Tax Surcharge under the said other rate schedule in lieu of the On Receipt charge set forth above.

Gas stored for the customer shall be redelivered in volumes and at times requested by the customer (subject to the terms set forth above under Availability), less any volumes used for compressor fuel or other purposes in the storage or transportation of such gas and less any volumes lost or unaccounted for in measurement.

If the Company or the customer discontinues service hereunder, any gas of the customer that is held in storage shall be redelivered to the customer within ninety (90) days, at times and in volumes mutually agreed to by the customer and the Company. If the customer fails to take redelivery of any such gas, the same shall be deemed to have been sold to the Company at its current cost of gas as determined by the computation of its Purchase Gas Cost Rate for the current computation year ending with the last month of the ninety (90) day notification. If the Company discontinues service, the monthly storage charge will end with the month in which notice of termination is given.

LIMIT ON LIABILITY

(a) The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation or order.

(b) Gas stored by the Company and transported to the customer hereunder shall be and remain the property of the customer. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during and after receipt by the Company.

(c) The Company shall not be liable for any loss to the Customer arising from or out of service under this rate schedule, including loss of gas in the possession of the company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customers with other supplies and to consign and deliver gas of the customer to others for storage and transportation in inter- or intrastate commerce.

RATE DS

DELIVERY SERVICE

AVAILABILITY

This service applies in the entire territory served by the Company. Firm Delivery Service shall be provided for all volumes supplied by the Customer for which the Company has available delivery capacity, subject to the curtailment provisions of the Company's tariff, applicable rules and regulations of the PUC and any other governmental mandates.

The Customer must execute a Service Agreement for not less than (1) one year. The contract shall continue in force for consecutive (1) year periods unless cancelled by the Customer upon ninety (90) days written notice to Company prior to the expiration of a contract term.

The Company's maximum firm delivery obligation to the Customer shall be equal to the sum of 1) firm pipeline capacity assigned by the Company to the Customer on the basis of Customer's monthly volumetric utilization, 2) firm standby service contracted from the Company by the Customer, and 3) firm pipeline capacity obtained or contracted for by the Customer which has been warranted by the Customer, and approved by the Company in its sole discretion subject to the following criteria:

- a) The capacity has a Company approved city gate listed as a primary delivery point by the pipeline;
- b) The capacity is recallable, if at all, only by the Company;
- c) The capacity has Company approved pipeline receipt points which access one or more major gas sourcing locations or Customer contracted gas supplies; and,
- d) Unless otherwise agreed by the Customer and the Company, the duration of the capacity contract shall be at least equal to the term of Customer's service agreement for this Rate.

Should the warranty of Customer's capacity in whole or part be void or become void during the term of the delivery service contract, then unless otherwise agreed by Company, the Company shall have no service obligation thereafter and the Company may transfer the Customer to an otherwise applicable firm rate schedule.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable delivery service balancing provisions or in accordance with optionally elected and approved balancing or standby services.

Service under Rate DS is subject to the terms set forth under "General Terms For Delivery Service".

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Capacity Charge if applicable, and the Delivery Charge as described below. The following are maximum rates.

Customer Charge: \$290.00

Plus Capacity Charge: Charge for Other Transportation, Capacity and/or Storage, If Applicable (See Below.)

RATE DS (Continued)

DELIVERY SERVICE

Plus

System Access Fee: The difference between Company assigned (or otherwise assignable) pipeline capacity cost under this rate schedule and the Company's unitized weighted average cost of capacity for service received under this rate schedule, as calculated by the Company.

Plus

Maximum Delivery Charge:

Billing Period:	<u>April through October</u>	<u>November through March</u>
First 500 MCF	\$2.30	\$2.30
Over 500 MCF	\$1.95	\$2.07

The delivery charges set forth above for Rate DS Customers shall be reduced by \$0.06 per MCF for the delivery of Pennsylvania gas to reflect the reduced pipeline charges to the Company associated with transportation of this gas. Such reduction shall also apply to the delivery of other gas where the Company's cost is likewise reduced.

The Surcharge for the Recovery of Transition Costs as set forth in the Rules and Regulations apply to the above rates.

CHARGE FOR OTHER TRANSPORTATION, CAPACITY AND/OR STORAGE

If the Customer chooses to use the Company as agent in regard to transportation service by others, any costs calculated by or billed to the Company, with regard to such agency, shall be billed to the Customer by the Company and may include an applicable administrative fee as agreed by the Customer and Company.

GENERAL TERMS

Where applicable, the above capacity charges and System Access Fee charges include a PGC credit amount as specified under "General Terms For Delivery Service" and shall be promptly redetermined to reflect changes in such credit in accordance therewith.

- (D) Company shall retain for Company use and unaccounted for 0.5% of the total volume of gas delivered into its system for Customer's account.

(D) Indicates Decrease

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

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RATE NNS
NO-NOTICE SERVICE

AVAILABILITY

This Rate is available upon request to any Customer served on Rate CDS, DS, LFD, XD or the Delivery Service Option of Rate IS or IL who, after review and acceptance of such request by Company, has entered into a service agreement with Company for service under Rate NNS. The term of the service agreement shall be concurrent with that of the Customer's underlying Delivery Service Schedule.

Service under this Rate is available for inadvertent fluctuations only, limited in availability to a cumulative amount not to exceed 10% of the customer's total scheduled deliveries for the month, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Service under Rate NNS is subject to the terms and conditions set forth under Section 17 "General Terms For Delivery Service."

TERMS AND CONDITIONS

Customers monitored on a daily basis through the use of Company owned automated metering facilities may elect a specific level of no-notice service under this Rate. Such election shall be made through the specification of a No-Notice Allowance ("NNA"), in Mcf per day, of an amount no less than 10% and no greater than 100% of Customer's Daily Firm Requirement, Maximum Daily Quantity or otherwise specified daily contract limit. The elected NNA shall be effective for a fixed period equal to the lesser of one year or the remaining balance of the Customer's service agreement or, a lesser time period mutually agreeable to both the Customer and the Company. In no instance shall a NNA be effective for a period of less than one month.

No-notice service shall be provided under this Rate whereby the Company shall forward or bank no-notice supplies to the Customer on a daily basis in such amounts necessary to balance the Customer's daily deliveries with the Customer's daily consumption. Forwarded amounts shall be limited in amount by the lesser of the sum of the Customer's daily nomination plus elected NNA or, the Customer's DFR, MDQ or otherwise specified contract limit, except as allowed under the Excess Requirement Option ("ERO") of this schedule. Banked amounts shall be limited to an amount no greater than the Customer's NNA election.

Customer electing an NNA shall be billed for no-notice service according to that specific level of service.

Customer shall be allowed to maintain a cumulative balance of NNS, as calculated on a daily basis, in an amount no greater than +/-10% of Customer's total scheduled deliveries for the month. Volumes in excess of the daily or cumulative balance limits shall be subject to a charge of \$1.00 per Mcf on all such excess quantities, in addition to the charges specified in the Customer's Delivery Service Schedule.

Customers receiving gas under Rate NNS shall be required to return forwarded gas, or consume banked gas, within the time period and in accordance with the terms specified in the Company's *Nomination Procedure*; such volumes, when authorized, shall be offsetting to Customer's daily calculated cumulative NNS balance. In no instance shall the Customer be required to initiate or continue such return or consumption if such return or consumption would exceed Customer's DFR, MDQ, or otherwise specified contract limit. Customer shall continue this corrective action until such time as all no-notice volumes have been returned or consumed, or until the end of the billing period is reached. Volumes not returned or consumed by the end of the billing period shall be included in Customer's applicable monthly imbalance calculation.

RATE NNS

NO-NOTICE SERVICE (Continued)

EXCESS REQUIREMENT OPTION

The Excess Requirement Option is available on an interruptible basis to any delivery service Customer served under Rates XD, LFD or the Large Firm category of Rate CDS. This Option shall extend the no-notice provisions of Rate NNS, on solely a best efforts basis, during periods where Customer's daily requirements exceed transportation contract service limits.

Customer must nominate a Daily Excess Requirement ("DER") under this Option in an amount no less than 5 Mcf per day and no greater than 25% of Customer's DFR or otherwise specified contract limit. On days where service under the Excess Requirement Option is required, Customer will have the right, subject to the terms and conditions set forth herein, to take gas in excess of Customer's DFR or otherwise specified contract limit provided such excess is no greater than the nominated DER amount.

Service taken in excess of the sum of Customer's DFR and DER on any day shall be considered Excess Take or Unauthorized Overrun as determined by Customer's Delivery Service Schedule and service agreement.

Unauthorized gas forwarded or returned to the Company by the Customer shall be considered imbalance gas and shall be subject to either the balancing provisions set forth under Section 17.4 of "General Terms For Delivery Service" or the Customer's otherwise applicable transportation balancing service.

MONTHLY RATE TABLE (Basic NNS Service)

\$0.048 per Mcf (Rate DS)
\$0.025 per Mcf (All other rates)
or, if applicable \$0.50 per Mcf per day of elected NNA

plus

MONTHLY RATE TABLE (Excess Requirement Option)

\$4.50 per Mcf per day of elected DER.

RATE MBS
MONTHLY BALANCING SERVICE

AVAILABILITY

This Rate is available upon request to any Customer served on Rate CDS, DS, LFD, XD or the Delivery Service Option of Rate IS or IL who, after review and acceptance of such request by Company, has entered into a service agreement with Company for service under Rate MBS. The term of the service agreement shall be concurrent with that of the Customer's underlying Delivery Service Schedule.

Service under Rate MBS is available for inadvertent fluctuations only, limited to an amount not to exceed 10% of the customer's total scheduled deliveries for the month, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Service under Rate MBS is subject to the terms set forth in Section 17 "General Terms For Delivery Service."

Rate MBS is available as a monthly banking service for Customer transportation deliveries. Service under Rate MBS allows Customer transportation imbalances (metered volumes less total scheduled nominations) which are within 10% of Customer's total scheduled nominations for the month to be carried forward in the Customer's MBS Account ("Balance Account") for redelivery of excesses or receipt of shortfalls in subsequent months.

TERMS AND CONDITIONS

Balance Account Operation. To the extent Customer's total deliveries exceed Customer's total consumption at the end of a Billing Month, the excess volumes shall be added to the Customer's Balance Account. To the extent Customer's total consumption exceeds Customer's total deliveries at the end of a Billing Month, the shortfall volumes shall be subtracted from the Customer's Balance Account.

Balance Account Valuation. At the end of every Billing Month, each Customer's net volume imbalance will be valued at Average Monthly Index ("AMI") pricing and that resultant value will be added to the current Value Balance of the Customer's Balance Account. The AMI shall be calculated as the sum of the average published Henry Hub, La. natural gas price, during the Customer's billing month, plus the Company's average monthly cost for transportation.

The Value Balance of the Customer's Balance Account at the end of the Customer's contract anniversary Billing Month shall be subtracted from the current month's value of the Balance Account, as determined by multiplying the net volume imbalance in the Balance Account by the current month's AMI, and any differential shall be either credited (if positive) or charged (if negative) to the Customer's monthly bill.

Balance Account Limits. At no time, as calculated at the end of a Billing Month, shall a Customer exceed a Balance Account excess or shortfall balance greater than 10% of the Customer's total scheduled deliveries for the month, as determined by the Company in its sole discretion. Any such imbalance on the Customer's Balance Account shall result in an immediate zeroing of the Balance Account balance in accordance with the Cash-In/Cash-Out pricing set forth in Section 17.4(c).

The Company, in its sole discretion, may zero out the Customer's Balance Account at the end of any Billing Month by purchasing or selling such net imbalance volumes in the Customer's Balance Account at the prevailing month's Cash-In/Cash-Out pricing at set forth in Section 17.4(c), provided such zero out may occur only if necessitated by operational needs of the Company or as a result of a requirement of an applicable interstate pipeline.

RATE MBS

MONTHLY BALANCING SERVICE (Continued)

MONTHLY RATE TABLE

Monthly Transportation Volume

Under 1,500 Mcf	\$0.075/Mcf x Transported Volumes
1,501-20,000 Mcf	\$0.035/Mcf x Transported Volumes
20,001-50,000 Mcf	\$0.015/Mcf x Transported Volumes
Over 50,000 Mcf	\$0.005/Mcf x Transported Volumes

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RATE IS

INTERRUPTIBLE SERVICE - SMALL VOLUME

AVAILABILITY

This Rate applies in the entire territory served by the Company. It is available to any commercial or industrial Customer using gas for any purpose when Customer has executed a Service Agreement contracting for use of gas under the terms of this Tariff.

Unless otherwise agreed by both Customer and Company, service under IS is available only to Customer loads with documented installed capability to consume an alternate fuel.

- (C) This rate is available to a Customer with indicated gas usage of less than 200,000 Mcf per year, as determined by the Company. The Company may review indicated and actual gas usage from time to time and may transfer the Customer to a different rate schedule on the basis of that review.

The Company shall verify, within ninety (90) days for existing customers and prior to commencement of service for new customers, that the customer load being served qualifies under these provisions. The Company shall be permitted to inspect the facilities and piping at the premises of the Customer from time to time to confirm that the load being served so qualifies. The Company, at its discretion, may require such separate metering and piping and elimination of any cross-connection to non-qualifying end use equipment as may be necessary to enforce these provisions and to ensure the interruption of service hereunder during periods of restricted service. It is the Customer's responsibility to ensure qualifying alternate fuel capability is maintained in good working order as Company shall maintain no obligation for service during periods of interruption. If Customer fails to maintain qualifying alternate fuel facilities, as determined by the Company in its sole discretion, the Company may transfer the Customer to the otherwise applicable firm or standby rate schedule, provided sufficient on-system and/or pipeline capacity is available.

Service under this Rate is interruptible and will be provided only when in the opinion of the Company there are sufficient facilities and gas supply. Service under this Rate will be interrupted during periods of peak demand. The Company maintains sole discretion to determine the appropriate allocation of gas to Customers.

GAS SUPPLY

Service under this Rate is made available to Customers for purposes of balancing the Company's gas demands and optimizing its daily use of gas supplies and is strictly within the discretion of the Company. When the available quantity of gas is inadequate to serve the needs of all Customers under this Rate, the Company will impose limitations, as necessary, endeavoring to provide each Customer with the opportunity to take gas from time to time as available.

CONTRACT TERM AND BILLING

Contracts are for a period of at least one (1) year with monthly payments for service taken.

MONTHLY RATE TABLE

Customer Charge: Charge as negotiated between the Customer and the Company.

RATE IS (Continued)

INTERRUPTIBLE SERVICE - SMALL VOLUME

Plus,
Commodity Charge:

Charge as negotiated between the Customer and Company based upon the alternate fuels that the Customer has the economic capability of consuming, inclusive of related business factors.

Each price per Mcf shall be no lower than the sum of applicable commodity cost of gas,

(C) - customer cost of 3 cents / Mcf,.

Each price shall be no greater than the otherwise applicable charge for firm service as computed on a 12-month basis, including the State Tax Surcharge.

Charges under this Rate shall be billed monthly and shall be equal to the sum of the applicable Customer and Commodity Charges

The State Tax Surcharge does not apply to service under Rate IS. The Purchased Gas Cost Rate does not apply to service under Rate IS and neither the sales volumes nor the associated commodity cost of gas shall be included in Purchased Gas Cost Rate calculations.

MINIMUM BILL

The Minimum Seasonal Bill, applicable only to the Off-Peak Period, shall equal the product of the Minimum Seasonal Bill Volume of 5,250 MCF times the price in effect at the date of the contract. Customers who have automatic temperature controlled gas shut-off devices shall be eligible for service under Rate IS, for those customers, a Minimum Annual Bill Volume of 650 MCF shall apply in lieu of the Minimum Seasonal Bill Volume. The outdoor temperature for the Customer at which gas shut-off will occur will be specified by the Company. Volumes taken under the Delivery Service Option and the Retail and Standby Rider shall be credited against the Minimum Seasonal or Annual Bill Volume. The Minimum Seasonal or Annual Bill shall be due and payable in accordance with the terms set forth in the Customer's Service Agreement.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to restrict gas supplied under this Rate, the Company will provide due notice of such restriction, which shall be at least two (2) hours notice or upon written request of Customer up to six (6) hours notice, in a reasonable manner as determined by the Company. If a Customer, after having received due notice of restriction, shall take gas in excess of the amount made available by such notice, then Customer shall be billed for such excess gas at the rate of Twenty Seven Dollars and Fifty Cents (\$27.50) per MCF in addition to the charge specified in the monthly rate table. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

RATE IS (Continued)**INTERRUPTIBLE SERVICE - SMALL VOLUME**WAIVER OF PENALTY

The Company shall have the right to waive any penalty for unauthorized use of gas.

DELIVERY SERVICE OPTION

Delivery Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized contract receipt point, as determined by the Company in its sole discretion, provided Company has system capacity available in such quantities to meet Customers' requirements. Regardless of flowing gas supply status, Customer may be interrupted as a result of Company system physical constraints.

Gas service in excess of volumes delivered by the Customer shall be provided only in accordance with applicable delivery service balancing provisions or in accordance with optionally elected and approved balancing or standby services and shall only be provided when, in the Company's sole discretion, sufficient system and/or pipeline capacity is available for such services.

DELIVERY SERVICE RATE TABLE

When service under the Delivery Service Option is available, the price shall be set by the Company and revised from time to time in the same manner as the Commodity Charge under the Monthly Rate Table, above. The Delivery Service Option price shall be no greater than the otherwise applicable maximum charge for retail service, less the lowest commodity cost of gas from field sources available for delivery by pipeline to the Company.

Gas delivered under the Delivery Service Option or purchased under the Cash-Out provisions of Section 17.4(c) or the Retail and Standby Rider or taken under Rate NNS shall be included in the determination of Unauthorized Overrun gas.

Service under the Delivery Service Option is subject to all the terms set forth in "General Terms For Delivery Service."

Customers served under the Delivery Service Option, either alone or as part of a pooled group, are required to take service under Rate NNS and MBS for their no-notice and balancing requirements. Customers monitored and billed through the use of Company owned automated meter reading facilities at all meter locations shall be exempt from this requirement and shall have imbalance delivery service volumes billed in accordance with Section 17.4(c) of General Terms for Delivery Service. Retail volumes in excess of applicable delivery service volumes shall be billed under the Retail and Standby Rider.

- (D) The Company shall retain for Company use and unaccounted for 0.5% of the total volume of gas delivered into its system for Customer's account.

(D) Indicates Decrease

Issued: November 25, 2015

Effective for Service
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December 1, 2015

UGI UTILITIES, INC.

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RATE IL

INTERRUPTIBLE SERVICE - LARGE VOLUME

AVAILABILITY

This Rate applies in the entire service territory served by the Company. It is available to a Customer with indicated gas usage of at least 200,000 Mcf per year, confirmed by either (a) past operation or (b) installed facilities with a gas firing rate of at least 30 Mcf per hour, with the consumption determined solely by the Company. The Company may review indicated and actual gas usage from time to time and may transfer the Customer to a different rate schedule on the basis of that review.

Unless otherwise agreed by both Customer and Company, service under this Rate is available only to Customer loads with documented installed capability to consume an alternate fuel.

The Company shall verify, within ninety (90) days for existing Customers and prior to commencement of service for new Customers, that the Customer load being served qualifies under these provisions. The Company shall be permitted to inspect the facilities and piping at the premises of the Customer from time to time to confirm that the load being served so qualifies. The Company, at its discretion, may require such separate metering and piping and elimination of any cross-connection to non-qualifying end use equipment as may be necessary to enforce these provisions and to ensure the interruption of service hereunder during periods of restricted service. It is the Customer's responsibility to ensure qualifying alternate fuel capability is maintained in good working order as Company shall maintain no obligation for service during periods of interruption. If Customer fails to maintain qualifying alternate fuel facilities, as determined by the Company in its sole discretion, the Company may transfer the Customer to the otherwise applicable firm or standby rate schedule, provided sufficient on-system and/or pipeline capacity is available.

Service under this Rate is interruptible and will be provided only when in the opinion of the Company there are sufficient facilities and gas supply. Service under this Rate will be interrupted during periods of peak demand. The Company maintains sole discretion to determine the appropriate allocation of gas to Customers.

GAS SUPPLY

Service under this Rate is made available to Customers for purposes of balancing the Company's gas demands and optimizing its daily use of gas supplies and is strictly within the discretion of the Company. When the available quantity of gas is inadequate to serve the needs of all Customers under this Rate, the Company will impose limitations, as necessary, endeavoring to provide each Customer with the opportunity to take gas from time to time as available.

CONTRACT TERM AND BILLING

Contracts are for a period of at least one (1) year with monthly payments for service taken.

MONTHLY RATE TABLE

Customer Charge: Charge as negotiated between the Customer and Company.

RATE IL (Continued)

INTERRUPTIBLE SERVICE - LARGE VOLUME

Plus,
Commodity Charge:

Charge as negotiated between the Customer and Company based upon the alternate fuels that the customer has the economic capability of consuming, inclusive of related business factors.

Each price per Mcf shall be no lower than the sum of:

- applicable commodity cost of gas,
- (C) - customer cost of 3 cents / Mcf

Each price shall be no greater than the otherwise applicable charge for firm service as computed on a 12-month basis, including the State Tax Surcharge.

Charges under this Rate shall be billed monthly and shall be equal to the sum of the applicable Customer and Commodity Charges.

The State Tax Surcharge does not apply to service under Rate IL. The Purchased Gas Cost Rate does not apply to service under Rate IL and neither the sales volumes nor the associated commodity cost of gas shall be included in Purchased Gas Cost calculations.

MINIMUM SEASONAL BILL

The Minimum Seasonal Bill, applicable only to the entire Off-Peak period, shall equal the product of Minimum Seasonal Bill Volume (50,000 MCF) times the price in effect at the date of the contract. Volumes taken under the Delivery Service Option and the Retail and Standby Rider shall be credited against the Minimum Seasonal Bill Volume. The Minimum Seasonal Bill shall be due and payable in accordance with the terms set forth in the Customer's Service Agreement.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to restrict gas supplied under this Rate, the Company will provide due notice of such restriction, which shall be at least two (2) hours notice or upon written request of Customer up to six (6) hours notice, in a reasonable manner as determined by the Company. If a Customer, after having received due notice of restriction, shall take gas in excess of the amount made available by such notice, then Customer shall be billed for such excess gas at the rate of Twenty Seven Dollars and Fifty Cents (\$27.50) per MCF in addition to the charge specified in the monthly rate table. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

RATE IL (Continued)

INTERRUPTIBLE SERVICE - LARGE VOLUME

WAIVER OF PENALTY

The Company shall have the right to waive any penalty for unauthorized use of gas.

DELIVERY SERVICE OPTION

Delivery Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized contract receipt point, as determined by the Company in its sole discretion, provided Company has system capacity available in such quantities to meet Customers requirements. Regardless of flowing gas supply status, Customer may be interrupted as a result of Company system physical constraints.

Gas service in excess of volumes delivered by the Customer shall be provided only in accordance with applicable delivery service balancing provisions or in accordance with optionally elected and approved balancing or standby services and shall only be provided when, in the Company's sole discretion, sufficient system and/or pipeline capacity is available for such services.

DELIVERY SERVICE RATE TABLE

When service under the Delivery Service Option is available, the price shall be set by the Company and revised from time to time in the same manner as the Commodity Charge under the Monthly Rate Table, above. The Delivery Service Option price shall be no greater than the otherwise applicable maximum charge for retail service under this schedule, less the lowest commodity cost of gas from field sources available for delivery by pipeline to the Company.

Gas delivered under the Delivery Service Option or purchased under the Cash-Out provisions of Section 17.4(c) or the Retail and Standby Rider or taken under Rate NNS shall be included in the determination of Unauthorized Overrun gas.

Service under the Delivery Service Option is subject to all the terms set forth in "General Terms For Delivery Service."

Imbalance delivery service volumes shall be billed in accordance with Section 17.4(c) of General Terms for Delivery Service. Retail volumes in excess of applicable delivery service volumes shall be billed under the Retail and Standby Rider.

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RATE CDS

COGENERATION DELIVERY SERVICE

AVAILABILITY

This Rate applies in the entire territory served by the Company on request of customers who wish to use gas to (a) generate electricity and/or (b) produce a combination of mechanical and heat energy where mechanical energy production represents no less than 25% of total energy output. Customer must have an indicated gas usage, as determined solely by the Company, of at least 3,000 MCF per year, confirmed by the gas firing rate of the Customer's equipment. Service shall be supplied only where the Company's facilities are suitable for the service desired.

Delivery service will be provided by the Company as agent for the Customer where the Customer provides suitable gas. Delivery service is continuously available, including periods of curtailment caused by inadequate gas supply of the Company under Rule 15, but only to the extent that the Company has available delivery capacity and subject to conditions under "General Terms For Delivery Service."

Service under Rate CDS is subject to the terms set forth under "General Terms For Delivery Service."

SERVICE AGREEMENT

Customer must execute a service agreement for a period of at least three years. Separate metering and piping and elimination of any crossconnection to non-qualifying end use equipment shall be required. Where separate metering or piping is required Customer shall be required to pay the Company for any related costs. The Company shall be permitted to inspect the facilities and piping at the premises of the Customer from time to time as necessary to confirm that the load being served qualifies.

MONTHLY RATE TABLE

Rate CDS customers will receive service under one of the following pricing categories:

1. Large Firm

- A. Requirements: A qualified Rate LFD Customer having gas usage of at least 50 MCF/day.
- B. Delivery Charge: The delivery charge will be determined by negotiation between the Customer and the Company.
- C. Applicability to Billing Under Rate LFD: Volumes taken under this rate shall be applied in determining the customer's Minimum Annual Bill, Excess Take Charges and Charges for Unauthorized Overrun under Rate LFD.

RATE CDS

COGENERATION DELIVERY SERVICE (Continued)

2. Small Firm

- A. Requirements: Any qualified Customer having firm gas usage of less than 50 MCF/day.
- B. Delivery Charge: The delivery charge will be determined by negotiation between the Customer and the Company.
- C. Applicability to Billing Under Rate N and Rate NT: Volumes taken under this rate shall be applied in determining the customer's Minimum Monthly Bill under Rate N or Rate NT, as appropriate.

3. Interruptible

- A. Requirements: Availability limited to any qualified Customer who has documented installed capability to use an alternate fuel, where no supported facility is served under Rate N.

Service may be interrupted during periods of peak demand. The Company maintains sole discretion to determine the appropriate allocation of capacity to customers.

- B. Delivery Charge: The delivery charge will be determined by negotiation between the Customer and the Company.
- C. Applicability to Billing under Rate IS and IL: Volumes taken under this rate shall be applied in determining the Customer's Minimum Seasonal Bill under Rate IS or IL.
- D. Charge for Unauthorized Overrun: Whenever it is necessary to restrict service under this Rate, the Company will provide due notice of such restriction, which shall be at least two (2) hours' notice but upon written request of Customer up to six (6) hours' notice, in a reasonable manner as determined by the Company. Customer shall have no right to gas after having received due notice of restriction. If Customer takes gas in excess of the amount made available by such notice, then Customer shall be billed for such excess gas at the rate of Twenty Seven Dollars and Fifty Cents (\$27.50) per MCF in addition to the charge specified in the monthly rate table. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

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RATE XD
EXTENDED LARGE VOLUME DELIVERY SERVICE

AVAILABILITY

This Rate applies in the entire territory served by the Company on request of a Customer which the Company determines, in its sole discretion, has a prospective gas volume usage of at least 250,000 MCF per year at the time of execution or renewal of a Service Agreement.

Delivery Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized receipt point, as determined by the Company in its sole discretion, provided Company has available on-system and/or pipeline capacity available in such quantities to meet Customer's requirements.

Unless otherwise agreed to by the Customer and the Company, the Customer must enter into a service agreement for a minimum term of three (3) years. The contract shall continue in force for consecutive three (3) year periods unless cancelled by Customer upon one (1) year written notice to Company prior to the expiration of the then current contract term. For a Customer requesting firm service, the Service Agreement shall specify an initial Daily Firm Requirement (DFR).

The DFR shall be the Company's contracted maximum firm delivery obligation to the Customer on any day and shall be equal to the sum of 1) firm pipeline capacity assigned by the Company to the Customer, 2) firm standby service provided by the Company to the Customer, and 3) firm pipeline capacity obtained or contracted for by the Customer which has been warranted by the Customer, and approved by the Company in its sole discretion subject to the following criteria:

- a) The capacity has a Company approved city gate listed as a primary delivery point by the pipeline;
- b) The capacity is recallable, if at all, only by the Company;
- c) The capacity has Company approved pipeline receipt points which access one or more major gas sourcing locations or Customer contracted gas supplies; and,
- d) Unless otherwise agreed by the Customer and the Company, the duration of the capacity contract shall be at least equal to the term of Customer's service agreement for this Rate.

Should the warranty of capacity in whole or part be void or become void during the term of the delivery service contract, then unless otherwise agreed by the Company, the Company shall have no service obligation thereafter and the Customer shall remain liable for minimum bill requirements for the length of the contract under this Rate, including applicable penalties.

The Company shall use best efforts to maintain firm service to the Customer beyond the term of Customer's contract, but is under no obligation to provide such service. The Company shall be under no obligation to maintain facilities required for service beyond the term of an executed Service Agreement.

For Customers requesting firm service, Delivery Service shall be provided for all volumes provided by the Customer for which the Company has available delivery capacity, subject to the curtailment provisions of the Company's tariff, applicable rules and regulations of the PUC and any other governmental mandates.

RATE XD (Continued)

EXTENDED LARGE VOLUME DELIVERY SERVICE

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable delivery service balancing provisions or in accordance with optionally elected and approved balancing or standby services.

Delivery Service in excess of the DFR is interruptible and will be provided under terms and conditions identical to those set forth under Rate Schedule IL.

Service under Rate XD is subject to the terms set forth under "General Terms For Delivery Service."

MONTHLY RATE TABLE

The charge for each monthly billing period shall be negotiable and shall be the sum of the Customer Charge, Delivery Charge, the Capacity Charge if applicable, and the Minimum Annual Bill as described below.

The following are maximum rates.

Customer Charge: Charge as determined by negotiation.

Plus

Capacity Charge: Charge for other Transportation if Applicable (see below).

Plus Maximum Average Delivery Charge:

If annual volumes > 700,000 Mcf: \$0.55/Mcf

If annual volumes < 700,000 Mcf: \$0.85/Mcf

The Surcharge for the Recovery of Transition Costs as set forth in the Rules and Regulations apply to the above rates.

The delivery charges set forth above shall be reduced by \$0.06 per MCF of Pennsylvania gas delivered within the Customer's DFR to reflect the reduced pipeline charges to the Company associated with transportation of this gas. Such reduction shall also apply to the delivery of other gas where the Company's cost is likewise reduced.

Existing Rate XD contracts negotiated as of August 31, 1995 will be honored by the Company through the contract expiration date.

Unless otherwise agreed between the Customer and the Company, Company shall retain for Company use and unaccounted-for 0.5% of the total volume of gas delivered into its system for Customer's account.

MINIMUM BILL

Minimum Bill Volumes and terms shall be determined by negotiation.

CHARGE FOR OTHER TRANSPORTATION

If the Customer chooses to use the Company as agent in regard to transportation service by others, any costs calculated by or billed to the Company, with regard to such agency, shall be billed to the Customer by the Company and may include an applicable administrative fee as agreed by the Customer and Company.

RATE XD (Continued)

EXTENDED LARGE VOLUME DELIVERY SERVICE

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to limit the service to the amount of the Daily Firm Requirement or confirmed delivered volumes to an authorized contract receipt point, the Company will give at least two (2) hours notice but upon written request of Customer up to six (6) hours' notice, in a reasonable manner as determined by the Company. If the Customer takes gas in excess of the DFR or otherwise applicable flowing gas limitations on any day for which notice of limitation has been given or upon failure of customer's capacity warranty in whole or part, the Customer shall be billed and shall pay for such excess gas at a charge of Twenty Seven Dollars and Fifty Cents (\$27.50) per MCF, in addition to the charges specified in the Rate Table and applicable gas costs. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

WAIVER OF PENALTY

The Company shall have the right to waive any penalty for unauthorized use of gas.

Volumes purchased under the Retail and Standby Rider or under the Cash-Out provisions of Section 17.4(c) or taken under Rate NNS shall be included for the purpose of determining Unauthorized Overrun gas.

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RATE LFD

LARGE FIRM DELIVERY SERVICE

AVAILABILITY

This Rate applies in the entire territory served by the Company. It is available to any Customer who executes a Service Agreement with the Company for an on system Daily Firm Requirement (DFR), as agreed to by Customer and Company in said agreement, for not less than 50 MCF of gas per day of firm service. Volumes delivered under this Rate shall be metered separately from service under any of the Company's other rates, except as provided for in Rates IS, IL, NNS, MBS, PV and SS. In lieu of separate metering, the Company may accept contractual commitments specifying minimum volumes of service under Rate LFD.

Delivery Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized receipt point, as determined by the Company in its sole discretion, provided Company has available on-system and/or pipeline capacity available in such quantities to meet Customers requirements.

Unless otherwise agreed by the Customer and Company, the Customer must enter into a Service Agreement for a minimum term of three (3) years. The contract shall continue in force for consecutive three (3) year periods unless cancelled by Customer upon one (1) year written notice to the Company prior to the expiration of the then current contract term.

The DFR shall be the Company's contracted maximum firm delivery obligation to the Customer on any day and shall be equal to the sum of 1) firm pipeline capacity assigned by the Company to the Customer, 2) firm standby service provided by the Company to the Customer, and 3) firm pipeline capacity obtained or contracted for by the Customer which has been warranted by the Customer, and approved by the Company in its sole discretion subject to the following criteria:

- a) The capacity has a Company approved city gate listed as a primary delivery point by the pipeline;
- b) The capacity is recallable, if at all, only by the Company;
- (C) c) The capacity has Company approved pipeline receipt points which access one or more major gas sourcing locations or Customer contracted gas supplies; and
- d) Unless otherwise agreed by the Customer and the Company, the duration of the capacity contract shall be at least equal to the term of Customer's service agreement for this Rate.

Should the warranty of capacity in whole or part be void or become void during the term of the delivery service contract, then unless otherwise agreed by Company, the Company shall have no service obligation thereafter and the Customer shall remain liable for minimum bill requirements for the length of the contract under this Rate, including applicable penalties.

The Company shall be under no obligation to maintain facilities required for service beyond the term of an executed service agreement. The Company shall use best efforts to maintain firm service to the Customer beyond the term of Customer's contract, but is under no obligation to provide such service.

RATE LFD (Continued)

LARGE FIRM DELIVERY SERVICE

Firm Delivery Service shall be provided for all volumes provided by the Customer for which the Company has available delivery capacity, subject to the curtailment provisions of the Company's Tariff, applicable rules and regulations of the PUC and any other governmental mandates.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable delivery service balancing provisions or in accordance with optionally elected and approved balancing or standby services.

Delivery Service in excess of the DFR is interruptible and will be provided under this Rate only in accordance with the Excess Requirement Option of Rate NNS, and so long as, in the sole opinion of the Company, there are sufficient facilities and capacity available. Such service will be restricted or interrupted during periods of peak demand. The Company reserves sole discretion to determine the appropriate allocation of capacity to interruptible loads during such periods.

Service under Rate LFD is subject to the terms set forth under "General Terms For Delivery Service."

DEFINITIONS

The Billing Month is the number of days between Company scheduled monthly meter readings.

The Monthly Firm Requirement is the product of the Daily Firm Requirement and the number of days in the Billing Month.

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Capacity Charge if applicable, the System Access Fee if applicable, the Delivery Charge and any Excess Take Charge as described below. The following are maximum rates.

Customer Charge: \$700.00

Plus

Capacity Charge: Charge for Other Transportation If Applicable (See Below).

Plus

System Access Fee: The difference, between Company assigned (or otherwise assignable) pipeline capacity cost under this rate schedule and the Company's weighted average cost of demand as calculated by the Company.

Plus

Maximum Delivery Charge:

First 1000 Mcf	\$1.843
Next 4000 Mcf	\$1.153
Over 5000 Mcf (April through October)	\$0.526
Over 5000 Mcf (November through March)	\$0.786

The Surcharge for the Recovery of Transition Costs as set forth in the Rules and Regulations apply to the above rates.

RATE LFD (Continued)**LARGE FIRM DELIVERY SERVICE**

The delivery charge set forth above shall be reduced by \$0.06 per MCF for the delivery of Pennsylvania gas to reflect the reduced pipeline charges to the Company associated with transportation of this gas. Such reduction shall also apply to the delivery of other gas where the Company's cost is likewise reduced.

- (D) Where applicable, the above capacity charges and System Access Fee charges include a PGC credit amount as specified under "General Terms for Delivery Service" and shall be promptly redetermined to reflect changes in such credit in accordance therewith. The Company shall retain for Company use and unaccounted for 0.5% of the total volume of gas delivered into its system for Customer's account.

EXCESS TAKE CHARGE

Except as provided for under Rate NNS or in the Company's *Nomination Procedure*, for authorized usage on any day in excess of the Daily Firm Requirement there will be a charge of \$6.00 per MCF in addition to the charges specified in the rate table.

MINIMUM BILL

Monthly: The Minimum Monthly Bill shall be the Customer Charge, Capacity Charge, and System Access Fee Charge.

Annual: The Minimum Annual Bill shall be based on the Customer maintaining a 0.50 annual load factor and shall be due and payable with the bill for the 12th month in the contract year. The Customer's actual load factor shall be determined by dividing the total volume of gas taken during the contract year (including volumes taken under the Retail and Standby Rider, the Cash-Out provisions of Section 17.4(c) and under Rate SS - Storage Service other than Released Gas) by the sum of the Monthly Firm Requirements for the contract year. If the actual load factor is less than 0.50, then, in addition to payment for actual usage, the Customer shall pay a Minimum Annual Bill charge equal to the product of: (1) the difference between 0.50 and the actual load factor, (2) the sum of the Customer's Monthly Firm Requirements, and (3) the average delivery charge paid by the Customer over the previous 12 month period, as calculated by the Company. If the Customer's actual load factor is greater than or equal to 0.50, no Minimum Annual Bill charge will be required.

CHARGE FOR OTHER TRANSPORTATION

If the Customer chooses to use the Company as agent in regard to transportation service by others, any costs calculated by or billed to the Company, with regard to such agency, shall be billed to the customer by the Company and may include an applicable administrative fee as agreed by the Customer and Company.

(D) Indicates Decrease

Issued: November 25, 2015

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Rendered on and after
December 1, 2015

RATE LFD (Continued)

LARGE FIRM DELIVERY SERVICE

OFF-PEAK USAGE OPTION

The Customer may elect a consecutive 48 hour off-peak period during which time Customer's usage may exceed their DFR limit. The elected 48 hour period shall either commence at 10:00 a.m. Eastern clock time on Friday and end at 10:00 a.m. Eastern clock time Sunday or commence at 10:00 a.m. Eastern clock time Saturday and end at 10:00 a.m. Eastern clock time Monday. Customers electing the Off-Peak Usage Option must obtain prior approval by the Company at least one month in advance of initiating off-peak gas transportation and may not change their elected period more than once in any consecutive 12 month period. Off-Peak Usage shall not be subject to Excess Take charges nor require Customer to take service under Rate NNS. The Company may limit Off-Peak Usage service at any time for any reason and shall give Customer at least two (2) hours notice, in a reasonable manner as determined by the Company, when such limitation is necessary. Volumes taken under the Off-Peak Usage Option must be appropriately nominated in accordance with the Company's *Nomination Procedure* and are subject to the balancing provisions of Section 17.4 of "General Terms for Delivery Service." Upon written request by the Customer, and approval by the Company, the Company may allow additional off-peak time periods during the months of April through October, consistent with the above Off-Peak Usage limitations on interruptions and nominations

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to limit the service to the amount of the Daily Firm Requirement or confirmed delivered volumes to an authorized contract receipt point, the Company will give at least two (2) hours notice but upon written request of Customer up to six (6) hours notice, in a reasonable manner as determined by the Company. If the Customer takes gas in excess of the DFR or otherwise applicable flowing gas limitations on any day for which notice of limitation has been given, the Customer shall be billed and shall pay for such excess gas at a charge of Twenty Seven Dollars and Fifty Cents (\$27.50) per MCF, in addition to the charges specified in the Rate Table and applicable gas costs. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

WAIVER OF PENALTY

The Company shall have the right to waive any penalty for unauthorized use of gas.

SERVICE UNDER OTHER RATES

Gas delivered under Rate PV - Propane Vaporization Service or Rate SS - Storage Service in conjunction with this Rate shall be considered as commingled with gas served under this Rate and the determination of daily use shall be proportional to the amount of service nominated for delivery under the above Rates to the total service delivered; unless the Customer provides notification in advance of the days on which such service is to be delivered and the Company agrees to the delivery schedule.

Volumes purchased under the Retail and Standby Rider or under the Cash-Out provisions of Section 17.4(c) or taken under Rate NNS shall be included for the purposes of determining Excess Take Charge and Unauthorized Overrun gas.

RATE R/S

RETAIL AND STANDBY RIDER

AVAILABILITY

Retail and Standby services are available under the Retail and Standby Rider to any Customer receiving service under a Delivery Service Schedule. Service shall be supplied only where the Company's facilities are suitable and available for the service desired. Service is subject to curtailment under Tariff Rule No. 15.

Retail and Standby services under this schedule may be provided on a firm and/or interruptible basis. Subject to the Company's sole discretion, services shall be provided only if, and to the extent, sufficient Company and/or Customer provided capacity exists for the transportation of available gas supplies.

The Company may provide capacity, supply or a bundled service, retail or standby, to the Customer under this rate schedule as per one or more of the following:

For Customers having upstream capacity rights: Company shall provide, or stand ready to provide, gas supplies to the Customer in such amounts and at such delivery or receipt points as necessary to meet Customers' contract requirements, as specified on a daily, monthly, seasonal or annual basis.

For Customers providing, selling or forwarding gas supplies to the Company for redelivery to Customer: Company shall provide, or stand ready to provide, pipeline and/or system capacity to deliver such gas supplies to the Customer.

For Customers requiring bundled sales service: Company shall provide, or stand ready to provide, the necessary pipeline and/or system capacity, and gas supplies necessary to provide gas service to the Customer at the Customers' metered location.

Where applicable, Customer must nominate standby service requirements by specifying a Nominated Standby Requirement (NSR) in MCF and a Daily Standby Requirement (DSR) in MCF per day of amounts equal to the Customer's total and daily standby supply requirements.

Customers served under firm Delivery Service Schedules may take firm retail and/or standby service under this rate schedule in any amount up to their available Daily Firm Requirement (DFR) or otherwise specified contract limit. All other terms and conditions of service as specified in Customer's Delivery Service Schedule and/or contract shall continue to apply.

Capacity and/or supply utilization under this rate schedule shall be on an as available basis for customers requesting retail and/or standby services. Subject to the Company's sole discretion, other incrementally obtained capacity and/or supply shall be assigned according to a Customer request queue or otherwise specified auction procedure. When necessary, such request queue or auction procedure shall be established in accordance with the terms outlined in the Company's *Nomination Procedure*.

The Company, upon notice to the Customer, may specify minimum levels of retail and/or standby nominations required for service under this rate schedule.

Service under Rate R/S is subject to the terms set forth under "General Terms For Delivery Service."

RATE R/S

RETAIL AND STANDBY RIDER

CONTRACT TERM AND BILLING

Unless otherwise agreed by the Company and Customer the terms of contract shall be no less than one year with monthly payments for service taken.

DEFINITIONS

Unless otherwise agreed by the Company and Customer, the firm or interruptible Daily Standby Requirement (DSR) shall be equal to the Nominated Standby Requirement (NSR) divided by the number of days in the standby period.

The Billing Month is the number of days between meter readings.

MONTHLY RATE TABLE

The charge for each Billing Month shall be the sum of the Customer Charge

Plus

The Capacity/Reservation Charge corresponding to the Customer's service election, plus the Commodity Charge as shown below.

Administrative Service Fee: \$75 per month.

Plus

Capacity/Reservation Charge:

Firm Retail Option: The applicable market price for available upstream capacity, plus the applicable charge for available system capacity, less any capacity charges paid under the Customer's applicable Delivery Service Schedule, but in no case less than zero.

Firm Standby Option: The applicable firm standby reservation charge per MCF of DSR and/or per MCF of NSR.

Interruptible Standby Option: The applicable interruptible standby reservation charge per MCF of DSR and/or per MCF of NSR.

Plus

Commodity Charge: The delivery charge applicable under the Customer's delivery service schedule plus the applicable commodity cost, which shall be the identifiable additional cost of supply necessary to serve the Customer's usage, plus any applicable reservation cost of supply.

The minimum monthly bill under this rate schedule shall be the sum of the Customer and Capacity/Reservation Charges plus any commodity reservation costs per MCF of NSR.

RATE R/S

RETAIL AND STANDBY RIDER (Continued)

Any charges or penalties imposed by pipeline suppliers as a result of usage under this rider shall, at the Company's sole discretion, be allocated to Customers according to each Customer's contractual obligation or be assigned to the Customer responsible for the incurrence of the charges or penalties.

- (C) The State Tax Surcharge does not apply to service under Rate R/S. Where the charges hereunder include PGC credit amounts as specified under "General Terms for Delivery Service," such amounts shall be promptly redetermined to reflect changes in such credit in accordance therewith.

RATE BD**BUSINESS DEVELOPMENT**AVAILABILITY

This Rate applies in the entire territory served by the Company. The Customer must execute a Service Agreement with the Company for a Daily Contract Requirement (DCR), as specified in said agreement, for not less than 50 MCF of gas. Gas supplied under this rate shall be metered separately from gas supplied to the Customer under any of the Company's other rates. In lieu of separate metering, the Company may accept contractual commitments specifying minimum volumes of service under this rate. Service shall be supplied only where the Company's facilities are suitable and quantities of gas are available for the service desired. The Company will nominate from its pipeline suppliers that amount of firm pipeline supply which is, in the Company's judgement, reasonably adequate to meet service requirements under this rate. Tariff Rule 17.3 applies to service under this rate. Service to new customers after October 1, 2000 and transfers from delivery service or Rate NT to Rate BD shall be permitted only as determined by Company, and subject to reasonable limitations.

CONTRACT TERM AND BILLING

The term of contract is subject to agreement but shall be for a period of not less than three (3) years with monthly payments for service taken. The contract shall be automatically renewed for a like term, unless terminated at the end of any term by at least 12 months advance notice, as specified in the contract.

DEFINITIONS

The Billing Month is the number of days between meter readings.

The Monthly Contract Requirement is the product of the DCR and the number of days in the Billing Month.

MONTHLY RATE TABLE

The charge for each Billing Month shall be the sum of the Customer Charge, Demand Charge, Distribution Charge, Natural Gas Supply Charge, Gas Cost Adjustment and any Excess Take Charge.

The following rates, as adjusted from time to time for changes in the purchased gas cost credit, represent maximum rates.

Customer Charge: \$698.25

Plus

(D) Demand Charge: \$14.75 per MCF of DCR

Plus

Distribution Charge:

Billing Period:	<u>April through October</u>	<u>November through March</u>
First 1,000 MCF	\$2.4044 per MCF	\$2.4044 per MCF
Next 4,000 MCF	\$1.7138 per MCF	\$1.7138 per MCF
Over 5,000 MCF	\$1.0868 per MCF	\$1.3471 per MCF

RATE BD

BUSINESS DEVELOPMENT (Continued)

Plus

- (C) Natural Gas Supply Charges as Stated in Section 13.1

Plus

- (C) Gas Cost Adjustment as Stated in Section 13.1

MONTHLY RATE TABLE (Continued)

Excess Take Charge:

For authorized usage on any day in excess of the DCR but less than 125% of the DCR, there will be a charge of \$1.00 per MCF in addition to the charges specified in the rate table. For authorized usage on any day of 125% or greater of the DCR, there will be a charge of \$6.00 per MCF in addition to the charges specified in the rate table.

- (C)

The State Tax Surcharge and the Surcharge for Recovery of Transition Costs as set forth in the Rules and Regulations apply to the above Rates and Minimum Bill.

LATE PAYMENT CHARGE

5% on all amounts unpaid after the due date, and an additional 1-1/2% per month for each month thereafter.

MINIMUM BILL

Monthly: The Minimum Monthly Bill shall be the Customer Charge and the Demand Charge for the DCR.

Annual: The Minimum Annual Bill shall be based on the Customer maintaining a 0.80 annual load factor and shall be due and payable with the bill for the 12th month in the contract year. The Customer's actual load factor shall be determined by dividing the total volume of gas taken under this rate schedule during the contract year by the sum of the Monthly Contract Requirements for the contract year. If the actual load factor is less than 0.80, then, in addition to payment for actual usage, the Customer shall pay a Minimum Annual Bill charge equal to the product of: (1) the difference between 0.80 and the actual load factor, (2) the sum of the Customer's Monthly Contract Requirement, and (3) the average commodity charge paid by the Customer over the previous 12 month period, as calculated by the Company.

In the event the Customer, despite best efforts, fails to achieve a load factor value of at least 0.80, the Company may reduce the Customer's Minimum Annual Bill to the extent that: (a) the Customer's achieved load factor is no less than the Customer's load factor during the most recent contract year of normal operations in which no Minimum Annual Bill was incurred or (b) the achieved load factor was not reasonably within the control of the Customer. The load factor used in determining the Customer's Minimum Annual bill shall in no case be less than 0.50.

RATE BD

BUSINESS DEVELOPMENT (Continued)

OFF-PEAK USAGE OPTION

The Customer may elect a consecutive 48 hour off-peak period during which time Customer's usage may exceed their DFR limit. The elected 48 hour period shall either commence at 10:00 a.m. Eastern clock time on Friday and end at 10:00 a.m. Eastern clock time Sunday or commence at 10:00 a.m. Eastern clock time Saturday and end at 10:00 a.m. Eastern clock time Monday. Customers electing the Off-Peak Usage Option must obtain prior approval by the Company at least one month in advance of initiating off-peak gas transportation and may not change their elected period more than once in any consecutive 12 month period. Off-Peak Usage shall not be subject to Excess Take charges. The Company may limit Off-Peak Usage service at any time for any reason and shall give Customer at least two (2) hours notice, in a reasonable manner as determined by the Company, when such limitation is necessary. The Off-Peak period shall not include the following days: New Year's Day, the day after Thanksgiving, Christmas Eve Day, Christmas Day and New Year's Eve Day.

CHANGES TO THE DAILY CONTRACT REQUIREMENT

During the contract term, the Customer shall be permitted to make one decrease to the DCR to the extent that such decrease is due to conservation or causes not reasonably within the control of the Customer. Such decrease shall be no more than fifteen (15) percent of the original nominated DCR and shall become effective on the anniversary date of the Customer's service agreement. Such change in DCR must be submitted in writing to the Company at least ninety (90) days prior to the proposed change.

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to limit the supply of gas to the amount of the DCR, the Company will give at least two (2) hours' notice but upon written request of Customer up to six (6) hours' notice, in a reasonable manner as determined by the Company. If the Customer takes gas in excess of their DCR on any day for which notice of limitation has been given, the Customer shall be billed and shall pay for such excess gas a charge of Twenty Seven Dollars and Fifty Cents (\$27.50) per MCF, in addition to the charges specified in the Rate Table. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

The Company shall have the right to waive any penalty for unauthorized use of gas.

PURCHASED GAS COST RATE

The Company shall credit Purchased Gas Cost with an amount per MCF sold under this Schedule to fully reflect the applicable pipeline demand cost and the applicable commodity cost of gas under Rule 13 of this Tariff, adjusted for prior net overcollection or undercollection. During the present Purchased Gas Cost computation period and thereafter until modified, the credit shall be \$2.57 MCF sold hereunder. For purposes of calculating the Purchased Gas Cost under Rule 13, such credit shall apply in lieu of any other reflection of sales, revenue or cost of gas applicable to this rate schedule.

RATE BD

BUSINESS DEVELOPMENT (Continued)

Whenever the Purchased Gas Cost is changed in accordance with Rule 13, and at such other times as changes deemed material by the Company occur in its pipeline suppliers' charges, reservation fees, or other pertinent terms and conditions of service, the above credit shall be revised. Whenever any change occurs in the credit, the charges in the above rate table shall be increased or decreased correspondingly. The Company shall provide the Commission with written notification of such a change in charges at least five (5) days prior to the first billing month in which the new charges will be applied.

RATE BD-L
BUSINESS DEVELOPMENT – LARGE

(C) This Rate Schedule is Cancelled

UGI UTILITIES, INC.

RATE BD-L
BUSINESS DEVELOPMENT – LARGE

(C) This Rate Schedule is Cancelled

UGI UTILITIES, INC.

RATE BD-L
BUSINESS DEVELOPMENT – LARGE

(C) This Rate Schedule is Cancelled

RATE EC

ENVIRONMENTAL CONVERSION RIDER

AVAILABILITY

- (C) This Rider applies in the entire territory served by the Company, on request of a Customer with eligible gas sale or delivery service under Rates N,NT, DS, CIAC, CT, LFD, or BD. Eligible service includes firm service to existing facilities converted to gas where (a) the Customer permanently retires storage tanks or other equipment for the utilization of alternative energy supplies, or (b) the Customer incurs a demonstrated economic penalty because of the conversion to gas service.

The discount under this Rider applies only to the eligible portion of the Customer's gas service for a period not to exceed three years. The Customer must enter a contract for service which specifies the eligible utilization. This discount may not be renewed or extended for the same utilization requirements or facilities.

Service to the Customer is subject in all respects to the terms and conditions of the applicable rate to which this Rider is applied.

CONDITIONS OF SERVICE

The Customer may demonstrate eligibility by submitting adequate documentation that fuel storage tanks and other alternate energy utilization equipment have been removed or emptied and permanently placed out of service. The Customer must demonstrate eligibility for the discount under this Rider by documentation satisfactory to the Company, which reserves the right to inspect pertinent tanks and energy utilization equipment of the Customer in order to confirm such eligibility.

The Customer may also demonstrate eligibility where the substitution of gas service will result in an economic penalty to the Customer of higher unit rates from an alternate energy supplier, because the Customer no longer qualifies for "total energy" or equivalent rates from the alternate energy supplier as a result of the Customer's conversion of a portion of its requirements to gas. The discount under this Rider shall be limited to the lesser of the discount provided under the schedule below or the amount of the economic penalty incurred by the Customer. The Customer must provide adequate documentation to the Company of the amount of such economic penalty.

The discount under this Rider applies only to additional firm gas service rendered as a result of an eligible conversion, as described above. The eligible service volumes may be determined by estimates of the Company, in its discretion, or the Company may require separate metering and piping and elimination of any cross-connection to non-qualifying end use equipment.

RATE EC (Continued)

ENVIRONMENTAL CONVERSION RIDER

CONTRACT TERM AND BILLING

Contracts are for a period of three (3) years with monthly payments for service taken. If Company facilities must be extended or enlarged as a result of an eligible conversion, the Company may require satisfactory usage commitments, or a deposit partially or wholly refundable on the basis of usage, or such other terms as are mutually agreed upon.

MONTHLY RATE TABLE

The monthly charges under the applicable rate, as filed and effective from time to time, shall be reduced by the following amounts for eligible conversion usage during the billing month.

	<u>Contract Discount</u>	<u>Contract Year 1</u>	<u>Contract Year 2</u>	<u>Contract Year 3</u>
(C)	Rates N, NT, DS, CIAC, CT	\$0.50 per MCF	\$0.40 per MCF	\$0.30 per MCF
(C)	Rates LFD, BD	\$0.40 per MCF	\$0.30 per MCF	\$0.20 per MCF

UGI UTILITIES, INC
GAS CHOICE SUPPLIER TARIFF

Rates and Rules
Governing the
Furnishing of
Gas Aggregation Service

Issued: November 25, 2015

Effective for service rendered on and after
December 1, 2015.

Issued By:

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NOTICE

This tariff makes changes in existing rules and regulations. (See Page 1.)

RULES AND REGULATIONS

1. THE CHOICE SUPPLIER TARIFF

1.1 Filing and Inspection. A copy of this Choice Supplier Tariff (Sections 1 – 10) (hereinafter “Supplier Tariff”), which includes the Charges and Rules and Regulations under which the Company will supply Aggregation Service to Company approved Natural Gas Suppliers (Choice Suppliers) serving customers under Rate Schedules RT, NT and CT, is on file with the Pennsylvania Public Utility Commission and is open to inspection at the offices of the Company.

1.2 Application. The provisions of the Supplier Tariff apply to all Choice Suppliers serving customers under Rate Schedules RT, NT and CT.

1.3 Statement by Agents. No representative has authority to modify a Supplier Tariff rule or provision, or to bind the Company by any contrary promise or representation.

1.4 Rule and Regulations. The Rules and Regulations, as part of this Supplier Tariff, are a part of every Aggregation Agreement entered into by the Company pursuant to this Supplier.

1.5 Purpose of Tariff. This Supplier Tariff sets forth the basic requirements for interactions and coordination between the Company in its role as a Natural Gas Distribution Company (NGDC) and Choice Suppliers, and includes rules necessary for maintaining the delivery of gas to customers served under Rate Schedules RT, NT and CT.

RULES AND REGULATIONS (Continued)

2. CHOICE SUPPLIER QUALIFICATION

2.1 Service under this Tariff is contingent upon the Choice Supplier completing the Company's Choice Supplier Application Form to Serve Choice Customers (Application) and Company's approval of such Application. Company is the sole judge of a Choice Supplier's Application to safely and reliably serve the Company Choice Customers.

2.2 Choice Supplier must meet all pipeline credit standards and prove it is qualified by the pipeline to receive an assignment, release or transfer of pipeline capacity.

2.3 Choice Supplier shall include with its returned Application, payment of a non-refundable Enrollment Fee of five hundred dollars (\$500).

2.4 Incomplete Applications. In the event the Choice Supplier submits an incomplete application, the Company shall provide written notice to the Choice Supplier of the Application's deficiencies. An incomplete Application will not be processed by the Company until it is fully completed by the Choice Supplier and received by the Company. Failure to submit a fully completed Application within thirty (30) calendar days following notice that the Application was incomplete will result in a rejection of the Application.

2.5 Processing of Application. The Company shall, on a best efforts basis, complete the processing of each Application within ten (10) days after receipt of the Application and notify the Choice Supplier of the results of Company's review of such Application.

2.6 Rejection of Application. The Company may reject any Application on any of the following grounds:

- a. The Choice Supplier has undisputed outstanding debts to the Company ;
- b. The Choice Supplier has failed to comply with Financial Security requirements specified in Section 8. of this Supplier Tariff;
- c. Any material fact set forth in the registration or application is false or misleading at the time the application is delivered to the Company or becomes false or misleading at a later date.

RULES AND REGULATIONS (Continued)**2. CHOICE SUPPLIER QUALIFICATION (Continued)**

- 2.7 Approval of Application. Upon approval of Choice Supplier's Application, the Company shall execute the duplicate originals of the Aggregation Agreement tendered by the Choice Supplier and return one copy to the Choice Supplier.
- 2.8 Supplemental Evaluations. Company may require additional periodic credit evaluations to ensure ongoing financial fitness as set forth in Section 8 of this Tariff. The Choice Supplier will be assessed a \$250 fee for all credit evaluations performed by Company. The evaluation will be based on standard credit factors such as previous Choice Supplier's customer service record, Dun & Bradstreet or similar financial and credit ratings, trade references, bank information, unused line of credit, and financial information. Company shall have sole discretion to determine creditworthiness based on the above criteria, but will not deny creditworthiness without reasonable cause.
- (C) 2.9 A qualified Choice Supplier may opt to participate in the Purchase of Receivables ("POR") program offered by the Company by entering into a Purchase of Receivables Agreement. Upon approval of a Purchase of Receivables Agreement, the Company shall execute the duplicate originals of the Purchase of Receivables Agreement tendered by the Choice Supplier and return one copy to the Choice Supplier. A copy of the Purchase of Receivables Agreement may be found on the Company's Gas Management website.

3. CUSTOMER LIST

- 3.1 Customer Choice List. Company will maintain a list of Rate R and RT customers that have authorized the release of their information in a secure portion of a Web Site accessible to Choice suppliers in compliance with the requirements of Rule 3.2. Company will also maintain a list of Rate N , NT , CIAC, CT and DS customers with annual usage less than 300 Mcf per year that have authorized the release of their information in a secure portion of a Web Site accessible to Choice suppliers in compliance with the requirements of Rule 3.2. When authorized by the customer, this list shall also include account number, address, rate code and / or historical usage.
- 3.2 Customer List Confidentiality. Such list shall only be accessible by Choice Suppliers that have executed an Electronic Trading Partner Agreement and are otherwise qualified to serve Rate RT, NT and CT customers under this Tariff.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

4. CHOICE SUPPLIER OBLIGATIONS

- (C) 4.1 Choice Supplier must provide and maintain a bond or other financial guarantee in a form and amount as set forth in Section 8 that is acceptable to Company and/or other Commission-approved Supplier of Last Resort.
- (C) 4.2 A Choice Supplier must acquire or agree to acquire an adequate supply of natural gas to serve Choice Supplier's Aggregation Pool and make or cause to be made arrangements by which such gas supplies can be transported to Company's city gates, as directed by Company. Such supplies must be ranked on the transporting pipeline at the pipeline's highest Predetermined Allocation ranking.
- (C) 4.3 A Choice Supplier must enter into an Aggregation Agreement to serve Choice customers under Rate Schedules RT, NT and CT.
- (C) 4.4 A Choice Supplier must comply with Company system reliability requirements, including Daily Flow Directives (DFDs), Operational Flow Orders (OFOs), and notice requirements.
- (C) 4.5 A Choice Supplier must comply with applicable communications standards, including approved internet based Electronic Data Exchange (EDI) procedures.
- (C) 4.6 A Choice Supplier must cooperate with Company in the preparation of an annual reliability plan presented to the Commission.
- (C) 4.7 A Choice Supplier must acquire and maintain a Pennsylvania Public Utility Commission license.
- (C) 4.8 A Choice Supplier (including their nominating agents, if applicable) who nominates gas for delivery to the Company's system must have and maintain Internet access. The Choice Supplier shall also provide Company with a valid email address, a 24-hour a day phone and a 24-hour a day fax number for contact purposes.
- (C) 4.9 The Company's provision of Aggregation Service is contingent upon the Choice Supplier paying all amounts billed to it by the Company in a timely manner.

(C) Indicates Change

Issued: November 30, 2010

Effective for Service
Rendered on and After
December 1, 2010

RULES AND REGULATIONS (Continued)**4. CHOICE SUPPLIER OBLIGATIONS (Continued)**

- (C) 4.10 Failure to comply with all Choice Supplier Obligations will result in the Company disqualifying the Choice Supplier from serving customers under Rate Schedules RT, NT and CT. In the event the Company disqualifies a Choice Supplier, the Choice Supplier may appeal the disqualification to the Commission. If the Commission does not reverse the disqualification within 45 days, the Choice Supplier will be disqualified at the end of the 45 day period and its customers will be returned to sales service or switched to another Choice Supplier. Any Company disqualification will be on a non-discriminatory basis.
- (C) 4.11 If a Choice Supplier elects to participate in the Company's Purchase of Receivables Program ("POR"), the Choice Supplier must enter into a POR Agreement for the rate classes that it serves that will be included in the POR. The elected Rate Classes shall be one of the following: (1) RT only, (2) CT and NT only, or (3) RT, CT and NT. All receivables associated with basic natural gas supply services in the specific rate class, subject to the rate class elections made above, must be sold by the participating Supplier to the Utility. For the purposes of this provision, the phrase "basic natural gas supply services" shall include charges directly related to the physical delivery of natural gas to a retail customer but shall not include charges for "carbon-neutral" products, appliance maintenance service, energy efficiency services, termination or cancellation fees, security deposits or other products or services not directly related to the physical delivery of natural gas to a retail customers. Customer accounts that are billed for non basic natural gas supply services will not be eligible for UGI's POR program. All of the NGS' customer accounts within the elected Rate Classes (subject to the volumetric limits contained in section 5.4) must be POR eligible accounts, with the exception of customers that purchase carbon-neutral products. NGSs may choose to use UGI consolidated billing for Non-POR eligible customers who are purchasing bundled "carbon-neutral" product offerings. The termination and reconnection provisions of Chapters 14 and 56 of the Public Utility Code and Commission regulations shall not be applicable to unpaid NGS charges for non-POR eligible accounts on consolidated billing. NGSs will be responsible for collecting unpaid NGS charges on non-POR eligible accounts on consolidated billing. UGI shall support rate-ready billing, and all NGS rates must conform to supported rate designs. For Purchased Customer Accounts, Company shall pay Choice Supplier an amount equal to 97.67% for residential amounts billed (inclusive of associated sales taxes) and 99.50% of non-residential amounts billed (also inclusive of taxes). Customer participation for CT and NT shall be subject to Volumetric Eligibility pursuant to Section 5.4.
- (C) 4.12 All existing customers of Choice Suppliers who elect to participate in the Company's optional Purchase of Receivables program shall be provided notice by the Choice Supplier and Company that (a) the Company will be providing one bill for all Company and Choice Supplier charges, (b) all payments should be made to the Company, (c) any unpaid amounts shall be subject to late payment charges, (d) the Company may request a security deposit for amounts which include Choice Supplier charges and (e) the Company maintains the right to terminate service for any unpaid Company or Choice Supplier charges, pursuant to Pennsylvania Public Utility Code regulations.

All new customers enrolling with Choice Suppliers who are participating in Company's optional Purchase of Receivables program shall be provided notice by the Choice Supplier prior to enrollment, and by Company upon enrollment, that (a) the Company will be providing one bill for all Company and Choice Supplier charges, (b) all payments should be made to the Company, (c) any unpaid amounts shall be subject to late payment charges, (d) the Company may request a security deposit for amounts which include Choice Supplier charges and (e) the Company maintains the right to terminate service for any unpaid Company or Choice Supplier charges, pursuant to Pennsylvania Public Utility Code regulations.

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RULES AND REGULATIONS (Continued)**5. OPERATIONAL REQUIREMENTS**

- 5.1 Daily Delivery Requirements. The Company will communicate to each Choice Supplier a Daily Delivery Requirement (DDR). The DDR will be the required amount of gas to be delivered for the indicated date for each Choice Supplier's pool of customers served under Rate Schedules RT, NT and/or CT, and may specify the required points of delivery. Choice Suppliers who fail to deliver their DDR will be subject to penalties and imbalance charges as outlined in Rate AG.
- 5.2 Daily Flow Directives. The Company shall have the right to issue Daily Flow Directives (DFDs). A DFD shall mean an order issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations. Failure to comply with a DFD will result in the Choice Supplier being assessed the penalty charge set forth within this Supplier Tariff. DFDs will be communicated to affected Choice Suppliers either electronically, by telephone, facsimile or other method agreed upon between Company and Choice Supplier. Choice Suppliers must provide the Company with a 24-hour contact for DFDs.
- 5.3 Operational Flow Orders. The Company shall have the right to issue Operational Flow Orders (OFOs) on a daily or intraday basis. An OFO shall mean a directive issued by Company to the Choice Supplier, which is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day. Failure to comply with a properly communicated OFO will result in the Choice Supplier being assessed the penalty charge set forth within the appropriate rate schedule. OFOs will be communicated as soon as reasonably practical to affected Choice Suppliers either electronically, by telephone, facsimile or other method agreed upon between Company and Choice Supplier. Choice Suppliers must provide the Company with a 24-hour for OFOs.
- (C) 5.4 POR Volumetric Eligibility Requirements for Rates NT and CT. All Rate NT and CT Customers with annual usage of 1,000 Mcf or less will be eligible for inclusion into a Purchase of Receivables ("POR") program. NT and CT Customer accounts will be reviewed on an annual basis to determine if they are eligible to be included in the next 12 month period. The review will be based on the previous 12 months actual usage, subject to weather normalization. If, as a result of this annual review, an account exceeds the 1,000 Mcf limit by less than 10%, it will continue to be eligible for inclusion in the POR program.
- (C) 5.5 The POR program will become effective one day following the date that the POR system is placed in service.

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RULES AND REGULATIONS (Continued)**6. BILLING AND PAYMENT**

- 6.1 Billing Period. On or before the 15th of a month, Company shall send each Choice Supplier an invoice reflecting all charges incurred by the Choice Supplier for the prior calendar month activities. Such invoice may include charges related to adjustments for prior periods.
- 6.2 Payment. Payments will be due 10 days following issuance of the invoice. Choice Supplier shall make payment to the Company of such invoiced amount by wire transfer to the bank and account specified on the invoice. If the invoiced amount is less than \$1,000, payment can be made by check, payable to the Company. Unpaid balances shall accrue interest at the rate of 1.5 percent per month. Unpaid balances may result in the Company accessing the financial security posted by the Choice Supplier and / or the Choice Supplier being disqualified from providing Aggregation Service
- 6.3 Billing Dispute. If Choice Supplier asserts a good faith billing dispute, the Choice Supplier shall inform the Company in writing of such dispute and pay the undisputed amount. The disputed amount shall accrue interest at the effective prime rate of interest as published under “Money Rates” by “The Wall Street Journal”, or the maximum contract rate permitted by law, whichever is less. The Choice Supplier and the Company shall endeavor to resolve any disputes promptly and the amount determined to be properly invoiced, plus accrued interest on such amount shall be paid to the Company within fifteen (15) days following such resolution. Unpaid amounts not subject to dispute shall accrue interest at the rate specified in 6.2.
- 6.4 Licensed Supplier Budget Billing. The Company will bill all budget billing amount calculated and provided by the Licensed Supplier. The Company will not determine a License Supplier's budget bill charge.
- 6.5 Application of Payments for Rates RT, NT and CT. Where Company renders a bill for natural gas supply service on behalf of a Natural Gas Supplier and a partial payment is received, the partial payment shall first be applied to pre-retail access Company balances and then to post-retail access Company balances. In the event a customer has a pre-retail access Company balance, partial payment shall be applied in the following order of priority:

- (C)
1. First to outstanding pre-retail access Company balances, or the installation amount on a payment arrangement with the Company on this balance; then to
 2. Current Company charges; then to
 3. Choice Supplier supply charges; then to
 4. Non-Basic Service charges; then to
 5. Hardship Energy Fund contributions.

In the event a Customer develops a post-retail access balance, partial payment shall first be applied to the pre-retail access Company balances in the order of priority specified above. Thereafter, partial payment shall be applied in the following order of priority:

- (C)
1. First to outstanding post-retail access Company Balances, including receivables purchased under a POR program, or the installation amount on a payment arrangement with the Company on this balance; then to
 2. Current Company charges, including receivables purchased under a POR program; then to
 3. Choice Supplier service charges; then to
 4. Non-Basic service charges; then to
 5. Hardship Energy Fund contributions.

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RULES AND REGULATIONS (Continued)

6. BILLING AND PAYMENT (Continued)

Where Company renders a budget bill on behalf of a Choice Supplier for Natural Gas Supply service, partial payments shall be applied on a pro rata basis after outstanding pre-retail access balances and post retail access balances have been paid in accordance with the orders of priority specified above.

For purposes of this Section, pre-retail access balances means outstanding account balances incurred prior to Customer transferring to Rate RT, NT or CT.

For purposes of this Section, post-retail access balances means outstanding account balances incurred after Customer transfers to Rate RT, NT or CT.

RULES AND REGULATIONS (Continued)**(C) 7. NOMINATION PROCEDURE**

- 7.1 Customer Choice Nomination Procedure. The Nomination Procedure specifies requirements for nominating, scheduling, balancing, and communicating information relating to Choice Supplier's gas deliveries for customers served under Rates RT, NT and CT.
- 7.2 Contact Persons. A list of Company contact persons will be posted on the Company's Web Site, located at <http://www.ugi.com/gas/delivery>, or its successor, along with their department affiliation, telephone number, and fax number.
- 7.3 Mandatory Assignment. As used in this tariff the term "Firm Commodity Supply Alternative" shall mean a Company purchase of natural gas, delivered directly to its distribution system or at points along Company pipeline capacity routes (Commodity Delivery Points), constituting a component of Company's PGC supply portfolio and an alternative to pipeline capacity contracts upstream of the Commodity Delivery Points or other firm sources of PGC supply. Firm Commodity Supply Alternative contractual arrangements may require the payment of demand charges or minimum take requirements. Except as provided below, Choice supplier shall be required to accept releases of Company pipeline capacity combined with bundled city gate sales and, as applicable, peaking sales of gas from Company and sales of gas associated with Firm Commodity Supply Alternative arrangements, in accordance with the following:

A monthly release of interstate pipeline capacity or allocation of Firm Commodity Supply Alternative in an amount equal to forty-one percent (41%) of the PDDR of the Choice Customers served by the Choice Supplier during the month shall be released or allocated at a price equal to the projected weighted average demand cost of all PGC capacity, storage, peaking and Firm Commodity Supply Alternative assets, divided by .46.

UGI shall also provide Choice Suppliers with a must-take monthly bundled sale quantity ("MBSQ") during each winter month of November through March, and the Choice Supplier would be permitted to nominate and purchase gas at UGI city gates throughout each winter month, subject to the maximum daily quantity ("MDQ") limits, up to the MBSQ. The MDQ equals twenty-six percent (26%) of the PDDR of the Choice Customers served by the Choice Supplier during the month multiplied by the percentage shown on UGI's Gas Management website under the heading Maximum Daily Bundled Sale Percentages. The minimum daily quantity is zero. Choice Suppliers would be required to nominate to UGI a daily quantity for bundled sales no later than 8:45 A.M. Eastern Prevailing Time on each Intercontinental Exchange ("ICE") trading day for deliveries applicable to the ICE flow dates. If no nomination is received, the nomination quantity would default to zero. UGI reserves the right to issue operational flow orders ("OFO") that can modify the daily bundled sale flexibility or require certain levels of deliveries from the released firm transportation contracts. These OFOs would be issued for operational reasons only. MBSQs would be based on UGI's storage withdrawal plan, to be updated annually, and communicated as a percentage of each Choice Supplier's pre-month normalized delivery requirements, which will be shown on UGI's Gas Management website under the heading Must-Take Monthly Bundled Sale Percentages. . If the full MBSQ is not nominated and purchased by the end of each such winter month, the shortfall ("Bundled Sale Cash-In quantity") would be purchased by the PGC ("Bundled Sale Cash-In amount") as follows:

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RULES AND REGULATIONS (Continued)**(C) 7. NOMINATION PROCEDURE**

- a. The DDR Variation Percentage is the sum of the actual DDRs experienced by a Choice Supplier divided by the sum of the pre-month average DDRs that was used to calculate the MBSQ, converted to a percentage. For any month where the DDR Variation Percentage is greater than ninety percent (90%), the Bundled Sale Cash-In amount would equal (1) the product of (a) 0.90 times the lowest absolute low for the Texas Eastern, M-2 receipts index price as published in *Platts' Gas Daily* for the applicable month of flow minus (b) the summer index price used for bundled sales (the "Bundled Sale Cash-In index") times (2) the Bundled Sale Cash-In quantity. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.
- b. In recognition of the effects of extreme warm weather conditions, shortfall amounts would be purchased as follows under such conditions:
- i. For any month where (a) the DDR Variation Percentage is less than or equal to ninety percent (90%) and (b) the Bundled Sale Cash-In quantity is less than or equal to the MBSQ minus the product of the DDR Variation Percentage times the MBSQ, then the Bundled Sale Cash-In amount would equal (1) the First of the Month Price called "Columbia Gas Transmission Corp., Appalachia" as published in *Platts' Gas Daily Price Guide ("Inside FERC")* for the month subsequent to the applicable month in which the Bundled Sale Cash-In quantity was created minus the summer index price used for bundled sales (the "Alternate Bundled Sale Cash-In Index") times (2) the Bundled Sale Cash-In quantity. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.
- ii. For any month where (a) the DDR Variation Percentage is less than or equal to ninety percent (90%) and (b) the Bundled Sale Cash-In quantity is greater than the MBSQ minus the product of the DDR Variation Percentage times the MBSQ, then the Bundled Sale Cash-In amount would equal (1) the Alternate Bundled Sale Cash-In Index, as defined in Section 7.3.b.i, times the DDR Variation Percentage times the MBSQ plus (2) the Bundled Sale Cash-In Index, as defined in Section 7.3.a, times the difference of the Bundled Sale Cash-In quantity minus the product of the DDR Variation Percentage times the MBSQ. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.

In addition to the bundled sales described above, Choice Suppliers shall be required to purchase from UGI a separate bundled sale on peak days ("Peaking Sale") equal to an amount up to thirty-three percent (33%) of the PDDR of the Choice Customers served by the Choice Supplier during the month. The Peaking Sale would be made on winter days when the Choice Supplier's DDR exceeds the sum of the released firm capacity and the MDQ associated with the bundled sale. The Peaking Sale quantity would be the difference of the Choice Supplier's DDR minus the sum of the released firm capacity and the MDQ associated with the bundled sale. The Peaking Sale price would be based on the commodity cost of UGI's peaking services. If weather conditions cause the Choice Supplier's DDR to exceed the Choice supplier's PDDR, the Choice Supplier would be responsible for arranging for supplies to meet the additional delivery requirements for its Choice Customers.

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RULES AND REGULATIONS (Continued)**(C) 7. NOMINATION PROCEDURE**

Also in addition to the bundled sales described above, to the extent Company's design cold PGC supply portfolio includes Firm Commodity Supply Alternative contractual arrangements containing minimum take requirements, Choice Supplier shall also be required to make monthly purchases of natural gas from Company in an amount and at the commodity price Company would have been required to pay under the Firm Commodity Supply Alternative contractual arrangements had the Choice Customers projected to be served by the Choice Supplier during the month received PGC service. To the extent Company's design cold PGC supply portfolio includes Firm Commodity Supply Alternative contractual arrangements not containing minimum take requirements, Choice Supplier may elect on a month-to-month basis to make monthly bundled city gate purchases of natural gas from Company in an amount and at the commodity price Company would have been required to pay had the Choice Customers projected to be served by the Choice Supplier during the month received PGC service, provided, however, that nothing in this section shall preclude the Company from issuing OFOs requiring additional purchases of natural gas in accordance with the provisions of section 5.3 of this tariff.

- 7.4 Capacity Recall. All capacity assigned, released or transferred by Company is subject to recall, in the event:
- a. A Choice Supplier is disqualified as an approved Choice Supplier on Company's system; or
 - b. The amount of capacity assigned, release or otherwise transferred is no longer required to serve the Choice Supplier's Pool; or
 - c. The Choice Supplier fails to comply with Section 4 of this tariff (Supplier Obligations) and the capacity is required by the Company or Commission approved Supplier of Last Resort to meet its firm commitments.
- 7.5 Agents. A Choice Supplier may have one or more agents who perform one or more supply obligations under this Supplier Tariff. In the event such an agent or agents are utilized, Choice Supplier shall notify Company of the responsibilities of the Agent, and shall provide Company with the Agent's valid e-mail address, 24 hour contact, fax number and phone number for contact purpose. Choice Suppliers using Agents shall remain liable for all charges and penalties.
- 7.6 Determination of Capacity Assignment Quantities. Assignments, releases or transfers of upstream pipeline firm transportation capacity will be made pursuant to Section 7.3. Each month the Company will evaluate and adjust the capacity releases quantity made to the Choice Supplier from time to time, as required.
- 7.7 City Gate Receipt Points. For nomination purposes, all transportation volumes received on behalf of customers served under Rates RT, NT and CT shall be nominated to the Company's City Gate receipt points. Company reserves the right to specify delivery receipt points.

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RULES AND REGULATIONS (Continued)

(C)

7. NOMINATION PROCEDURE

- 7.8 Daily Nominations. Choice Suppliers serving Rate RT, NT and CT customers shall submit daily nominations equal to the DDR, consistent with the Company's requirements
- 7.9 Third Party Supply Nominations - Customer Consent. All Company Choice Customers must provide consent to any Choice Supplier nominating on their behalf. Enrollments by Choice Suppliers are deemed to constitute that the customer has provided such consent. For transportation customers served under Rates RT, NT and CT the Choice Supplier must maintain and produce upon request by Company evidence of customer consent within one business day notice.

RULES AND REGULATIONS (Continued)

8. FINANCIAL SECURITY

- (C) 8.1 Financial Security. A Choice Supplier shall provide financial security to ensure that Company and/or other Commission-approved Supplier of Last Resort is able to receive, without undue delay, funds or other forms of remuneration sufficient to meet the financial consequences of a Choice Supplier's failure to perform its natural gas supply delivery service obligations hereunder. Company may also use such forms of financial security to satisfy in part or in whole a Choice Supplier's obligation to pay the penalties authorized by this Supplier Tariff. The amount and the form of the security, if not mutually agreed upon by the Company and the Choice Supplier, shall be based on the criteria established under 52 Pa. Code § 62.111(c) and as set forth in this Section 8.
- (C) 8.2 Amount of Financial Security. A Choice Supplier seeking to be licensed to provide service on Company's system shall be required to provide an initial amount of \$50,000 in financial security. After the Choice Supplier begins to serve customers on Company's system the amount of financial security shall, unless otherwise mutually agreed, be equal to \$134.63/Dth times the Design Day Requirement (in Dth) for Choice Supplier's pool of Choice customers (as established at Docket No.P-00032054), but in not event shall the amount of financial security be less than \$50,000. This security level shall be subject to adjustments as provided in Section 8.6.
- (C) 8.3 Forms of Financial Security. For purposes of satisfying the amount of financial security determined under Section 8.2 hereof, the Choice Supplier shall provide financial security in one or more of the following manners, in a form reasonably acceptable to the Company and/or other Commission-approved Supplier of Last Resort, and shall reimburse Company for attorneys fees and all related external costs incurred by Company in implementing and enforcing the form of financial security provided by Choice Supplier:
- (a) cash;
 - (b) performance bond;
 - (c) irrevocable letter of credit;
 - (d) guarantee from a third party;
 - (e) call options satisfying the requirements of Section 8.4 hereof;
 - (f) in the case of Choice Suppliers with annual operating revenues of less than \$1 million; real or personal property placed in escrow or other arrangement that would make the property readily available to Company in the event of the Choice Supplier's non-performance or entering into bankruptcy, provided that the Choice Supplier (i) provides a verified statement, certified by a third party report, showing that the Choice Supplier has clear title to the property and that the property has not been pledged as collateral, or otherwise encumbered in regard to any other legal or financial transaction; (ii) provides a current appraisal report of the market value of the property; and (iii) grant the Company, upon request, a security interest in such property in a form acceptable to Company;
 - (g) accounts receivable pledged or assigned to the Company pursuant to a Company Commission-approved purchase of receivables ("POR") program satisfying the requirements of Section 8.5 hereof; or
 - (h) another form of financial security mutually acceptable to Company and Choice Supplier.

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RULES AND REGULATIONS (Continued)**8. FINANCIAL SECURITY (Continued)**

- (C) 8.4 Call Option Requirements. A Choice Supplier may meet some or all of its financial security obligations determined under Section 8.2 hereof by providing to Company or paying the Company to procure a Call Option for a volume equal to the monthly Design Day Requirements of the Choice Supplier's customers served under Rate Schedules RT, NT and / or CT. Unless otherwise authorized by Company, the Call Option must have a strike price equal to or less than the Choice Supplier's contract price(s) with its customers served under Rate Schedules RT, NT and CT. The Call Option shall allow Choice Supplier or Company to call on a volume equal to the Choice Supplier's Design Day Requirement on each and every day the Call Option is in place such that the exercise on any day does not preclude or impact the ability to exercise the option on a subsequent day. Call Options shall be subject to the following requirements:
- (a) If procured by Choice Supplier, the Call Option must enable Company to exercise the Call Option in the event of non-performance by the Choice Supplier without obtaining the prior consent of Choice Supplier;
 - (b) If procured by Choice Supplier, the Call Option may be exercised by it for any reason, including economic reasons, on any day when Company and/or other Commission-approved supplier of last resort does not need to exercise it because of Choice Supplier's failure to perform its natural gas supply delivery service obligations hereunder;
 - (c) Company shall specify the period over which the Call Option may be exercised;
 - (d) The Call Option may be a direct NYMEX instrument or it may be obtained indirectly from a third party. If the Call Option is a direct NYMEX instrument, the Choice Supplier shall assign the applicable capacity to Company. If the Call Option is obtained indirectly from a third party, then the transaction point shall be at a Company-approved city gate receipt point; and
 - (e) Choice Supplier shall be responsible for the cost of the Call Option.
- (C) 8.5 POR Requirements. A Choice Supplier may meet part or all of its financial security obligations determined under Section 8.2 hereof utilizing the accounts receivable pledged or assigned to the Company pursuant to a Company Commission-approved POR program, provided that Choice Supplier executes a Security Agreement substantially in the form set forth below, which, among other things: (a) grants Company a first priority security interest in the accounts payable to Choice Supplier for the purchased receivables; and (b) grants Company an immediate right of set-off against any account payable to Choice Supplier for any obligation owed by Choice Supplier to Company. To reflect the variability in the amounts owed by Company to Choice Supplier for purchased receivables given seasonal variations in customer loads, the amount of this form of security will be determined pursuant to the following formula: (The average daily Mcf volume of gas delivered by the Choice Supplier during the lowest 30 day period of volume during the past 12 months for accounts enrolled in the POR program) *times* (the lowest rate per Mcf charged by the Choice Supplier during the past 12 months) *times* (the number of days between the purchase of and payment for a Choice Supplier's receivables).
- (C) 8.6 Adjustments to Financial Security Level. From time to time, the Company shall review the financial security provided by a Choice Supplier and determine whether any adjustments are

(C) Indicates Change

RULES AND REGULATIONS (Continued)**8. FINANCIAL SECURITY (Continued)**

required consistent with the formula under Section 8.2 hereof. The Company shall use the following factors to determine whether any such adjustments are required:

(a) A change in the Choice Supplier's recent operating history on Company's system or on other NGDS systems has materially affected Company system operation or reliability. A change that could materially affect the Company system or reliability may occur when the Choice Supplier fails to deliver natural gas supply sufficient to meet its customers' needs on 5 separate occasions within a 30 day period, or fails to comply with Company Operational Flow Orders as defined at 52 Pa. Code § 69.11.

(b) A significant change in the number of customers served, in the volume of gas delivered, or in the unit price of natural gas or a change in the class of customers being served by the Choice Supplier. A change over a consecutive 30 day period of 25% in the number of customer served, in the volume of gas delivered or in the average unit price of natural gas would represent a significant change.

(c) A change in the Choice Supplier's credit reports that materially affects the Choice Supplier's creditworthiness. A Choice Supplier's creditworthiness could be materially affected when two of the following credit rating companies change the Choice Supplier's credit rating: Dun & Bradstreet, Standard & Poor's Rating Services, Inc., TransUnion LLC, EQUIFAX Inc., Experian Information Solutions, Inc.

(d) A change in operational or financial circumstances that materially affects the Choice Suppliers' creditworthiness. A Choice Supplier's creditworthiness could be materially affected when two of the following investment rating companies change the Choice Supplier's rating of its issued securities from an investment grade or good rating to a speculative or moderate credit risk rating, and vice versa: Standard and Poor's Rating Services, Inc, Moody's Investment Services, Inc., Fitch, Inc., A.M. Best Company, Inc. and DBRS, Inc.

- (C) 8.7 Notice. If the Company determines, based on the criteria in Section 8.6 hereof, that an adjustment in the amount or type of security that a Choice Supplier must provide is warranted, the Company shall provide notice of its determination to the Choice Supplier in writing. The Choice Supplier shall comply with the Company's determination no later than 5 business days after the date the Choice Supplier was served with notice of the Company's determination. If the Choice Supplier disagrees with the Company's determination, the Choice Supplier may file a dispute with the Company and the Company and the Choice Supplier must attempt to resolve the dispute within 30 days after the date that the Company was notified of the dispute.

(C) Indicates Change

RULES AND REGULATIONS (Continued)**8. FINANCIAL SECURITY (Continued)**

(C)

SECURITY AGREEMENT

This Security Agreement ("Agreement") dated _____, 2011, among _____, a _____ corporation ("Choice Supplier"), with a principal place of business at _____, and UGI Utilities, Inc. ("Secured Party").

Background

A. Choice Supplier and Secured Party are parties to an Agreement for Consolidated Billing Service with Purchase of Receivables ("CBS POR Agreement") by and between Choice Supplier and Secured Party.

B. Choice Supplier is required to provide financial security to Secured Party consistent with the provisions of Secured Party's Choice Supplier Tariff;

C. Under the CBS POR Agreement Secured Party purchases certain Choice Supplier accounts receivable for amounts charged by Choice Supplier for natural gas supply service provided to Choice customers on Secured Party's natural gas distribution system;

D. Under the CBS POR Agreement Secured Party bills Choice Supplier's Choice customers on Secured Party's natural gas distribution system for the natural gas supply service provided by Choice Supplier, and is obligated to remit to Choice Supplier the consideration due under the CBS POR Agreement for purchased receivables forty days after the date of purchase; and

E. Choice Supplier wishes, consistent with the terms of Secured Party's Choice Supplier Tariff, to provide some or all of its required financial security by granting Secured Party a right of offset and security interest in amounts owed by Secured Party to Choice Supplier under the CBS POR Agreement ("Collateral") so that the Collateral can be used by Secured Party to satisfy Choice Supplier's obligations to Secured Party in the event of Choice Supplier's failure to deliver gas for its Choice customers in a way that results in the creation of Choice Supplier liabilities to Secured Party under the terms of Secured Party's Choice Supplier tariff.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

SECURITY INTEREST

Description: As security for the payment of all Obligations (as defined below) ; and the payment of all expenses incurred by Secured Party in connection therewith (collectively, the "Secured Obligations"), Choice Supplier hereby assigns and grants to Secured Party, a continuing lien on and security interest in, upon and to Choice Supplier's right, title and interest in the Collateral.

"Obligations" shall mean all amounts owed by Choice Supplier to Secured Party under the terms of Secured party's Choice Supplier Tariff in the event of a failure by Choice Supplier to deliver required gas supplies.

Perfection of Security Interest. Choice Supplier shall take all action that may be necessary or desirable, or that Secured Party may request, so as at all times to maintain the validity, perfection, enforceability and first lien priority of Secured Party's security interest in and Lien on the Collateral or to enable Secured Party to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to: (i) immediately discharging all Liens (other than permitted encumbrances); and (ii) executing and delivering financing statements,

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(C)

8. FINANCIAL SECURITY (Continued)

control agreements, instruments of pledge, mortgages, notices and assignments, in each case in form and substance reasonably satisfactory to Secured Party, relating to the creation, validity, perfection, maintenance or continuation of Secured Party's security interest and Lien on the Collateral under the Uniform Commercial Code or other Applicable Law. By its signature hereto, Choice Supplier hereby authorizes Secured Party to file against Choice Supplier, one or more financing, continuation or amendment statements pursuant to the Uniform Commercial Code in form and substance satisfactory to Secured Party. All charges, expenses and fees Secured Party may incur in doing any of the foregoing, and any local taxes relating thereto, shall be added to the Secured Obligations and paid to Secured Party for its benefit immediately upon demand.

Other Actions: In addition to the foregoing, Choice Supplier shall do anything further that may be required by Secured Party to secure Secured Party and effectuate the intentions and objects of this Agreement, including, without limitation, the execution and delivery of security agreements, contracts and any other documents required hereunder. At Secured Party's request, Choice Supplier shall also immediately deliver (with execution by Choice Supplier of all necessary documents or forms to reflect, implement or enforce the Liens described herein) to Secured Party all items of which Secured Party must receive possession to obtain a perfected security interest, including without limitation, all notes, stock powers, letters of credit, certificates and documents of title, chattel paper, instruments, and any other similar instruments constituting Collateral.

Filing Security Agreement: A carbon, photographic or other reproduction or other copy of this Agreement or of a financing statement is sufficient as and may be filed in lieu of a financing statement.

Power of Attorney: Each of the officers of Secured Party or its representative is hereby irrevocably made, constituted and appointed the true and lawful attorney for Choice Supplier (without requiring it to act as such) with full power of substitution to do the following: (a) execute in the name of Choice Supplier, schedules, assignments, instruments, documents and statements that Choice Supplier is obligated to give Secured Party hereunder or is necessary to perfect (or continue to evidence the perfection of such security interest or Lien); and (b) during the continuance of an Event of Default: (i) endorse the name of Choice Supplier upon any and all checks, drafts, money orders and other instruments for the payment of monies that are payable to Choice Supplier and constitute collections on Choice Supplier's Receivables or other Collateral and (ii) do such other and further acts and deeds in the name of Choice Supplier that Secured Party may reasonably deem necessary or desirable to protect or enforce any Receivables or other Collateral or perfect Secured Party's security interest or Lien in the Collateral.

REPRESENTATIONS, WARRANTIES AND COVENANTS

Representation and Warranties. Choice Supplier represents and warrants that:

With respect to the Collateral, at the time the Collateral becomes subject to Secured Party's security interest: (i) Choice Supplier shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a first priority security interest (subject to Permitted Encumbrances) in each and every item of the its respective Collateral to Secured Party; and the Collateral shall be free and clear of all Liens and encumbrances whatsoever (other than Permitted Encumbrances); (ii) each document and agreement executed by Choice Supplier or delivered to Secured Party in connection with this Agreement shall be true and correct in all material respects; and (iii) all signatures and endorsements of Choice Supplier that appear on such documents and agreements shall be genuine and Choice Supplier shall have full capacity to execute same; it has the right, power and authority to assign, pledge and grant a security interest in the Collateral;

No authorization of, filing with or approval by any governmental authority is required for the execution or delivery of or performance under this Agreement;

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(C)

8. FINANCIAL SECURITY (Continued)

Choice Supplier's chief executive office is located at the location set forth in, and its full corporate name and jurisdiction of incorporation are set forth in, the introduction to this Agreement;

The execution and delivery by Choice Supplier of this Agreement and all related instruments, agreement and documents and performance of the transactions contemplated herein and therein (i) are within the company powers of Choice Supplier, (ii) have been authorized by all necessary action of Choice Supplier, and (iii) are not in contravention of any order of any court or other agency of government, of law or any other indenture, contract, agreement or undertaking to which Choice Supplier is a party or by which the property of Choice Supplier is bound,

or be in conflict with, or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, contract, agreement or undertaking or result in the imposition of any lien, charge or encumbrance of any nature on any assets of Choice Supplier; and

This Agreement and any other agreements, instruments or documents executed and/or delivered in connection herewith shall be valid, binding and enforceable against Choice Supplier in accordance with their respective terms except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

Affirmative Covenants. Choice Supplier covenants and agrees that it shall:

Pay, when due, all taxes, assessments and other Charges lawfully levied or assessed upon Choice Supplier or any of the Collateral including real and personal property taxes, assessments and charges and all franchise, income, employment, social security benefits, withholding, and sales taxes (other than taxes, assessment and Charges that are being Properly Contested by Choice Supplier). If any tax by any Governmental Body is or may be imposed on or as a result of any transaction between Choice Supplier and Secured Party which Secured Party may be required to withhold or pay or if any taxes, assessments, or other Charges remain unpaid after the date fixed for their payment, or if any claim shall be made which, in Secured Party's opinion, may possibly create a valid Lien on the Collateral, Secured Party may without notice to Choice Supplier pay the taxes, assessments or other Charges and Choice Supplier hereby indemnifies and holds Secured Party harmless in respect thereof. Secured Party will not pay any taxes, assessments or Charges to the extent that Choice Supplier has Properly Contested those taxes, assessments or Charges. The amount of any payment by Secured Party under this Section 2.2 shall be added to the Secured Obligations and paid to Secured Party for its benefit immediately upon demand;

From time to time and at all reasonable times, upon prior notice (unless an Event of Default has occurred and is continuing) allow Secured Party, by or through any of its officers, agents, attorneys, or accountants, to examine or inspect the Collateral wherever located; provided however that so long as no Default or Event of Default has occurred and is continuing, Choice Supplier shall only be required to bear the cost and reimburse Secured Party for the costs and expenses of four (4) such examinations per fiscal year;

Do, obtain, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as Secured Party may reasonably require to evidence, perfect or otherwise vest in and assure to Secured Party its rights hereunder and in or to the Collateral, and the proceeds thereof;

Promptly notify the Secured Party of any event causing a material loss or decline in value of the Collateral whether or not covered by insurance and the amount of such loss or depreciation; and

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(C)

8. FINANCIAL SECURITY (Continued)

Promptly notify the Secured Party in writing in advance of any change in location of its chief executive office shown herein or its state of incorporation.

Negative Covenants. Choice Supplier covenants and agrees that it shall not:

Make any disposition of Collateral whether by sale, lease or otherwise except the sale of receivables pursuant to the CBS POR Agreement;

Permit any other Lien, security interest or encumbrance of any kind to attach to or be imposed upon any of the Collateral (except for Permitted Encumbrances);

Amend, modify or waive any term or provision of its Certificate of Incorporation or Bylaws unless required by law or to the extent such amendment, modification or waiver would not adversely affect the interests of the Secured Party;

DEFAULT

Events of Default: The occurrence of an Event of Default under the CBS POR Agreement or a breach of this agreement which is not cured after 15 days written notice shall constitute an event of default ("Event of Default") hereunder and Secured Party shall thereupon have the option to declare Choice Supplier in default under this Agreement, and all other existing and future agreements of any kind (related or unrelated) with Secured Party, and declare all Secured Obligations, immediately due and payable, all without demand, notice, presentment or protest or further action of any kind.

Rights and Remedies on Default:

In addition to all other rights, options and remedies granted to Secured Party under this Agreement (each of which is also then exercisable by Secured Party), Secured Party shall upon the occurrence and during the continuance of an Event of Default have the right to exercise any and all rights and remedies provided for herein, under the CBS POR Agreement, the Uniform Commercial Code and at law or equity generally, including the right to foreclose the security interests granted herein and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Upon the occurrence and during the continuance of an Event of Default, Secured Party may enter any of Choice Supplier's premises or other premises without legal process and without incurring liability to Choice Supplier therefor, and Secured Party may thereupon, or at any time thereafter, in its discretion without notice or demand, take the Collateral and remove the same to such place as Secured Party may deem advisable and Secured Party may require Choice Supplier to make the Collateral available to Secured Party at a convenient place. Upon the occurrence and during the continuance of an Event of Default, with or without having the Collateral at the time or place of sale, Secured Party may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Secured Party may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give Choice Supplier reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Choice Supplier at least ten (10) days prior to such sale or sales is reasonable notification. At any public sale Secured Party may bid for and become the purchaser, and Secured Party, or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and all such claims, rights and equities are hereby expressly waived and released by Choice Supplier. The cash proceeds realized from the sale of any Collateral shall be applied to the Secured Obligations in the sole discretion of Secured Party. Noncash proceeds will only be applied to the Secured Obligations as they are converted into cash. If any deficiency shall arise, Choice Supplier shall remain liable to Secured Party therefore.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(C)

8. FINANCIAL SECURITY (Continued)

To the extent that Applicable Law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Choice Supplier acknowledges and agrees that it is not commercially unreasonable for the Secured Party: (i) to fail to incur expenses reasonably deemed significant by the Secured Party to prepare Collateral for disposition; (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of; (iii) to fail to exercise collection remedies against customers or other Persons obligated on Collateral or to remove Liens on or any adverse claims against

Collateral; (iv) to exercise collection remedies against customers and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists; (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature; (vi) to contact other Persons, whether or not in the same business as Choice Supplier, for expressions of interest in acquiring all or any portion of such Collateral; (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature; (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets; (ix) to dispose of assets in wholesale rather than retail markets; (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment; (xi) to purchase insurance or credit enhancements to insure the Secured Party against risks of loss, collection or disposition of Collateral or to provide to the Secured Party a guaranteed return from the collection or disposition of Collateral; or (xii) to the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the collection or disposition of any of the Collateral. Choice Supplier acknowledges that the purpose of this Section 3.2(b) is to provide non-exhaustive indications of what actions or omissions by the Secured Party would not be commercially unreasonable in the Secured Party's exercise of remedies against the Collateral and that other actions or omissions by the Secured Party shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 3.2(b). Without limitation upon the foregoing, nothing contained in this Section 3.2(b) shall be construed to grant any rights to Choice Supplier or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by Applicable Law in the absence of this Section 3.2(b).

Nature of Remedies: Upon the occurrence and during the continuance of an Event of Default, Secured Party shall have the right to proceed against all or any portion of the Collateral in any order and may apply any proceeds of the Collateral to the Secured Obligations in any order. All rights and remedies granted Secured Party hereunder and under any agreement referred to herein, or otherwise available at law or in equity, shall be deemed concurrent and cumulative, and not alternative remedies, and Secured Party may proceed with any number of remedies at the same time until all Secured Obligations of Choice Supplier to Secured Party are satisfied in full. The exercise of any one right or remedy shall not be deemed a waiver or release of any other right or remedy, and Secured Party, upon the occurrence and during the continuance of an Event of Default, may proceed against Choice Supplier, any other person, and/or the Collateral, at any time, under any agreement, with any available remedy and in any order.

Set-Off: In addition to all other rights, options and remedies granted or available to Secured Party under this Agreement (each of which is also then exercisable by Secured Party), upon the occurrence and during the continuance of an Event of Default, Secured Party shall have and be deemed to have, without notice to Choice Supplier, the immediate right of set-off against any account payable to Choice Supplier and any of Choice Supplier's deposits, moneys, securities, and other property now or hereafter in the possession of or on deposit with, or in transit to, Secured Party or any direct or indirect subsidiary of Secured Party, and may apply the funds or amount thus set-off against any Secured Obligations hereunder.

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(C)

8. FINANCIAL SECURITY (Continued)MISCELLANEOUS

Governing Law and Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA. Any judicial proceeding brought by Secured Party with respect to any of the Secured Obligations, this Agreement, the CBS POR Agreement or any related agreement shall be brought in any court of competent jurisdiction in the Commonwealth of Pennsylvania, United States of America, and, by execution and delivery of this Agreement, Choice Supplier accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement; provided that Choice Supplier agrees that Secured Party shall have the right to proceed against Choice Supplier or its property in a court in any jurisdiction necessary to enable Secured Party to realize on any Collateral or any other security for the Secured Obligations, or to enforce a judgment or other court order entered in favor of Secured Party. Choice Supplier hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Choice Supplier at its address set forth herein and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America. Nothing herein shall affect the right to serve process in any manner permitted by law. Choice Supplier waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Choice Supplier waives the right to remove any judicial proceeding brought against Choice Supplier in any state court to any federal court. Any judicial proceeding by Choice Supplier against Secured Party involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with the Secured Obligations, the CBS POR Agreement or any other documents, shall be brought only in a federal or state court located in the County of Montgomery, Commonwealth of Pennsylvania; provided that the foregoing shall not preclude Choice Supplier from bringing a claim or counterclaim action in any court in which Secured Party has initiated a judicial proceeding against Choice Supplier.

Waiver:

No omission or delay by Secured Party in exercising any right or power under this Agreement or any other document will impair such right or power or be construed to be a waiver of any default, or Event of Default or an acquiescence therein, and any single or partial exercise of any such right or power will not preclude other or further exercise thereof or the exercise of any other right, and no waiver of Secured Party's rights hereunder will be valid unless in writing and signed by Secured Party, and then only to the extent specified.

Choice Supplier releases Secured Party, its agents, administrators and executors, its officers, employees and agents, of and from any claims for loss or damage resulting from acts or conduct of any or all of them arising through the date hereof, unless caused solely by willful misconduct or gross negligence.

Indemnity:

Choice Supplier agrees to indemnify Secured Party, its directors, officers and employees and each legal entity, if any, who controls Secured Party as applicable (the "Indemnified Parties"), and to hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of external counsel with whom any Indemnified Party may consult and all expenses of litigation or preparation there for) which any Indemnified Party may incur or which may be asserted against any Indemnified Party as a result of the execution of or performance under this Agreement; provided, however, that the foregoing indemnity agreement shall not apply to claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section 4.3 shall survive the termination of this Agreement. Choice Supplier may participate at their expense in the defense of any such claim

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(C)

8. FINANCIAL SECURITY (Continued)

Promptly after receipt by an Indemnified Party under subsection (a) above of notice of the commencement of any action by a third party, such Indemnified Party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof. The omission to so notify the indemnifying party shall relieve the indemnifying party from any liability which it may have to any Indemnified Party under such subsection only if the indemnifying party is unable to defend such actions as a result of such failure to so notify. In case any such action shall be brought against any Indemnified Party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such Indemnified Party (who shall not, except with the consent of the Indemnified Party, be counsel to the Indemnified Party).

Notices:

Any notice or request hereunder may be given to Secured Party or Choice Suppliers at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section 4.4. Any notice, request, demand, direction or other communication (for purposes of this Section 4.4 only, a "Notice") to be given to or made upon any party hereto under any provision of this Agreement shall be given or made by telephone or in writing (which includes by means of facsimile transmission) in accordance with this Section 4.4. Any such Notice must be delivered to the applicable parties hereto at the addresses and numbers set forth below or in accordance with any subsequent unrevoked Notice from any such party that is given in accordance with this Section 4.4. Any Notice shall be effective:

In the case of hand-delivery, when delivered;

If given by mail, four days after such Notice is deposited with the United States Postal Service, with first-class postage prepaid, return receipt requested;

In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next Business Day by hand delivery, a facsimile or electronic transmission, or an overnight courier delivery of a confirmatory Notice (received at or before noon on such next Business Day);

In the case of a facsimile transmission, when sent to the applicable party's facsimile machine's telephone number, if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;

In the case of electronic transmission, when actually received;

If given by any other means (including by overnight courier), when actually received.

If to Secured Party, at: UGI Utilities, Inc.
2525 North 11th Street
Suite 360
Reading, PA 19612-2677
Attn: David E. Lahoff
Manager, Rates
Telephone: 610-796-3520
Facsimile: 610-796-3595

with an additional copy to:

Telephone:
Facsimile:

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(C)

8. FINANCIAL SECURITY (Continued)

If to Choice Supplier, at:

Attention:
Telephone:
Facsimile:

with an additional copy to:

Attention:
Telephone:
Facsimile:

Modification: No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

Signatories: Each individual signatory hereto represents and warrants that he is duly authorized to execute this Agreement on behalf of his principal and that he executes the Agreement in such capacity and not as a party.

Successors and Assigns: This Agreement shall be binding upon and inure to the benefit of Choice Supplier, Agent, all future holders of the Secured Obligations and their respective successors and assigns, except that Choice Supplier may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Secured Party.

Waiver of Jury Trial: EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Counterparts; Facsimile Signatures. This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission shall be deemed to be an original signature hereto.

Capitalized Terms. Capitalized terms not defined herein shall have the meanings given to such terms in the CBS POR Agreement or, as applicable, in the Uniform Commercial Code of the Commonwealth of Pennsylvania (the "UCC").

(C) Indicates Change

RULES AND REGULATIONS (Continued)

(C)

8. FINANCIAL SECURITY (Continued)

IN WITNESS WHEREOF, the undersigned has executed this Guarantor Security Agreement the day and year first above written.

CHOICE SUPPLIER:

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

UGI UTILITIES, INC.

By: _____
Name: _____
Title: _____

(C) Indicates Change

RULES AND REGULATIONS (Continued)

9. ENROLLMENT OF CUSTOMERS INTO RATE SCHEDULES RT, NT AND CT

- 9.1 To be served under Rate Schedules RT, NT or CT, a Customer must be enrolled by the Choice Supplier elected by the Customer. Such enrollment by the Choice Supplier must be provided in an electronic file to the Company via an approved internet based EDI transaction. The requirement filed shall include:
- a. The customer's name;
 - b. The customer's address;
 - c. The customer's Company account number;
 - d. The specific transaction;
 - e. The elected billing option.
- 9.2 Company Confirmation. Company will electronically confirm receipt of the enrollment information and within one (1) business day and subsequently provide an electronic validation of the Choice Supplier's transmitted information.
- 9.3 Determination of Gas Flow Date. For enrollments received on or before the 15th of any calendar month, the customer will be switched to Rate Schedule RT, NT or CT, where the customer does not respond within 10 days from the Company's mailing of a letter confirming the election to be served by the Choice Supplier, on the Customer's regularly scheduled meter reading date in the calendar month immediately following the month the enrollment information was received. For enrollments received after the 15th of any calendar month, the customer will be switched to Rate Schedule RT, NT or CT, where the customer does not respond within 10 days from the Company's mailing of a letter confirming the election to be served by the Choice Supplier, on the Customer's regularly scheduled meter reading date in the second calendar month following the month the enrollment information was received.
- 9.4 Multiple Enrollments. In the event a Customer is enrolled by more than one Choice Supplier in the same calendar month and the customer does not cancel any enrollment, the customer will be deemed to be served by the Choice Supplier submitting the most recent enrollment. The Company will send notice via an approved internet based EDI transaction to the Choice Supplier(s) that previously enrolled the Customer that the Customer was dropped and selected another Choice Supplier.

RULES AND REGULATIONS (Continued)

10. STANDARDS OF CONDUCT

10.1 Company is subject to the following rules established by the Commission in Docket No. M-00991249.F004.

- (1) A natural gas distribution company shall apply its tariffs in a nondiscriminatory manner to its affiliated natural gas supplier and any nonaffiliated natural gas supplier.
- (2) A natural gas distribution company shall not apply a tariff provision in any manner that would give its affiliated natural gas supplier an unreasonable preference over other natural gas suppliers with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or non-delivery, and all other services provided to its affiliated natural gas supplier.
- (3) Mandatory tariff provisions shall not be waived by a natural gas distribution company for any natural gas suppliers absent prior approval of the Commission.
- (4) If a tariff provision is not mandatory or provides for waivers, a natural gas distribution company shall grant the waivers without preference to its affiliated natural gas supplier or non-affiliated natural gas supplier.
- (5) A natural gas distribution company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours.
- (6) A natural gas distribution company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. A natural gas distribution company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.
- (7) If an natural gas distribution company provides a distribution service discount, fee waiver or rebate to its favored customers, or to the favored customers of its affiliated natural gas supplier, the natural gas distribution company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated customers. Offers shall not be tied to any unrelated service, incentive or offer on behalf of either the natural gas distribution company or its affiliated natural gas supplier. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.
- (8) Subject to customer privacy or confidentiality constraints, a natural gas distribution company shall not disclose, directly or indirectly, any customer proprietary information to its affiliated natural gas supplier unless authorized by the customer. To the extent that a natural gas distribution company does disclose customer information without customer authorization, it shall contemporaneously provide this same information to other similarly situated natural gas suppliers

RULES AND REGULATIONS (Continued)

10. STANDARDS OF CONDUCT (Continued)

in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated natural gas supplier any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours.

- (9) A natural gas distribution company shall justly and reasonably allocate to its affiliated natural gas supplier the costs or expenses for general administration or support services provided to its affiliated natural gas supplier.
- (10) Natural gas distribution companies shall not condition or tie the provision of any product, service or price agreement by the natural gas distribution company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated natural gas supplier.
- (11) A natural gas distribution company shall not give its affiliated natural gas supplier preference over a non-affiliated natural gas supplier in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. Natural gas distribution companies shall provide comparable treatment in its provision of such goods and services without regard to a customer's chosen natural gas supplier.
- (12) A natural gas distribution company and its affiliated natural gas supplier shall maintain separate books and records. Further, transactions between the natural gas distribution company and its affiliated natural gas supplier shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the natural gas distribution company function and the affiliated natural gas supplier function. The natural gas distribution company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated natural gas supplier may be clearly identified.
- (13) Natural gas distribution company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, shall not be shared with an affiliated natural gas supplier, and their offices shall be physically separated from the office(s) used by those working for the affiliated natural gas supplier. Such natural gas distribution company employees may transfer to an affiliated natural gas supplier provided such transfer is not used as a means to circumvent these interim standards of conduct.
- (14) Neither the natural gas distribution company nor its affiliated natural gas supplier shall directly or by implication, falsely and unfairly represent to any customer, natural gas supplier or third party that an advantage may accrue to any party through use of the natural gas distribution company's affiliates or subsidiary, such as:
 - That the Commission regulated services provided by the natural gas distribution company are of a superior quality when services is purchased from its affiliated natural gas supplier; or
 - That the merchant services (for natural gas) are being provided by the natural gas distribution company when they are in fact being provided by an affiliated natural gas supplier;

RULES AND REGULATIONS (Continued)

10. STANDARDS OF CONDUCT (Continued)

- That the natural gas purchased from a non-affiliated natural gas supplier may not be reliably delivered;
 - That natural gas must be purchased from an affiliated natural gas supplier to receive Commission regulated services.
- (15) When affiliated natural gas supplier market or communicate to the public using the natural gas distribution company name or logo, it shall include a legible disclaimer that states:
- That the affiliated natural gas supplier is not the same company as the natural gas distribution company;
 - That the prices of the affiliated natural gas supplier are not regulated by the Pa. PUC; and
 - That a customer does not have to buy natural gas or other products from the affiliated natural gas supplier in order to receive the same quality service from the natural gas distribution company.

When an affiliated natural gas supplier advertises or communicates verbally through radio or television to the public using the natural gas distribution company name or logo, the affiliated natural gas supplier shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.

- (16) Except in competitive bid situations a natural gas distribution company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated natural gas supplier or (b) offer or provide to its affiliated natural gas supplier products or services, including bill inserts in its natural gas distribution company bills promoting an affiliated natural gas supplier's services or a link from the natural gas distribution company's web-site, unless the natural gas distribution company offers or provides the products or service to all non-affiliated natural gas supplier on the same terms and conditions.
- (17) A natural gas distribution company shall not offer or sell natural gas commodity or capacity to its affiliated natural gas supplier without simultaneously posting the offering electronically on a source generally available to the market or otherwise making a sufficient offer to the market. The natural gas distribution company shall maintain a chronological log of these public dissemination. The chronological log shall be open for public inspection during normal business hours.
- (18) Natural gas distribution companies shall establish and file with the Commission a complaint procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (9), which are exclusively under the purview of the Commission. These procedures shall be developed in consultation with interested parties during consideration of any tariff guided by this section and §69.191 (relating to general). The Commission may grant an exception to these requirements if warranted by the facts or circumstances.

RULES AND REGULATIONS (Continued)

10. STANDARDS OF CONDUCT (Continued)

- (19) A natural gas distribution company shall keep a chronological log of any complaints, excepting paragraph (9), regarding discriminatory treatment of natural gas suppliers. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.
- (20) Dispute Resolution Procedures: In addition to the procedure set forth in paragraph 18:
- Any dispute between a natural gas supplier, and/or an affiliated natural gas supplier, and a non-affiliated natural gas supplier alleging a violation of any of these Standards of Conduct provisions, the natural gas supplier must provide the natural gas distribution company and/or affiliated natural gas supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.
 - Within five (5) days of a natural gas distribution company's and/or affiliated natural gas supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
 - In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.
 - If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
 - Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
 - Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. §332 (relating to Public Utility Code) in regard to the allegations and may impose penalties for such violations pursuant to 66 Pa.C.S. § 3301.
- (21) A natural gas distribution company shall file a compliance filing within sixty (60) days of the entry of an order approving or modifying a restructuring plan, which sets forth a detailed plan for compliance with this Standard of Conduct as well as the Commission separation and cost allocation requirements already ordered.
- (22) Every natural gas distribution company and its affiliated natural gas supplier shall formally adopt and implement these provisions as company policy and shall take appropriate steps to train and instruct its employees in their content and application.

RATE AG
AGGREGATION SERVICE

AVAILABILITY

Rate AG - Aggregation Service (AG Service) is available to and required for an approved Natural Gas Supplier (Choice Supplier) licensed by the Commission to provide natural gas supply service to customers who qualify to receive service under Rate RT (General Service - Residential Transportation), Rate NT (General Service - Non-Residential Transportation) or Rate CT (General Service - Commercial and Industrial Air Conditioning - Transportation) (hereinafter a Choice Supplier).

AGGREGATION SERVICE

A Choice Supplier qualified to receive Rate AG Aggregation Service shall aggregate the load of customers served under Rates RT, NT and CT customers in an Aggregation Pool Such Aggregation Pool is limited to customers served under Rates RT, NT and CT.

ASSIGNMENT OF COMPANY PIPELINE CAPACITY

Company has the right to require the Choice Supplier agrees to accept a release, assignment or transfer of Company pipeline capacity on a recallable basis. The minimum such assignment shall be one (1) Dth per day per pipeline path. Company retains the right to allow Choice Suppliers to use third party capacity to serve customers served under Rates RT, NT and CT.

RATE TABLE

Balancing Fee For Choice Supplier Utilizing Company Capacity Per Unit (\$/Mcf) -

(Total Cost of Pipeline Assets Retained by Company for System Balancing - Balancing Related PGC Credits) divided by (Projected Annual Sales and Transportation Volumes Utilizing the Assets, as projected in each annual 1307(f) filing). This rate will be posted on Company's Delivery Service Web Site or its successor and will be updated as required

Balancing Fee For Choice Suppliers Utilizing Third Party Capacity Per Unit (\$/Mcf) -

The product of (1) the difference between the rate for Texas Eastern's No-Notice Transportation Service (currently Rate CDS) from the Access Area to M-3 and the rate for Texas Eastern's Firm Transportation Service (currently Rate FT-1) from the Access Area to M-3 and (2) ((12 months divided by 365 days) divided by the PGC load factor), as adjusted for Company use and unaccounted for and the thermal content of the gas. This rate will be posted on Company's Delivery Service Web Site or its successor and will be updated as required

RATE AG (Continued)

(C)

AGGREGATION SERVICE

Switching Fee: \$10 / Customer Switch (The first switch to Rates RT, NT or CT Shall be Free).

Rate AG Enrollment Fee: \$500.

Credit Check of Choice Supplier: \$250 / Credit Check.

Failure to Deliver DDR: The difference in price between the highest published index price for Texas Eastern M-3 and the lowest published index price for Texas Eastern M-2, as published in *Platts' Gas Daily* on the table "Daily Price Survey", but shall not be lower than \$0.25/per Dth, applied to the difference between the DDR and the delivered volumes, plus all incremental costs incurred by Company as a result of the failure to deliver the DDR.

The Company may not charge for delivering in excess of the DDR if the overdelivery is anticipated to benefit the distribution system's daily balancing position as determined by Company in its sole discretion.

Failure to Comply With an OFO or DFD: \$75 / Dth plus all incremental costs incurred by the Company as a result of the failure to comply with the OFO or DFD.

Pipeline Capacity: Choice Supplier shall pay directly to the pipeline the charges for any assigned capacity.

Peak Shaving Facilities: As defined below

NOTICE

A Choice Supplier must provide Company, or any Commission-authorized alternative Supplier of Last Resort and its Rate RT, NT or CT Customer(s) with ninety (90) days advance written notice of its intention to discontinue natural gas supply service to a Customer(s) for any reason. In the event a Choice Supplier discontinues service or exits the market before its contract for natural gas supply service to a Rate RT, NT or CT Customer expires and such Customer returns to its Supplier of Last Resort, Choice Supplier shall provide all contract billing data required by Company or other Commission-approved Supplier of Last Resort to render bills to Choice Supplier's customers for the period between Choice Supplier's default or exit from the market and the customer's next meter reading date.

RIGHT OF FIRST REFUSAL

Should any Choice Supplier stop serving Customers in its Aggregation Pool, the Choice Supplier shall:

Return any capacity originally released, assigned or transferred to it by Company and offer to assign, release or transfer any third party capacity it acquired to serve Rate RT, NT or CT Customers at the contract rate until such time as the Company is able to contract for, using reasonable efforts, operationally equivalent capacity, or if requested, assign, release or transfer the capacity to another Choice Supplier that has accepted the customers in the Choice Supplier's Aggregation Pool; and

(C) Indicates Change

RATE AG (Continued)

AGGREGATION SERVICE

Continue to maintain its Financial Security, or alternate Company approved method of fulfilling Financial Security requirements, until it has satisfied all of its outstanding claims of the Company.

BALANCING

Company will balance the daily difference, if any, between the anticipated Customer use, as communicated through the DDR, and the actual usage of Choice Supplier's customers. For this service, the Choice Supplier shall pay to Company the applicable Balancing Fees shown in this rate schedule, per Mcf of Aggregation Pool usage, as measured at the meter.

RECONCILIATION

- (C) Company shall calculate the difference between the actual deliveries of each Choice Supplier's Aggregation Pool, and the usage of each such Aggregation Pool. The Company shall adjust future DDRs to account for any usage differences between forecasted weather and actual weather. Where actual meter reads cannot be obtained, the company will estimate usage and such estimate shall be deemed actual usage. At the time a Choice Supplier no longer has any Choice Customers enrolled the cumulative difference between delivered volumes and usage of the Choice Supplier's Aggregation Pool shall be cashed out at Company's average cost of gas purchased for the most recent 12 months. The average cost of gas shall be calculated as the product of the total commodity cost of gas purchases including transportation and fuel used and accounted for the most recent 12 months, divided by tariff sales for the same 12-month period.

PEAK SHAVING COMMODITY CHARGES

When a Choice Supplier is fully using assets assigned, released or transferred by Company, Company shall provide a peak shaving service. Such service is provided whenever the Company's Peak Shaving Facilities are used to augment pipeline deliveries, Company shall bill and Choice Supplier shall pay, a pro rata share of the Peak Shaving Facilities commodity costs.

DAILY FLOW DIRECTIVES

The Company shall have the right to issue DFDs. A DFD shall mean an order issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations.

Failure to comply with a properly communicated DFD will result in the penalty charge set forth within this rate schedule.

RATE AG (Continued)

AGGREGATION SERVICE

DFDs will be communicated to affected Choice Suppliers either electronically, by telephone, facsimile or other method agreed upon between Company and Choice Supplier. Choice Suppliers must provide the Company with a 24-hour contact.

OPERATIONAL FLOW ORDERS

The Company shall have the right to issue Operational Flow Orders (OFOs) on a daily or intraday basis. An OFO shall mean a directive issued by Company to the Choice Supplier, which is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day.

Failure to comply with a properly communicated OFO will result in the penalty charge set forth within this rate schedule.

OFOs will be communicated to affected Choice Suppliers either electronically, by telephone, facsimile or other method agreed upon between Company and Choice Supplier. Choice Suppliers must provide the Company with a 24-hour contact.

NATURAL GAS SUPPLY PLANS

Choice Supplier shall cooperate with Company in the preparation of such reliability plans required under Section 1317 of the Public Utility Code, and shall provide all reasonable information related to gas deliverability assets under its control required by Company including providing copies of pipeline capacity contracts or delivered supply contracts, or, in lieu of providing such contracts, warrant pertinent information as required by the Company or any regulatory authority. Choice Supplier shall also enter into any necessary contractual arrangements, or make any required regulatory filings, to ensure that contracts and assets under its control, which are relied upon in Company's reliability plan, are available to Company or Commission-authorized supplier of last resort in accordance with Choice Supplier's obligations under its Aggregation Agreement and this Tariff.

RATE AG (Continued)
AGGREGATION SERVICE

COMPLIANCE WITH COMMISSION REQUIREMENTS

Choice Supplier shall at all times comply with all applicable Commission requirements and regulations.

UGI UTILITIES, INC.

**AGGREGATION AGREEMENT
FOR RATE SCHEDULES RT, NT and CT
(Pro Forma)**

This Aggregation Agreement For Rate Schedules RT, NT and CT ("Aggregation Agreement") is made and entered into this _____ day of _____, 200__, by and between UGI Utilities, Inc., a Pennsylvania Corporation ("Company"), and _____, a _____ ("Choice Supplier").

WHEREAS, Company is a Pennsylvania public utility that, amongst other things, provides intrastate transportation service to Rate RT, NT and CT customers located within its certificated service territory; and

WHEREAS, Choice Supplier is engaged in the business of selling natural gas supply services, and desires to market such services to Rate RT, NT and CT customers located within Company's certificated service territory; and

WHEREAS, pursuant to the terms and conditions set forth in this Aggregation Agreement, Company is willing to receive natural gas supplies at specified points of interconnection situated between Company's facilities and the facilities of one or more interstate natural gas pipeline companies to serve the aggregated load of Rate RT, NT and CT customers served by Choice Supplier, and to provide other services to facilitate the provision by Choice Supplier of natural gas supply services to customers; and

WHEREAS, pursuant to the terms and conditions set forth in this Aggregation Agreement, Choice Supplier is willing to deliver natural gas supplies for receipt by Company for subsequent transportation and redelivery at specified end-use customer locations, and to acquire aggregation services from Company.

NOW, THEREFORE, intending to be legally bound hereby, Company and Choice Supplier agree as follows:

ARTICLE I. DEFINITIONS

For the purposes of this Aggregation Agreement, in addition to any definitions set forth in Company's Gas Service Tariff and *Nomination Procedure*, which are hereby incorporated herein by reference, the following definitions apply:

1. **Aggregation Service** means services provided by Company to Choice Supplier to facilitate the delivery of gas supplies to customers receiving service under Rates RT, NT and CT.

2. **Balancing** means services provided by Company to cover differences between a Choice Supplier's Daily Delivery Requirement and the actual usage of the Choice Supplier's Aggregation Pool.

3. **Customer** means a recipient of service under Rate Schedules RT, NT and CT that contracts for natural gas supply service from a Choice Supplier.

4. **Daily Delivery Requirement (DDR)** means the daily quantities of natural gas supplies a Choice Supplier is required to deliver for an Aggregation Pool, as forecasted and communicated by Company, and may specify the required points of delivery. Such forecast shall be calculated to include volumes needed for end-use requirements, prior imbalances and Company use and unaccounted for gas.

5. **Daily Flow Directive** (DFD) means a directive issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations.

6. **Delivery Point** means a point specified by Company where Choice Supplier may deliver natural gas supplies for subsequent redelivery by Company to Choice Marketer's Rate RT, NT and CT customers.

7. **Operational Flow Order ("OFO")** means a directive issued by Company to Choice Supplier, which is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day.

8. **Transportation** means a service provided by Company on its facilities that enables gas owned by others to be received into, moved through, and delivered out of facilities owned, leased, or operated and controlled by Company.

9. **Upstream Capacity Assignment, Release or Transfer** means the process to provide access to interstate pipeline capacity and storage contracts owned by Company to Choice Supplier pursuant to Company's tariff and any applicable regulatory rules.

ARTICLE II. **TERM**

This Aggregation Agreement shall become effective on _____ and shall remain in effect, unless terminated pursuant to Section 6.1 hereof, or by either party by providing ninety (90) days' prior written notice, for so long as Choice Supplier is qualified to receive Rate AG service from Company. In the event this Aggregation Agreement expires or terminates, Company shall have no obligation, as between Choice Supplier and Company, to accept any natural gas supplies tendered by Choice Supplier for receipt into Company's facilities, and Choice Supplier's payment and financial obligations shall continue until fully discharged.

ARTICLE III. CHOICE SUPPLIER'S OBLIGATIONS

1. **Compliance.** Choice Supplier agrees that it shall comply with all of the applicable terms and conditions of Company's Gas Service Tariff and Company's Supplier Tariff, both of which are hereby incorporated by reference.

2. **Upstream Pipeline Capacity.** Choice Supplier shall accept a release, assignment or transfer, on a recallable basis, of a pro-rata portion, but in no event less than one (1) Dth per day per pipeline path, of Company's interstate pipeline and storage contracts at the applicable contract rate or, if authorized by Company, obtain firm pipeline transportation capacity for delivery of gas supply to a delivery point(s) as determined by Company in an amount sufficient to meet the Company-specified peak requirements of its Aggregation Pool.

3. **Natural Gas Supplies.** In the event Company has contracted for gas supplies either for storage or flowing gas for retail customers, who subsequently elect to receive service under Rates RT, NT or CT, Choice Supplier shall purchase from Company a pro rata share of that supply. In the event Choice Supplier receives a release, assignment or transfer from Company of a storage contract, Choice Supplier shall maintain storage inventories at seasonal levels specified by Company consistent with its reliability plan. In the event Company recalls such storage capacity to meet system needs, Company shall have the right to purchase any associated storage inventory at cost, and Choice Supplier shall not enter into any contractual or other arrangements that might impair Company's ability to make such purchases.

4. **Customer Enrollment.** Choice Supplier will provide notification of customer enrollment, including, but not limited to customer name and respective account number, for all customers on whose behalf Choice Supplier is authorized to deliver gas. All customers enrolled by the 15th of each month will be transferred to their respective Choice Supplier effective with their next calendar month meter read. Enrollment information must be provided via approved internet based Electronic Data Interchange (EDI) transactions, or as otherwise determined by Company.

UGI Utilities, Inc.

5. **DDR.** Each day, Choice Supplier shall deliver its Daily Delivery Requirement, as directed by Company.
6. **Charges.** Choice Supplier shall pay all charges set forth in Company's Rate AG billed by Company on or before the due date.
7. **Creditworthiness.** Choice Supplier shall establish, and maintain throughout the term of this Aggregation Agreement, and thereafter until all of Choice Supplier's payment obligations incurred under this Aggregation Agreement have been fully discharged, a satisfactory Financial Security status with Company. To enable the Company to determine credit status, Choice Supplier will provide to the Company the following: 1) relevant financial information to determine creditworthiness; 2) appropriate trade and banking references; and 3) written consent for Company to conduct a credit investigation. In addition, Choice Supplier shall comply with the Financial Security provisions of Company's Supplier Tariff, and may, based on Choice Supplier's credit standing with Company, be required to provide financial security in excess of the minimum amounts specified therein.
8. **Standards of Conduct.** Choice Supplier shall abide by all standards of conduct and other legal requirements applicable to Choice Supplier's line of business, including but not limited to the standard of conduct applicable to Choice Suppliers set forth in rules and regulations established by regulatory bodies having jurisdiction over Choice Supplier's activities, and other applicable law.
9. **Payments.** Choice Supplier will remit payment for all services within 10 days after receipt of Company invoice. A late payment charge of 1.50% per month will be applied to all outstanding balances as of the due date.
10. **Customer List.** Choice Supplier shall execute an Electronic Trading Partner Agreement and will keep confidential any customer information acquired either directly or indirectly from Company, and use such information solely for the purpose of offering natural gas supply service to Rate RT, NT and CT customers. In the event the Company determines the Choice Supplier impermissibly released customer information to another party, in addition to all available remedies, Company may, at its option, immediately cancel this Aggregation Agreement.

ARTICLE IV. COMPANY'S OBLIGATIONS

1. **DDR.** Company shall provide Choice Supplier with its DDR for each Gas Day. Company shall accept receipt of all gas volumes up to the DDR. Company shall have the right to accept, but shall in no instance be required to accept, an Over-delivery by Choice Supplier. The acceptance of such over delivery shall not constitute any waiver of any provisions of the Company's Gas Service Tariff or *Nomination Procedure*.

2. **Monthly Statement.** Company shall bill Choice Supplier by the 15th of each month for services provided by Company during the preceding month and other amounts due to Company.

3. **Enrollment Notification.** Company shall generate and send a letter to all customers enrolled by a Choice Supplier indicating the supplier selected and the date service from the Choice Supplier is scheduled to commence. All customers enrolled by the 15th of each month will be transferred to their respective Choice Supplier effective with their next calendar meter read if customer does not respond within ten (10) days following confirmation to challenge the enrollment. Company shall send an electronic message confirming the selection to the Choice Supplier. In the event a customer is enrolled by two or more suppliers, the Company will send a confirmation notice for the last Choice Supplier that enrolled the customer, and the other enrolling supplier will be notified of that fact.

4. **Rate AG.** Company shall provide all of the other aggregation services applicable to Choice Supplier specified in the Rate AG provisions of its tariff.

ARTICLE V. BILLING SERVICE

5.1 **Standard Billing Service.** Company shall bill Choice Supplier's Rate RT, NT and CT customers for natural gas supply services provided by Choice Supplier unless a Choice Supplier's customer elects to receive a separate bill for such services from its Choice Supplier. Choice Supplier must provide all billing rate information no later than ten (10) days prior to the effective date of such rate.

5.2 **Standard Billing Charges.** Choice Supplier shall pay to Company the following fees for billing services:

Billing Fee \$0.25/Bill.

Billing Adjustment Fee Affecting One (1) Month - \$3.10/Revised Bill

Affecting More than One (1) Month - \$3.60/Revised Bill

5.3 **Negotiated Billing Service.** In the event a Choice Supplier wants Company to provide a billing service other than the Standard Billing Service, such service shall be negotiated between Company and Choice Supplier.

5.4 **Choice Supplier Budget Billing.** The Company will bill all budget billing amounts calculated and provided by the Choice Supplier. The Company will not determine or reconcile a License Supplier's budget bill charge.

ARTICLE VI. REMEDIES

6.1. **Termination Upon Default.** In addition to other rights a party may have under this Aggregation Agreement, if either party fails to perform an obligation, or breaches any representation or warranty ("Defaulting Party") under this Agreement, then the other party (Non-Defaulting Party") shall have the right to terminate this Agreement by providing prior written notice thereof to the Defaulting Party. Termination pursuant to this Article shall be without waiver of any additional remedy, whether at law or in equity, to which the party not in default otherwise may be entitled for breach of this Agreement.

6.2. **Limitation of Liability.** Except as expressly permitted under this Agreement and Company's Gas Service Tariff, neither party shall be entitled to recover incidental, consequential or punitive damages, or lost profits, for any breach by the other party of an obligation, representation or warranty under this Agreement, provided such limitation shall not apply to willful or grossly negligent misconduct on the part of the Defaulting Party.

ARTICLE VII. REPRESENTATIONS, WARRANTIES AND INDEMNIFICATION

Choice Supplier warrants that 1) it shall have good title to all natural gas tendered for receipt by Company hereunder, or is authorized by the owner of such gas to tender it for delivery to Company, and 2) such gas will be free and clear of all liens, encumbrances, and claims whatsoever. Choice Supplier shall fully indemnify Company, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of a breach of such warranties.

ARTICLE VIII. LIMITATION OF THIRD PARTY RIGHTS

This Agreement is entered into solely for the benefit of the Company and the Choice Supplier, and is not intended and should not be deemed to vest any rights, privileges or interests of any kind or nature to any third party, including, but not limited to the Customers that comprise Choice Supplier's Pool under this Agreement.

ARTICLE IX. SUCCESSION AND ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. However, no assignment of this Agreement, in whole or in part, will be made without the prior written approval of the non-assigning party. The written consent to assignment shall not be unreasonably withheld.

ARTICLE X. APPLICABLE LAW AND REGULATIONS

This Agreement shall be construed under the laws of the State of Pennsylvania and shall be subject to all valid applicable State, Federal and local laws, rules, orders, and regulations. Nothing herein shall be construed as divesting or attempting to divest any regulatory body of any of its rights, jurisdiction, powers or authority conferred by law.

ARTICLE XI. NOTICES AND CORRESPONDENCE

Written notice and correspondence to Company shall be addressed as follows:

UGI Utilities, Inc.
100 Kachel Blvd. Suite 400
P.O. Box 12677
Reading, PA 19612-2677
Attention: V. O. Ebner
Telephone: (610) 796-3667
Facsimile: (610) 796-3559
Computer: vebner@ugi.com

Written notices and correspondence to Choice Supplier shall be addressed as follows:

Name
Address

Attention: _____
Telephone:
Facsimile
Computer:

Either party may change its address for receiving notices effective upon receipt, by written notice to the other party.

ARTICLE XII. MISCELLANEOUS

12.1 No modification of the terms and provisions of this Agreement shall be or become effective except by execution of written contracts or by modification of Company's Gas Service Tariff.

12.2. No waiver by any party of any one of more defaults by any other party of any provisions of this Agreement shall operate or be construed as a waiver of any subsequent or previous default or default, whether of a like or a different character.

12.3. In the event any tax or assessment is imposed, directly or indirectly, upon the gas tendered to, or received by Company for redelivery, Choice Supplier agrees to bear the amount of such tax or assessment. In the event that Company is required to pay such tax, Choice Supplier agrees to reimburse Company for such payment.

12.4. The subject heading of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

12.5. In the event of a conflict between the provisions of this Agreement and Company's Gas Service Tariff, the provisions of Company's Gas Service Tariff shall govern.

UGI Utilities, Inc.

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the day and year first above written.

ATTEST:

UGI UTILITIES, INC.

BY _____

ATTEST

CHOICE SUPPLIER

BY _____

UGI UTILITIES, INC. – GAS DIVISION

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Information Submitted Pursuant to

Section 53.51 et seq of the Commission’s Regulations

UGI GAS EXHIBIT F – PROPOSED TARIFF

ORIGINAL TARIFF

UGI UTILITIES, INC. – GAS DIVISION – PA P.U.C. NO. 6

DOCKET NO. R-2015-2518438

Issued: January 19, 2016

Effective: March 19, 2016

UGI UTILITIES, INC. – GAS DIVISION

GAS TARIFF

INCLUDING THE GAS SERVICE TARIFF

AND

GAS CHOICE SUPPLIER TARIFF

Rates and Rules Governing the Furnishing of
Natural Gas Service
In
The Territory Described Herein

Issued: January 19, 2016

Effective for service rendered on
and after March 19, 2016.

Issued By:

Paul J. Szykman
Vice President – Rates and Government Relations
Vice President and General Manager – Electric Utilities
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, PA 19612-2677

<http://www.ugi.com>

NOTICE OF TARIFF CHANGES
to UGI Utilities, Inc. Gas Division
P.U.C. Nos. 5 and 5-S through UGI-Gas
Proposed Original UGI Gas – Pa.
P.U.C Nos. 6 and 6-S

This tariff makes increases/decreases/changes in existing rates
(See Attached List of Changes)

NOTICE OF TARIFF CHANGES (CONT.)

Description of Territory - West Region

DAUPHIN COUNTY: CITY of Harrisburg; BOROUGHES of Dauphin, Highspire, Hummelstown, Middletown, Paxtang, Penbrook, Royalton and Steelton; TOWNSHIPS of Conewago, Derry (including Hershey), East Hanover, Londonderry, Lower Paxton, Lower Swatara, Middle Paxton, South Hanover, Susquehanna, Swatara and West Hanover.

CUMBERLAND COUNTY: BOROUGHES of Camp Hill, Carlisle, Lemoyne, Mechanicsburg, Mt. Holly Springs, New Cumberland, Shiremanstown, West Fairview, Wormleysburg; TOWNSHIPS of Dickinson, East Pennsboro, Hampden, Lower Allen, Middlesex, Monroe, North Middleton, Silver Spring, South Middleton and Upper Allen.

LEBANON COUNTY: CITY of Lebanon; BOROUGHES of Cleona, Cornwall, Myerstown, Palmyra and Richland; TOWNSHIPS of Annville, Bethel, Jackson, Millcreek, North Annville, North Cornwall, North Lebanon, North Londonderry, South Annville, South Lebanon, South Londonderry, Swatara, Union, West Cornwall, and West Lebanon.

YORK COUNTY: TOWNSHIPS of Fairview and Newberry

FRANKLIN COUNTY: Portions of TOWNSHIPS of Greene, Hamilton, and Letterkenny located in the Letterkenny Army Depot.

LANCASTER COUNTY: CITY of Lancaster; BOROUGHES of Adamstown (part), Akron, Columbia, Denver, East Petersburg, Elizabethtown, Ephrata, Lititz, Manheim, Marietta, Millersville, Mount Joy, Mountville, New Holland, Quarryville, and Strasburg; TOWNSHIPS of Caernarvon, Clay, Conoy, Earl, East Earl, East Cocalico, East Donegal, East Drumore, East Hempfield, East Lampeter, Ephrata, Lancaster, Leacock, Manheim, Manor, Mount Joy, Paradise, Penn, Pequea, Rapho, Strasburg, Upper Leacock, Warwick, West Cocalico, West Donegal, West Earl, West Hempfield and West Lampeter.

NOTICE OF TARIFF CHANGES (CONT.)

Description of Territory - East Region

BERKS COUNTY: CITY of Reading; BOROUGHS of Adamstown (part), Bally, Birdsboro, Boyertown, Fleetwood, Kenhorst, Kutztown, Laureldale, Leesport, Lyons, Mohnton, Mt. Penn, New Morgan, Robeson, St. Lawrence, Shillington, Sinking Spring, Topton, Wernersville, West Reading, Womelsdorf, Wyomissing and Wyomissing Hills; TOWNSHIPS of Alsace, Amity, Bern, Caernarvon, Colebrookdale, Cumru, Douglass, Exeter, Heidelberg, Hereford, Longswamp, Lower Alsace, Lower Heidelberg, Maiden Creek, Marion, Maxatawny, Muhlenberg, Ontelaunee, Perry, Richmond, Robeson, Rockland, Ruscombmanor, South Heidelberg, Spring, Union and Washington.

MONTGOMERY COUNTY: TOWNSHIPS of Douglass, New Hanover and a restricted area of Limerick Township.

CHESTER COUNTY: TOWNSHIPS of East Coventry (part), Honey Brook (part), and North Coventry (part).

LEHIGH COUNTY: CITIES of Allentown, Bethlehem (part); BOROUGHS of Alburtis, Catasauqua, Coopersburg, Coplay, Emmaus, Fountain Hill, Macungie, TOWNSHIPS of Hanover, Lower Macungie, North Whitehall, Salisbury, South Whitehall, Upper Macungie, Upper Milford, Upper Saucon, Weisenburg, and Whitehall.

NORTHAMPTON COUNTY: CITIES of Bethlehem (part), Easton; BOROUGHS of Bath, Freemansburg, Glendon, Hellertown, Nazareth, Northampton, North Catasauqua, Stockertown, Tatamy, West Easton, Wilson; TOWNSHIPS of Allen, Bethlehem, Bushkill, East Allen, Forks, Hanover, Lower Mount Bethel, Lower Nazareth, Lower Saucon, Palmer, Upper Nazareth, and Williams.

BUCKS COUNTY: BOROUGHS of Perkasio, Quakertown, Richlandtown, Riegelsville, Sellersville, Silverdale, Trumbauersville; TOWNSHIPS of Durham, East Rockhill, Haycock, Hilltown, Milford, Nockamixon, Richland, Springfield, and West Rockhill.

CARBON COUNTY: BOROUGH of East Side; TOWNSHIPS of Banks, Kidder and Packer.

LUZERNE COUNTY: CITY of Hazleton; BOROUGHS of Conyngham, Freeland, West Hazleton and White Haven; TOWNSHIPS of Butler, Dennison, Foster, Hazel, Hollenback (in part), and Sugarloaf.

MONROE COUNTY: BOROUGH of Mount Pocono; TOWNSHIPS of Chestnuthill, Coolbaugh, Paradise, Pocono, Tobyhanna and Tunkhannok.

SCHUYLKILL COUNTY: BOROUGH of McAdoo; TOWNSHIPS of East Union and Kline.

LIST OF CHANGES

UGI GAS Proposed Tariff Nos. 6 and 6-S

To

UGI GAS Current Tariff Nos. 5 and 5-S

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
Title Page	1	Cover Page	--	Updated to reflect new tariff name, number, issue date and effective date.
List of Changes Made by this Supplement	2	List of Changes Made by this Supplement	1	Updated for all Tariff revisions detailed below. Page renumbered.
Table of Contents	3-4	Table of Contents	6-7	Pages renumbered and content updated to reflect changes in proposed tariff.
Description of Territory	5-6	Description of Territory - West Region - East Region	8 8-9	Pages renumbered. Tariff No. 6 reinstates two townships in Chester County, East Coventry and North Coventry, which were inadvertently deleted from an earlier supplement.
Definitions – General	7-11	Various – Throughout Tariff	--	Inserted definitions section consistent with UGI CPG Gas Service Tariff No. 4. In addition, new definitions have been added for Company and Extension Applicant.

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
1. The Gas Service Tariff	12	1. The Gas Service Tariff	10	The UGI NGDCs aim to standardize the Gas Tariffs across the three UGI NGDCs to the extent reasonably practicable. This Section 1 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 1 of UGI CPG's Gas Service Tariff No. 4. In addition, Section 1.3 Rules and Regulations has been carried over from UGI Gas Service Tariff No. 5 and included as Section 1.4 in UGI Gas Service Tariff No. 6.
2. Contract for Gas Service	13-15	2. Contract for Gas Service	10-11	<p>This Section 2 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 2 of UGI CPG's Gas Service Tariff No. 4.</p> <p>Section 2.1 has been clarified to address applicability of signed contracts to certain non-residential customers.</p> <p>Section 17.3 in UGI Gas Tariff No. 5 has been moved to Section 2.3 in UGI Gas Service Tariff No. 6 and modified to be consistent with Section 16.2 of UGI CPG Gas Service Tariff No. 4.</p> <p>Section 2.4.1, Selection of Rate Schedules, has been carried over from UGI Gas Service Tariff No. 5 and</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				included as Section 2.4 in UGI Gas Service Tariff No. 6.
3. Guarantee of Payment	16-19	3. Guarantee of Payment	12-14	<p>This Section 3 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 3 of UGI CPG's Gas Service Tariff No. 4, including modifying language in Section 3.1 to current deposit requirements for non-residential customers to now include a minimum \$50 deposit.</p> <p>Additionally, UGI Gas Service Tariff No. 5, Section 3.8(b), Security from Large Volume Customers, has been retitled and renumbered as Section 3.2, Additional Security from Large Volume Customers, and clarified.</p>
4. Service - Supply Facilities	20-21	4. Service – Supply Facilities	15	<p>This Section 4 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 4 of UGI CPG's Gas Service Tariff No. 4. In addition, language has been modified to further clarify facility ownership, protection, connection points and Company/Customer responsibilities.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
5. Extension Regulation	22-26	5. Extension Regulation	16-18(a)	This Section 5 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 5 of UGI CPG's Gas Service Tariff No. 4, which updates the methodology utilized to determine allowable investment amounts for extensions and expansions. In addition, clarifying language changes have been made addressing application, cost elements of estimates, restoration obligations and the provision of facilities supporting daily metering functions and cost obligations.
6. Customer's Responsibility for Company's Property	27-28	7. Customer's Responsibility for Company's Property	20	This Section 6 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 6 of UGI CPG's Gas Service Tariff No. 4 and repositioned in the proposed tariff.
6. Customer's Responsibility for Company's Property	27-28	6. Customer's Facilities	19	This Section 6 of UGI Gas Service Tariff No. 5 has been included in Section 6 of UGI Gas Service Tariff No. 6.
7. Meter Reading	29	8. Meter Reading	20	This Section 7 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 7 of UGI CPG's Gas Service Tariff No. 4 with the exception of Section 7.4 Heat Value Correction which was eliminated.

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
7. Meter Reading	29	10. Tests	25	Section 10 of UGI Gas Service Tariff No. 5 has been moved to Section 7 of UGI Gas Service Tariff No. 6.
8. Billing and Payment	30-32	9. Billing and Payment	21-24	<p>This Section 8 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 8 of UGI CPG's Gas Service Tariff No. 4.</p> <p>UGI Gas Service Tariff No. 5 Section 9.0 has been moved to UGI Gas Service Tariff No. 6 Section 8.11.</p> <p>UGI Gas Service Tariff No. 5 Section 9.10 has been moved to UGI Gas Service Tariff No. 6 Section 8.12.</p> <p>Changes eliminate numerous transaction based tariff charges contained in UGI Gas Service Tariff No. 5 including: Section 9.7 Payment Made to Collector Charge, Section 9.8 Bill History Charge, Section 9.9 LIFSO (Landlord If Shut Off) Charge, Section 9.11 Turn On Charge, Section 9.12 Shut Off Charge, Section 9.13 Set Meter Charge and Section 9.14 Change of Customer Charge.</p> <p>Additionally, the fee for a returned check is increased from \$20 to \$35.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				Lastly, a schedule of meter test fees pursuant to Chapter 56 have been added.
9. Termination and Discontinuance of Service	33-34	11. Termination or Discontinuance of Service	27-28	This Section 9 of UGI Gas Service Tariff No. 6 is updated to be made largely consistent with Section 9 of UGI CPG's Gas Service Tariff No. 4 and repositioned in the proposed tariff. Additional changes include updating the current reconnect fee of ½ hour Company service charge to reflect the current actual rate of \$73.00.
10. Rider A – State Tax Adjustment Surcharge	35	14. State Tax Surcharge	39	Repositioned in the proposed tariff and redesignated as Rider A from Section 14. This Section 10 of UGI Gas Service Tariff No. 6 is updated in format to be made consistent with Section 10 of UGI CPG's Gas Service Tariff No. 4.
11. Rider B – Section 1307 (f) Purchased Gas Costs	36-39	13. Purchase Gas Cost	29-37	Repositioned in the proposed tariff and redesignated as Rider B. This Section 11 of UGI Gas Service Tariff No. 6 is updated in format to be made consistent with Section 11 of UGI CPG's Gas Service Tariff No. 4. References to PGC(2) have been removed consistent with the elimination of PGC(2).

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				<p>PGC credits related to transportation customer capacity releases or assignments and balancing services have been consolidated and clarified in this section.</p> <p>Language has been removed/added to address the elimination of the Interruptible Revenue Credit (IRC) mechanism and address the resulting final balance disposition.</p>
12. Rider C – Migration Rider	40	13. Purchase Gas Cost	29-37	Repositioned in the proposed tariff and redesignated as Rider C from Section 13.5, page 34 of UGI Gas Service Tariff No. 5. This Section 12 of UGI Gas Service Tariff No. 6 is updated in format to be made consistent with Section 12 of UGI CPG’s Gas Service Tariff No. 4.
13. Rider D – Merchant Function Charge	41	13A. Merchant Function Charge	38	<p>Repositioned in the proposed tariff and redesignated as Rider D from Section 13.A. This Section 13 of UGI Gas Service Tariff No. 6 is updated in format to be made consistent with Section 13 of UGI CPG’s Gas Service Tariff No. 4.</p> <p>Outdated language and eliminated rate schedules have been removed.</p>
14. Rider E – Gas Procurement Charge	42	13.B. Rider GPC – Gas Procurement Charge	38(a)	Repositioned in the proposed tariff and redesignated as Rider E. This Section 14 of UGI Gas Service

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				Tariff No. 6 is updated to be made consistent with Section 14.A. of UGI CPG's Gas Service Tariff No. 4.
15. Price to Compare	43	13.C. Price to Compare	38(a)	Repositioned in the proposed tariff and redesignated as Section 15 from Section 13.C of UGI Gas Service Tariff No. 5. This Section 15 of UGI Gas Service Tariff No. 6 is updated in format to be made consistent with Section 14.B. of UGI CPG's Gas Service Tariff No. 4.
16. Rider F – Universal Service Program	44-45	14.A. Rider LISHP	40-40(a)	Repositioned in the proposed tariff and redesignated as Rider F. The Section title has been modified. This Section 16 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 14 of UGI CPG's Gas Service Tariff No. 4. In addition, language has been repositioned, added and removed in this Section.
17. Rider G – Energy Efficiency and Conservation Rider	46-47	Not in Tariff No.5	--	New Rider applicable to the Proposed Tariff.
18. Rider H – Technology and Economic Development Rider	48	Not in Tariff No.5	--	New Rider applicable to the Proposed Tariff.
These Pages Reserved for Future Use	49-52	Not in Tariff No.5		Inserted blank pages as a placeholder to make future tariff changes as needed.
19. Gas Emergency Planning	53-57	15. Emergency Service and Curtailment of Service	41-46	Section title has been modified. Repositioned in the proposed tariff as Section 19 from Section 15 of UGI

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				Gas Service Tariff No. 5. This Section 19 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 15 of UGI CPG’s Gas Service Tariff No. 4. In addition, Section 15.10 Penalties for Unauthorized Takes in UGI Gas Service Tariff No.5 has been moved to Section 19.10 of UGI Gas Service Tariff No. 6.
20. General Terms for Delivery Service for Rate Schedules DS, LFD, XD and IS	58-63	17. General Terms for Delivery Service	53-62	<p>The Section title has been modified and repositioned in the proposed tariff. This Section 20 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 16 of UGI CPG’s Gas Service Tariff No. 4.</p> <p>General clarifying format and language changes have been made.</p> <p>Section 20.1(d) has been added to address customer default remedy.</p> <p>Removed historic and defunct take-or-pay language provisions.</p> <p>Clarified and updated billing pool language.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				<p>Section 20.1(j) has been added to standardize retainage rate language.</p> <p>Section 20.2(a) has been modified to update remedy language related for default or misuse of balancing services.</p> <p>Section 20.2(c) has been modified to update applicable cash-in/cash-out index prices.</p> <p>Section 20.4 has been added to update daily balancing charges to mirror those found in UGI CPG's Gas Service Tariff No. 4, Section 16.5; applicable index rates have been updated.</p> <p>Section 20.5 adds language related to applicable Operational Flow Orders and Daily Flow Directives.</p> <p>Supply transfer fees have been modified to apply on a transaction basis rather than volumetric basis.</p> <p>Information service fees have been eliminated.</p> <p>Pooling fees have been eliminated.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				<p>Applicable PGC credit language in Gas Service Tariff No. 5 has been moved to Section 11 in UGI Gas Service Tariff No. 6.</p> <p>Section 17.3 in UGI Gas Tariff No. 5 has been moved to Section 2.3 in UGI Gas Service Tariff No. 6 and modified to be consistent with Section 16.2 of UGI CPG Gas Service Tariff No. 4.</p>
21. General Terms for Interconnection Coordination Services for Connecting Entities	64	16. General Terms for Interconnection Coordination Services for Connecting Entities	47	Repositioned in the proposed tariff. This Section 21 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 17 of UGI CPG's Gas Service Tariff No. 4 and Section 16 of the UGI Gas Service Tariff No. 5.
Rate R – General Service – Residential	65	Rate R – General Service - Residential	64-65	<p>This Rate R of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate R of UGI CPG's Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No. 5 have been revised as follows:</p> <p>Total Space Conditioning Option has been eliminated.</p> <p>Low Income Self-Help Program (LISHP) has been incorporated in Rider F – Universal Service Program.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				<p>Standby Availability has been eliminated.</p> <p>Single block distribution rate charge replaces two block charge.</p> <p>Minimum Bill Provision has been added.</p> <p>Surcharges and Riders section has been added.</p>
Rate RT - General Service – Residential Transportation	66-67	Rate RT – General Service – Residential Transportation	66-67	<p>This Rate RT of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate RT of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No. 5 have been revised as follows:</p> <p>Standby Availability has been eliminated.</p> <p>Single block distribution rate charge replaces two block charge.</p> <p>Minimum Bill Provision has been added.</p> <p>Surcharges and Riders section has been added.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
Rate GL – General Service – Gas Light Service	68	Rate GL – Gas Light Service	68-69	<p>This Rate GL of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate GL of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No. 5 have been revised as follows:</p> <p>Monthly usage assumption has been added.</p> <p>Surcharges and Riders section has been added.</p>
Rate N – General Service – Non Residential	69-70	Rate N – General Service – Non-Residential	70-71	<p>This Rate N of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate N of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>Total Space Conditioning Option has been eliminated.</p> <p>Standby Availability has been eliminated.</p> <p>Single block distribution charge replaces three block charge and the elimination of the winter/summer billing periods.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				<p>Minimum Bill Provision has been added and the reference to gas used for space heating has been eliminated.</p> <p>Surcharges and Riders section has been added.</p>
Rate NT - General Service – Non Residential Transportation	71-72	Rate NT – General Service – Non-Residential Transportation	72-73	<p>This Rate NT of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate NT of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>Standby Availability has been eliminated.</p> <p>Single block distribution charge replaces three block charge and the winter/summer billing periods have been eliminated.</p> <p>Surcharges and Riders section has been added.</p> <p>Minimum Bill Provision has been added and the reference to gas used for space heating has been eliminated.</p> <p>Company use and unaccounted for gas language has been modified.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
Rate GBM – Gas Beyond the Mains	73-74	Rate GBM – Gas Beyond the Mains	74-75	<p>The following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>Language added to define Customer Charge and a single block distribution charge that is tied to Rate N.</p> <p>Surcharges and Riders section has been added.</p>
Rate DS – Delivery Service	75-76	Rate DS – Delivery Service	89-90	<p>This Rate DS of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate DS of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>The System Access Fee has been eliminated.</p> <p>Single block distribution charge replaces three block charge and the elimination of the winter/summer billing periods.</p> <p>Firm service and available delivery capacity subject to curtailment provisions has been eliminated.</p> <p>Charge for Other Transportation, Capacity and/or Storage has been eliminated as redundant.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				<p>Surcharges and Riders section has been added.</p> <p>Company use and unaccounted for gas language has been modified.</p>
Rate NNS – No Notice Service	77-78	Rate NNS – No-Notice Service	92-93	<p>This Rate NNS of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate NNS of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Language has been modified to further clarify inadvertent fluctuations under this rate and language has been deleted related to cumulative balance.</p>
Rate MBS – Monthly Balancing Service	79	Rate MBS – Monthly Balancing Service	94-95	<p>This Rate MBS of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate MBS of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Terms and Conditions: Balance Account Valuation and Value Balance provisions have been removed.</p> <p>Monthly Rate Table has eliminated volume rate blocks.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
Rate LFD – Large Firm Delivery Services	80-83	Rate LFD – Large Firm Delivery Service	114-117	<p>Repositioned in the Proposed Tariff. This Rate LFD of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate LFD of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No.5 has been revised as follows:</p> <p>Tariff language has been simplified to remove redundant language and other clarifying language has been added.</p> <p>Contract terms have been shortened.</p> <p>Capacity warranty provisions have been removed.</p> <p>System Access Fee has been deleted.</p> <p>Single block distribution charge replaces three block charge and the winter/summer billing periods have been eliminated.</p> <p>Surcharges and Riders section has been added.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				Company use and unaccounted for gas language has been modified.
Rate XD – Extended Large Firm Delivery Service	84-86	Rate XD – Extended Large Volume Delivery Service	108-110	<p>This Rate LFD of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate LFD of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Language related to capacity warranty has been removed.</p> <p>Language related to curtailment has been removed as redundant.</p> <p>Waiver of penalty provisions has been removed.</p> <p>Surcharges and Riders section has been added.</p> <p>Company use and unaccounted for gas language has been modified.</p> <p>Language related to liability for minimum bills during contract term has been clarified.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
Rate R/S – Retail Standby Rider	87-89	Rate R/S – Retail and Standby Rider	118-120	<p>This Rate R/S of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate R/S of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Minimum one year contract term has been removed.</p> <p>Clarifying language has been added for Capacity/Reservation charge.</p>
Rate IS – Interruptible Service	90-92	Rate IS – Interruptible Service – Small Volume	97-99	<p>This Rate IS of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate IS of UGI CPG’s Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Clarifying language has been added for Manual Interruptible Customer.</p> <p>Language added for Interruption Notification.</p> <p>Language added to minimum bill requirements.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				<p>Surcharges and Riders section has been added.</p> <p>Charge for Unauthorized Overrun rate increased from \$27.50 per Mcf to \$50.00 per Mcf.</p> <p>Delivery Service Option and Delivery Service Rate Table have been removed as only transportation service will now be available under Rate IS.</p> <p>Company use and unaccounted for gas language has been modified.</p>
Gas Choice Supplier Tariff		Gas Choice Supplier Tariff		
1. The Choice Supplier Tariff	93	1.The Choice Supplier Tariff	130	UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT and added a reference to the Company's website.
2. Choice Supplier Qualification	94	2. Choice Supplier Qualification	131-132	UGI Gas Service Tariff No. 5, Sections 2.1, 2.3 and 2.4 have been combined and reflected as Section 2.1 of UGI Gas Service Tariff No. 6. In addition, Section 2.6 has been deleted.
3. Customer List	95	3. Customer List	132	UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rates CT and CIAC. Added confidentiality agreement language in Section 3.2.

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
4. Choice Supplier Obligations	96-97	4.Choice Supplier Obligations	133-134	UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. In addition Section 4.1 was added.
5. Operational Requirements	98	5.Operational Requirements	136	<p>UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. In addition, the following sections have been revised:</p> <p>Section 5.1 - language added for lost and accounted for gas equal to 0.5%.</p> <p>Section 5.2 & 5.3 updated to standardize with all tariffs of UGI PNG and CPG.</p> <p>Section 5.4 – review based on previous 12 months actual usage has been eliminated.</p> <p>Section 5.5 in Tariff No. 5 has been eliminated as this section is now outdated.</p>
6. Billing and Payment	99-100	6.Billing and Payment	137-138	<p>UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. In addition the following section has been revised:</p> <p>Section 6.4 - added reference to POR program.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
7. Nomination Procedure	101-104	7.Nomination Procedure	139-140	UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. In addition, the monthly release of interstate pipeline capacity changed from 52% to 41% in Section 7.3.
8. Financial Security	105-107	8.Financial Security	141-142	<p>UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. In addition the following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Reference to Call Options in Section 8.3(e) and Section 8.4 has been eliminated because it has never been used as a financial security alternative.</p> <p>Section 8.6-Adjustments to Financial Security Level in Tariff No. 5 has been repositioned as Section 8.4 in Tariff No. 6.</p> <p>Section 8.7-Notice in Current Tariff No. 5 has been repositioned as Section as 8.6 in Tariff No. 6.</p> <p>Security Agreement has been deleted from the Tariff to standardize the Gas Tariffs across the three UGI NGDCs.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
9. Enrollment of Customers into Rate Schedules RT and NT	108	9.Enrollment of Customers into Rate Schedules RT, NT and CT	143	UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. Section 9.4-Multiple Enrollments has been eliminated. In addition, the number of days in Section 9.3-Determination of Gas Flow Date, has been changed from 10 days to 5 days.
10. Rate AG	109-111	Rate AG	148-152	<p>UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. This Rate AG of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate AG of UGI CPG's Gas Service Tariff No. 4 and repositioned as Section 10. In addition, the following changes have been reflected:</p> <p>Balancing fee for Choice Suppliers utilizing third party capacity per unit has been eliminated consistent with capacity utilization requirements established in the PGC.</p> <p>Right of First Refusal, Reconciliation, Peak Shaving Directives, and Operation Flow Orders have been eliminated.</p> <p>Added additional language to Penalties Section that the Company may not charge for imbalances to the DDR where system benefits occur.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
11. Aggregation Agreement (Pro Forma)	112-121	Aggregation Agreement (Pro Forma)	153-164	<p>This Aggregation Agreement of UGI Gas Service Tariff No. 6 is updated to be made consistent with the Aggregation Agreement of UGI CPG’s Gas Service Tariff No. 4. UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. In addition the following changes have been reflected:</p> <p>Article I Definitions. Section 5, Daily Flow Directive has been eliminated; Section 6, Rate Ready Billing has been added; and Section 7, Operational Flow Order has been eliminated.</p> <p>Article III Choice Supplier’s Obligations. Several Sections have been repositioned within Article III. In addition, the following sections in Tariff No. 5 have been eliminated: Section 2 - Upstream Pipeline Capacity, Section 3 - Natural Gas Supplies, Section 4 - Customer Enrollment, Section 5 - DDR, and Section 6 - Charges.</p> <p>Article IV, Section 3 – Enrollment Notification – number of days customer has to respond changed from 10 days to 5 days.</p>

<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Proposed UGI Gas Tariff Nos. 6 and 6-S to Current UGI Gas Tariff Nos. 5 and 5-S
				<p>Article V, Section 5.1 – Standard Billing Service – number of days the Choice Supplier has to provide all billing rate information changed from 10 days to 15 days.</p> <p>Article V, Section 5.4 – Choice Supplier Budget Billing – Purchase of Receivables (POR) language added.</p> <p>Article XI – Notices and Correspondence has been updated to reflect current contact information.</p>

LIST OF CHANGES

UGI GAS Current Tariff Nos. 5 and 5-S

To

UGI GAS Proposed Tariff Nos. 6 and 6-S

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
Title Page	--	Cover Page	1	Updated to reflect new tariff name, number, issue date and effective date.
List of Changes Made by this Supplement	1	List of Changes Made by this Supplement	2	Page renumbered.
This Page Reserved for Future Use	2-5	DELETED	n/a	Unnecessary
Table of Contents	6-7	Table of Contents	3-4	Pages renumbered and content updated to reflect changes detailed below.
Description of Territory - West Region - East Region	8 8-9	Description of Territory	5-6	Page renumbered. UGI Gas Service Tariff No. 6 reinstates two townships in Chester County, East Coventry and North Coventry, which were inadvertently deleted from an earlier supplement.
1. The Gas Service Tariff	10	1. The Gas Service Tariff	12	The UGI NGDCs aim to standardize the Gas Tariffs across the three UGI NGDCs to the extent reasonably practicable. This Section 1 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 1 of UGI CPG's Gas Service Tariff No. 4. In addition, Section 1.3 Rules and Regulations has been carried over from

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				UGI Gas Service Tariff No. 5 and included in Section 1.4 in UGI Gas Service Tariff No. 6.
2. Contract for Gas Service	10-11	2. Contract for Gas Service	13-15	<p>This Section 2 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 2 of UGI CPG's Gas Service Tariff No. 4. The following sections have been revised as follows:</p> <p>Section 2.1 has been clarified to address applicability of signed contracts to certain non-residential customers.</p> <p>Section 17.3 in UGI Gas Tariff No. 5 has been moved to Section 2.3 in UGI Gas Service Tariff No. 6 and modified to be consistent with Section 16.2 of UGI CPG Gas Service Tariff No. 4.</p> <p>Section 2.4.1, Selection of Rate Schedules, has been carried over from UGI Gas Service Tariff No. 5 and included as Section 2.4 in UGI Gas Service Tariff No. 6.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
3. Guarantee of Payment	12-14	3. Guarantee of Payment	16-19	<p>This Section 3 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 3 of UGI CPG's Gas Service Tariff No. 4, including modifying language in Section 3.1 to current deposit requirements for non-residential customers to now include a minimum \$50 deposit.</p> <p>Additionally, UGI Gas Service Tariff No. 5, Section 3.8(b), Security from Large Volume Customers, has been retitled and renumbered as Section 3.2, Additional Security from Large Volume Customers, and clarified.</p>
4. Service – Supply Facilities	15	4. Service - Supply Facilities	20-21	<p>This Section 4 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 4 of UGI CPG's Gas Service Tariff No. 4. In addition, language has been modified to further clarify facility ownership, protection, connection points and Company/Customer responsibilities.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
5. Extension Regulation	16-18(a)	5. Extension Regulation	22-26	This Section 5 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 5 of UGI CPG's Gas Service Tariff No. 4, which updates the methodology utilized to determine allowable investment amounts for extensions and expansions. In addition, clarifying language changes have been made addressing application, cost elements of estimates, restoration obligations and the provision of facilities supporting daily metering functions and cost obligations.
6. Customer's Facilities	19	6. Customer's Responsibility for Company's Property	27-28	This Section 6 of UGI Gas Service Tariff No. 5 has been included in Section 6 of UGI Gas Service Tariff No. 6.
7. Customer's Responsibility for Company's Property	20	6. Customer's Responsibility for Company's Property	27-28	This Section 7 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 6 of UGI CPG's Gas Service Tariff No. 4 and repositioned in the proposed tariff.
8. Meter Reading	20	7. Meter Reading	29	This Section 8 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 7 of UGI CPG's Gas Service Tariff No. 4 with the

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				exception of Section 7.4 Heat Value Correction which was eliminated.
9. Billing and Payment	21-24	8. Billing and Payment	30-32	<p>This Section 9 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 8 of UGI CPG's Gas Service Tariff No. 4.</p> <p>UGI Gas Service Tariff No. 5 Section 9.0 has been moved to UGI Gas Service Tariff No. 6 Section 8.11.</p> <p>UGI Gas Service Tariff No. 5 Section 9.10 has been moved to UGI Gas Service Tariff No. 6 Section 8.12.</p> <p>Changes eliminate numerous transaction based tariff charges contained in UGI Gas Service Tariff No. 5 including:</p> <p>Section 9.7 Payment Made to Collector Charge, Section 9.8 Bill History Charge, Section 9.9 LIFSO (Landlord If Shut Off) Charge, Section 9.11 Turn On Charge, Section 9.12 Shut Off</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				Charge, Section 9.13 Set Meter Charge and Section 9.14 Change of Customer Charge. Additionally, the fee for a returned check is increased from \$20 to \$35. Lastly, a schedule of meter test fees pursuant to Chapter 56 have been added.
10. Tests	25	7. Meter Reading	29	Section 10 of UGI Gas Service Tariff No. 5 has been added in Section 7 of UGI Gas Service Tariff No. 6.
This Page Reserved for Future Use	26	DELETED	n/a	Unnecessary
11. Termination or Discontinuance of Service	27-28	9. Termination and Discontinuance of Service	33-34	This Section 11 of UGI Gas Service Tariff No. 5 is updated to be made largely consistent with Section 9 of UGI CPG's Gas Service Tariff No. 4 and repositioned in the proposed tariff. Additional changes include updating the current reconnect fee of ½ hour Company service charge to reflect the current actual rate of \$73.00.
12. General	28	6. Customer's Responsibility for Company's Property	27-28	Section 12.1 of the UGI Gas Service Tariff No. 5 has been relocated in UGI Gas Service Tariff No.

Original UGI Gas Division Service Tariff Pa. P.U.C. Nos. 6 and 6-S
List of Changes
UGI Gas Division Current Tariff Nos. 5 and 5-S to UGI Gas Division Proposed Tariff Nos. 6 and 6-S
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<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				6 to Sections 6.5, 6.8 and 1.5. In addition, Section 12.2 of Tariff No. 5 has been eliminated because this section is duplicative to the UGI Gas Employee Handbook.
13. Purchase Gas Cost	29-37	11. Rider B – Section 1307 (f) Purchased Gas Costs	36-39	<p>Repositioned in the Tariff, redesignated as Rider B and updated to standardize with UGI Companies. This Section 13 of UGI Gas Service Tariff No. 5 is updated in format to be made consistent with Section 11 of UGI CPG’s Gas Service Tariff No. 4.</p> <p>References to PGC(2) have been removed consistent with the elimination of PGC(2).</p> <p>PGC credits related to transportation customer capacity releases or assignments and balancing services have been consolidated and clarified in this section.</p> <p>Language has been removed/added to address the elimination of the Interruptible Revenue Credit (IRC) mechanism and the resulting final balance disposition.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
13. Purchase Gas Cost	29-37	12. Rider C – Migration Rider	40	UGI Service Tariff No. 5 includes the Migration Rider in Section 13.5 of the Purchase Gas Cost. This Section 13.5 is repositioned in the proposed tariff and redesignated as Rider C. In addition, this Section 12 of UGI Gas Service Tariff No. 6 is updated in format to be made consistent with Section 12 of UGI CPG’s Gas Service Tariff No. 4.
13.A. Merchant Function Charge	38	13. Rider D - Merchant Function Charge	41	Repositioned in the proposed tariff and redesignated as Section 13 - Rider D from Section 13.A of UGI Service Tariff No. 5. This Section 13 of UGI Gas Service Tariff No. 6 is updated in format to be made consistent with Section 13 of UGI CPG’s Gas Service Tariff No. 4. Outdated language and eliminated rate schedules have been removed.
13.B. Rider GPC – Gas Procurement Charge	38(a)	14. Rider E – Gas Procurement Charge	42	Repositioned in the proposed tariff and redesignated as Section 14 Rider E. This Section 13.B. of UGI Gas Service Tariff No. 5 is updated

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				to be made consistent with Section 14.A. of UGI CPG's Gas Service Tariff No. 4.
13.C. Price to Compare	38(a)	15. Price to Compare	43	Repositioned in the proposed tariff and redesignated as Section 15 from Section 13.C of UGI Gas Service Tariff No. 5. This Section 15 of UGI Gas Service Tariff No. 6 is updated in format to be made consistent with Section 14.B. of UGI CPG's Gas Service Tariff No. 4.
14. State Tax Surcharge	39	10. Rider A - State Tax Surcharge	35	Repositioned in the proposed tariff and redesignated as Rider A from Section 14. This Section 14 of UGI Gas Service Tariff No. 5 is updated in format to be made consistent with Section 10 of UGI CPG's Gas Service Tariff No. 4.
14.A. Rider LISHP	40-40(a)	16. Rider F – Universal Service Program	44-45	Repositioned in the proposed tariff and redesignated as Rider F. The Section title has been modified. This Section 14.A. of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 14 of UGI CPG's Gas Service Tariff No. 4. In addition, language has been repositioned, added and removed in this Section.

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
15. Emergency Service and Curtailment of Service	41-46	19. Gas Emergency Planning	53-57	Section title has been modified. Repositioned in the proposed tariff as Section 19 from Section 15 of UGI Gas Service Tariff No. 5. This Section 19 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 15 of UGI CPG's Gas Service Tariff No. 4. In addition, Section 15.10 Penalties for Unauthorized Takes in UGI Gas Service Tariff No.5 has been added as Section 19.10 of UGI Gas Service Tariff No. 6.
16. General Terms for Interconnection Coordination Services	47	21. General Terms for Interconnection Coordination Services for Connecting Entities	64	Repositioned in the proposed tariff. This Section 21 of UGI Gas Service Tariff No. 6 is updated to be made consistent with Section 17 of UGI CPG's Gas Service Tariff No. 4 and Section 16 of the UGI Gas Service Tariff No. 5.
This Page Reserved for Future Use	48-52	DELETED	n/a	Unnecessary
17. General Terms for Delivery	53-62	20. General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS	58-63	The Section title has been modified and repositioned in the proposed tariff. This Section 17 of UGI Gas Service Tariff No. 5 is updated to be made consistent with Section 16 of UGI CPG's Gas Service Tariff No. 4. In addition, this section has been revised as follows:

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>General clarifying format and language changes have been made.</p> <p>Section 20.1(d) has been added to address customer default remedy.</p> <p>Removed historic and defunct take-or-pay language provisions.</p> <p>Clarified and updated billing pool language.</p> <p>Section 20.1(j) has been added to standard retainage rate language.</p> <p>Section 20.2(a) has been modified to update remedy language related to default or misuse of balancing services.</p> <p>Section 20.2(c) has been modified to update applicable cash-in/cash-out index prices.</p> <p>Section 20.4 has been added to update daily balancing charges to mirror those found in UGI</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>CPG’s Gas Service Tariff No. 4, Section 16.5; applicable index rates have been updated.</p> <p>Section 20.5 adds language related to applicable Operational Flow Orders and Daily Flow Directives.</p> <p>Supply transfer fees have been modified to apply on a transaction basis rather than volumetric basis.</p> <p>Information service fees have been eliminated.</p> <p>Pooling fees have been eliminated.</p> <p>Applicable PGC credit language in Gas Service Tariff No. 5 has been moved to Section 11 in Gas Service Tariff No. 6.</p> <p>In addition, Section 16.2 Facilities and System Access in UGI CPG’s Gas Service Tariff No. 4 has been moved to Section 2.3 Contract for Gas Service of UGI Gas Service Tariff No. 6.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
18. Capacity Release of Interstate Pipelines	63	11. Rider B – Section 1307 (f) Purchased Gas Costs	36-39	This section is now included in Rider B in UGI Gas Service Tariff No. 6. PGC credits related to transportation customer capacity releases or assignments and balancing services have been consolidated and clarified in this section.
Rate R – General Service – Residential	64-65	Rate R - General Service – Residential	65	The following Sections in UGI Gas Service Tariff No. 5 have been revised as follows: Standby Availability has been eliminated. Two block distribution charge replaced with a single block charge. Surcharges and Riders section has been added. Minimum Bill Provision has been added. Total Space Conditioning Option has been eliminated.

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				Low Income Self-Help Program (LISHP) has been relocated and renamed as Rider F – Universal Service Program.
Rate RT – General Service – Residential Transportation	66-67	Rate RT – General Service – Residential Transportation	66-67	<p>The following Sections in UGI Gas Service Tariff No. 5 have been revised as follows:</p> <p>Standby Availability has been eliminated.</p> <p>Two block distribution charge replaced with a single block charge.</p> <p>Minimum Bill Provision has been added.</p> <p>Surcharges and Riders section has been added.</p>
Rate GL – Gas Light Service	68-69	Rate GL – Gas Light Service	68	<p>The following Sections in UGI Gas Service Tariff No. 5 have been revised as follows:</p> <p>Monthly usage assumption has been added.</p> <p>Surcharges and Riders section has been added.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
Rate N – General Service – Non-Residential	70-71	Rate N – General Service – Non-Residential	69-70	<p>The following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>Standby Availability has been eliminated.</p> <p>Three block distribution charge replaced with single block charge and the winter/summer billing periods have been eliminated.</p> <p>Minimum Bill Provision has been added and the reference to gas used for space heating has been eliminated.</p> <p>Total Space Conditioning Option has been eliminated.</p>
Rate NT – General Service – Non-Residential Transportation	72-73	Rate NT – General Service – Non-Residential Transportation	71-72	<p>The following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>Standby Availability has been eliminated.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>Three block distribution charge replaced with single block charge and the winter/summer billing periods have been eliminated.</p> <p>Surcharges and Riders section has been added.</p> <p>Minimum Bill Provision has been added and the reference to gas used for space heating has been eliminated.</p> <p>Company use and unaccounted for gas language has been modified.</p>
Rate GBM – Gas Beyond the Mains	74-75	Rate GBM – Gas Beyond the Mains	73-74	<p>The following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>Language added to define Customer Charge.</p> <p>Rate language replaced with a Monthly Rate Table and a single block distribution charge that is tied to Rate N.</p> <p>Surcharges and Riders section has been added.</p>
This Page Reserved for Future Use	76	DELETED	n/a	Unnecessary

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
Rate CIAC – General Service – Commercial and Industrial Air Conditioning	77-78	DELETED	n/a	This Rate Schedule has been cancelled.
Rate CT – General Service – Commercial and Industrial Air Conditioning - Transportation	79-80	DELETED	n/a	This Rate Schedule has been cancelled.
This Page Reserved for Future Use	81-83	DELETED	n/a	Unnecessary
Rate PV – Propane Vaporization Service	84-85	DELETED	n/a	This Rate Schedule has been cancelled.
Rate SS – Storage Service	86-88	DELETED	n/a	This Rate Schedule has been cancelled.
Rate DS – Delivery Service	89-90	Rate DS – Delivery Service	75-76	<p>The following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>The System Access Fee has been eliminated.</p> <p>Three block distribution charge replaced with single block charge and the winter/summer billing periods have been eliminated.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>Firm service and available delivery capacity subject to curtailment provisions has been eliminated as redundant</p> <p>Charge for Other Transportation, Capacity and/or Storage has been eliminated.</p> <p>Surcharges and Riders applicable have been added.</p> <p>Company use and unaccounted for gas language has been modified.</p>
This Page Reserved for Future Use	91	DELETED	n/a	Unnecessary
Rate NNS – No-Notice Service	92-93	Rate NNS – No-Notice Service	72-78	<p>The following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Language has been modified to further clarify inadvertent fluctuations under this rate and language has been deleted related to cumulative balance.</p>
Rate MBS – Monthly Balancing Service	94-95	Rate MBS – Monthly Balancing Service	79	The following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>Terms and Conditions: Balance Account Valuation and Value Balance provisions have been removed.</p> <p>Monthly Rate Table has eliminated volume blocks.</p>
This Page Reserved for Future Use	96	DELETED	n/a	Unnecessary
Rate IS – Interruptible Service – Small Volume	97-99	Rate IS – Interruptible Service	90-92	<p>Repositioned in the Proposed Tariff, renamed and updated to standardize with all tariffs of UGI Companies. In addition the following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Clarifying language has been added for Manual Interruptible Customer.</p> <p>Language added for Interruption Notification.</p> <p>Language added to minimum bill requirements.</p> <p>Surcharges and Riders section has been added.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>Charge for Unauthorized Overrun rate increased from \$27.50 per Mcf to \$50.00 per Mcf.</p> <p>Delivery Service Option and Delivery Service Rate Table have been removed as only transportation service will now be available under Rate IS.</p> <p>Company use and unaccounted for gas language has been modified.</p>
This Page Reserved for Future Use	100	DELETED	n/a	Unnecessary
Rate IL - - Interruptible Service - Large Volume	101-103	DELETED	n/a	Rate IL has been cancelled as it has been combined with Rate IS - Interruptible Service for UGI Gas Service Tariff No. 6 and updated to standardize with all tariffs of UGI Companies.
This Page Reserved for Future Use	104	DELETED	n/a	Unnecessary
Rate CDS - Cogeneration Delivery Service	105-106	DELETED	n/a	This Rate Schedule has been cancelled.
This Page Reserved for Future Use	107	DELETED	n/a	Unnecessary
Rate XD - Extended Large Volume Delivery Service	108-110	Rate XD - Extended Large Volume Delivery Service	84-86	Repositioned in the Proposed Tariff and updated to standardize with all tariffs of UGI Companies.

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>In addition the following Sections in UGI Gas Service Tariff No. 5 has been revised as follows:</p> <p>Language related to capacity warranty has been removed.</p> <p>Language related to curtailment has been removed as redundant.</p> <p>Waiver of penalty provisions has been removed.</p> <p>Surcharges and Riders section has been added.</p> <p>Company use and unaccounted for gas language has been modified.</p> <p>Language related to liability for minimum bills during contract term has been clarified.</p>
This Page Reserved for Future Use	111-113	DELETED	n/a	Unnecessary
Rate LFD – Large Firm Delivery Service	114-117	Rate LFD – Large Firm Delivery Service	80-83	Repositioned in the Proposed Tariff. This Rate LFD of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate LFD of UGI

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>CPG's Gas Service Tariff No. 4. In addition the following Sections in UGI Gas Service Tariff No.5 have been revised as follows:</p> <p>Tariff language has been simplified to remove redundant language and other clarifying language has been added.</p> <p>Contract terms have been shortened.</p> <p>Capacity warranty provisions have been removed.</p> <p>System Access Fee has been deleted.</p> <p>Three block distribution charge replaced with single block charge and the winter/summer billing periods have been eliminated.</p> <p>Surcharges and Riders section has been added.</p> <p>Company use and unaccounted for gas language has been modified.</p>

Original UGI Gas Division Service Tariff Pa. P.U.C. Nos. 6 and 6-S

List of Changes

UGI Gas Division Current Tariff Nos. 5 and 5-S to UGI Gas Division Proposed Tariff Nos. 6 and 6-S

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
Rate R/S – Retail and Standby Rider	118-120	Rate R/S – Retail and Standby Rider	87-89	The following Sections in UGI Gas Service Tariff No. 5 has been revised as follows: Minimum one year contract term has been removed. Clarifying language has been added for Capacity/Reservation charge.
Rate BD – Business Development	121-124	DELETED	n/a	This Rate Schedule has been cancelled.
This Rate Schedule Cancelled	125-127	DELETED	n/a	Unnecessary
Rate EC – Environmental Conversion Rider	128-129	DELETED	n/a	This Rate Schedule has been cancelled.
Gas Choice Supplier Tariff		Gas Choice Supplier Tariff		Reason for Change
1. The Choice Supplier Tariff	130	1. The Choice Supplier Tariff	93	UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rate CT and added a reference to the Company’s website.
2. Choice Supplier Qualification	131-132	2. Choice Supplier Qualification	94	UGI Gas Service Tariff No. 5, Sections 2.1, 2.3 and 2.4 have been combined and reflected as Section 2.1 of UGI Gas Service Tariff No. 6. In addition, Section 2.6 has been deleted.

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
3. Customer List	132	3. Customer List	95	UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rates CT and CIAC. Added confidentiality agreement language in Section 3.2.
4. Choice Supplier Obligations	133-134	4. Choice Supplier Obligations	96-97	UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rate CT. In addition Section 4.1 was added.
This Page Reserved for Future Use	135	DELETED	n/a	Unnecessary
5. Operational Requirements	136	5. Operational Requirements	98	<p>UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rate CT. In addition, the following sections have been revised:</p> <p>Section 5.1 - language added for lost and accounted for gas equal to 0.5%.</p> <p>Section 5.2 & 5.3 updated to standardize with all tariffs of UGI Companies.</p> <p>Section 5.4 – review based on previous 12 months actual usage has been eliminated.</p> <p>Section 5.5 in Tariff No. 5 has been eliminated as this section is now outdated.</p>

Original UGI Gas Division Service Tariff Pa. P.U.C. Nos. 6 and 6-S
List of Changes
UGI Gas Division Current Tariff Nos. 5 and 5-S to UGI Gas Division Proposed Tariff Nos. 6 and 6-S
Page 25 of 29

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
6. Billing and Payment	137-138	6. Billing and Payment	99-100	UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rate CT. In addition the following sections have been revised: Section 6.4 - added reference to POR program
7. Nomination Procedure	139-140	7. Nomination Procedure	101-104	UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rate CT. In addition, the monthly release of interstate pipeline capacity changed from 52% to 41% in Section 7.3.
8. Financial Security	141-142	8. Financial Security	105-107	UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rate CT. The following Sections in UGI Gas Service Tariff No. 5 have been revised as follows: Reference to Call Options in Section 8.3(e) and Section 8.4 has been eliminated because it has never been used as a financial security alternative. Section 8.6-Adjustments to Financial Security Level in Tariff No. 5 has been repositioned as Section 8.4 in Proposed Tariff No. 6.

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>Section 8.7-Notice in Tariff No. 5 has been repositioned as Section as 8.6 in Proposed Tariff No. 6.</p> <p>Security Agreement has been deleted from the tariff to standardize the Gas Tariffs across the three UGI NGDCs.</p>
9. Enrollment of Customers Into Rate Schedules RT, NT and CT	143	9. Enrollment of Customers Into Rate Schedules RT, NT and CT	108	UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rate CT. Section 9.4-Multiple Enrollments has been eliminated. In addition, the number of days in Section 9.3-Determination of Gas Flow Date, has been changed from 10 days to 5 days.
10. Standards of Conduct	144-147	DELETED	n/a	Please see 52 Pa. Code 62.141 and 62.142.
Rate AG	148-152	10. Rate AG	109-111	UGI Gas Service Tariff No. 5 changed to reflect the cancellation of Rate CT. This Rate AG of UGI Gas Service Tariff No. 6 is updated to be made consistent with Rate AG of UGI CPG's Gas Service Tariff No. 4 and repositioned as Section 10. In addition, the following changes have been reflected:

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>Balancing fee for Choice Suppliers utilizing third party capacity per unit has been eliminated consistent with capacity utilization requirements established in the PGC.</p> <p>Right of First Refusal, Reconciliation, Peak Shaving Directives, and Operation Flow Orders have been eliminated.</p> <p>Added additional language to Penalties Section that the Company may not charge for imbalances to the DDR where system benefits exist.</p>
Aggregation Agreement (Pro Forma)	153-164	11. Aggregation Agreement (Pro Forma)	112-121	<p>This Aggregation Agreement of UGI Gas Service Tariff No. 5 is updated to be made consistent with the Aggregation Agreement of UGI CPG's Gas Service Tariff No. 4. UGI Gas Service Tariff No. 6 changed to reflect the cancellation of Rate CT. In addition the following changes have been reflected:</p> <p>Article I Definitions. Section 5, Daily Flow Directive has been eliminated; Section 6, Rate</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				<p>Ready Billing has been added; and Section 7, Operational Flow Order has been eliminated.</p> <p>Article III Choice Supplier’s Obligations. Several Sections have been repositioned within Article III. In addition, the following sections in Tariff No. 5 have been eliminated: Section 2 - Upstream Pipeline Capacity, Section 3 - Natural Gas Supplies, Section 4 - Customer Enrollment, Section 5 - DDR, and Section 6 - Charges.</p> <p>Article IV, Section 3 – Enrollment Notification – changed number of days customer has to respond from 10 days to 5 days.</p> <p>Article V, Section 5.1 – Standard Billing Service – number of days the Choice Supplier has to provide all billing rate information changed from 10 days to 15 days.</p> <p>Article V, Section 5.4 – Choice Supplier Budget Billing – Purchase of Receivables (POR) language added.</p>

<u>Current UGI Gas Tariff Nos. 5 and 5-S</u>		<u>Proposed UGI Gas Tariff Nos. 6 and 6-S</u>		<u>Reason for Change</u>
Tariff Section/Rule Description	Page	Tariff Section/Rule Description	Page	From Current UGI Gas Tariff Nos. 5 and 5-S to Proposed UGI Gas Tariff Nos. 6 and 6-S
				Article XI – Notices and Correspondence has been updated to reflect current contact information.

PROPOSED TARIFF

UGI GAS Proposed Tariff Nos. 6 and 6-S

UGI UTILITIES, INC. - GAS DIVISION

GAS TARIFF

INCLUDING THE

GAS SERVICE TARIFF NO. 6

AND

GAS CHOICE SUPPLIER TARIFF NO. 6-S

Rates and Rules Governing the Furnishing of

Natural Gas Service

In

The Territory Described Herein

Issued: January 19, 2016

Effective for service rendered on and
after March 19, 2016.

Issued By:

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NOTICE

UGI UTILITIES, INC. - GAS DIVISION

LIST OF CHANGES MADE BY THIS SUPPLEMENT
(Page Numbers Refer to Official Tariff)

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Description of Territory

WEST REGION

DAUPHIN COUNTY: CITY of Harrisburg; BOROUGHES of Dauphin, Highspire, Hummelstown, Middletown, Paxtang, Penbrook, Royalton and Steelton; TOWNSHIPS of Conewago, Derry (including Hershey), East Hanover, Londonderry, Lower Paxton, Lower Swatara, Middle Paxton, South Hanover, Susquehanna, Swatara and West Hanover.

CUMBERLAND COUNTY: BOROUGHES of Camp Hill, Carlisle, Lemoyne, Mechanicsburg, Mt. Holly Springs, New Cumberland, Shiremanstown, West Fairview, Wormleysburg; TOWNSHIPS of Dickinson, East Pennsboro, Hampden, Lower Allen, Middlesex, Monroe, North Middleton, Silver Spring, South Middleton and Upper Allen.

LEBANON COUNTY: CITY of Lebanon; BOROUGHES of Cleona, Cornwall, Myerstown, Palmyra and Richland; TOWNSHIPS of Annville, Bethel, Jackson, Millcreek, North Annville, North Cornwall, North Lebanon, North Londonderry, South Annville, South Lebanon, South Londonderry, Swatara, Union, West Cornwall, and West Lebanon.

YORK COUNTY: TOWNSHIPS of Fairview and Newberry

FRANKLIN COUNTY: Portions of TOWNSHIPS of Greene, Hamilton, and Letterkenny located in the Letterkenny Army Depot.

LANCASTER COUNTY: CITY of Lancaster; BOROUGHES of Adamstown (part), Akron, Columbia, Denver, East Petersburg, Elizabethtown, Ephrata, Lititz, Manheim, Marietta, Millersville, Mount Joy, Mountville, New Holland, Quarryville, and Strasburg; TOWNSHIPS of Caernarvon, Clay, Conoy, Earl, East Earl, East Cocalico, East Donegal, East Drumore, East Hempfield, East Lampeter, Ephrata, Lancaster, Leacock, Manheim, Manor, Mount Joy, Paradise, Penn, Pequea, Rapho, Strasburg, Upper Leacock, Warwick, West Cocalico, West Donegal, West Earl, West Hempfield and West Lampeter.

EAST REGION

BERKS COUNTY: CITY of Reading; BOROUGHES of Adamstown (part), Bally, Birdsboro, Boyertown, Fleetwood, Kenhorst, Kutztown, Laureldale, Leesport, Lyons, Mohnton, Mt. Penn, New Morgan, Robeson, St. Lawrence, Shillington, Sinking Spring, Topton, Wernersville, West Reading, Womelsdorf, Wyomissing and Wyomissing Hills; TOWNSHIPS of Alsace, Amity, Bern, Caernarvon, Colebrookdale, Cumru, Douglass, Exeter, Heidelberg, Hereford, Longswamp, Lower Alsace, Lower Heidelberg, Maiden Creek, Marion, Maxatawny, Muhlenberg, Ontelaunee, Perry, Richmond, Robeson, Rockland, Ruscombmanor, South Heidelberg, Spring, Union and Washington.

MONTGOMERY COUNTY: TOWNSHIPS of Douglass, New Hanover and a restricted area of Limerick Township.

CHESTER COUNTY: TOWNSHIPS of East Coventry (part), Honey Brook (part), and North Coventry (Part).

Description of Territory - Continued

EAST REGION (Continued)

LEHIGH COUNTY: CITIES of Allentown, Bethlehem (part); BOROUGHs of Alburtis, Catasauqua, Coopersburg, Coplay, Emmaus, Fountain Hill, Macungie, TOWNSHIPS of Hanover, Lower Macungie, North Whitehall, Salisbury, South Whitehall, Upper Macungie, Upper Milford, Upper Saucon, Weisenburg, and Whitehall.

NORTHAMPTON COUNTY: CITIES of Bethlehem (part), Easton; BOROUGHs of Bath, Freemansburg, Glendon, Hellertown, Nazareth, Northampton, North Catasauqua, Stockertown, Tatamy, West Easton, Wilson; TOWNSHIPS of Allen, Bethlehem, Bushkill, East Allen, Forks, Hanover, Lower Mount Bethel, Lower Nazareth, Lower Saucon, Palmer, Upper Nazareth, and Williams.

BUCKS COUNTY: BOROUGHs of Perkasio, Quakertown, Richlandtown, Riegelsville, Sellersville, Silverdale, Trumbauersville; TOWNSHIPS of Durham, East Rockhill, Haycock, Hilltown, Milford, Nockamixon, Richland, Springfield, and West Rockhill.

CARBON COUNTY: BOROUGH of East Side; TOWNSHIPS of Banks, Kidder and Packer.

LUZERNE COUNTY: CITY of Hazleton; BOROUGHs of Conyngham, Freeland, West Hazleton and White Haven; TOWNSHIPS of Butler, Dennison, Foster, Hazel, Hollenback (in part), and Sugarloaf.

MONROE COUNTY: BOROUGH of Mount Pocono; TOWNSHIPS of Chestnuthill, Coolbaugh, Paradise, Pocono, Tobyhanna and Tunkhannok.

SCHUYLKILL COUNTY: BOROUGH of McAdoo; TOWNSHIPS of East Union and Kline.

DEFINITIONS - GENERAL

- Alternate Fuel: Any fuel other than natural gas.
- Applicant: Any person, corporation or other entity that (i) desires from the Company natural gas or any other service provided for in this Tariff at a specific location, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet lawfully receiving from the Company any service provided for in this Tariff at such location.
- Authorized Payment Agent: An agent expressly authorized by Company to accept payments from Customers on behalf of Company.
- Automated Meter Reading ("AMR"): Metering using technologies that automatically read and collect data from metering devices and transfer that data to a central database for billing and other purposes and does not include a Remote Meter Reading Device. All meter readings by an AMR shall be deemed actual readings.
- Ccf: 100 cubic feet of gas. This is a measure of gas usage.
- CFH: Cubic feet per hour.
- CCFD: One Hundred Cubic feet per day.
- Chapter 56: The PUC regulations that govern metering, billing and collections for residential gas and electricity service.
- City Gate: A point of interconnection between the Company's facilities and third party source of supply.
- Combined Billing: The aggregation of the billing determinants of two or more meters of the same Customer at the same location for billing purposes. This applies to only contiguous properties with the same billing/meter read date.
- Consolidated Billing: The aggregation of two or more Customer bills to one bill from different service locations or the same service location for ease of Customer receiving one bill for multiple service locations instead of receiving multiple bills. Each meter will be billed under the applicable Tariff rate and will not be considered combined billing. Customer may be required to pay Company to perform such transactions.

DEFINITIONS - GENERAL - CONTINUED

Commodity: The gas delivered to a Customer during the billing month.

Company: UGI Utilities, Inc. - Gas Division

Commercial Customer: A Customer who is not classified as an Industrial Customer or a Residential Customer.

Creditworthiness: An assessment of an Applicant's or Customer's ability to meet bill payment obligations for utility service.

Critical Day: Any day, determined by company in its sole discretion, when variations in supply or demand could jeopardize the safety or reliability of Company's Gas Service.

Customer: Any person, corporation or other entity lawfully in receipt of gas service, aggregation and balancing services or interconnection coordination services from the Company under this Tariff.

Customer Charge: A monthly charge.

Daily Flow Directive ("DFD"): An order issued by the Company to address system management, including actions necessary to comply with statutory directives and obligations including the Company's obligations pursuant to 1307 (f) gas procurement activities, but not solely for other economic reasons. DFDs will be communicated to affected Customers or NGSS either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSS must provide the Company with a 24-hour contact for DFDs.

Discontinuance of Service: The cessation of service with the consent of Customer.

Distribution Charges: Charges to recover the costs the Company incurs to provide the services necessary to deliver natural gas to a Customer from the point of receipt into the Company's distribution system.

Dth ("Dekatherm"): A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

Extension Applicant: Any person, corporation or other entity, whether or not currently receiving from the Company any service provided for in this Tariff, who desires from the Company an extension or expansion of facilities under Section 5 of this Tariff and who complies with all Company requirements for obtaining an extension or expansion of facilities as provided for in this Tariff.

DEFINITIONS - GENERAL - CONTINUED

- Gas or Natural Gas: A flammable gas meeting PUC heating value and purity requirements that may include natural gas, synthetic natural gas, propane, landfill gas and any and all natural gas substitutes.
- Gas Service: The furnishing of gas by the Company at the point of delivery regardless of whether the Customer makes any use of the gas.
- Gas Supply or
Commodity Charge: Charges by an NGS or Supplier of Last Resort to recover the cost of procuring natural gas and delivering it to the Company's facilities for redelivery to Customers.
- Industrial Customer: A Customer engaged in the process which creates or changes raw materials or unfinished materials into another form or product.
- Interruptible
Service: Natural gas services that can be temporarily discontinued under terms and conditions specified by Tariff or contract.
- MCF: 1,000 cubic feet of gas. This is a measure of gas usage.
- Natural Gas
Supplier ("NGS"): Any person, corporation or other entity that has received a license from the PUC to supply natural gas supply services to Customers in the Company's service territory and that has met the additional criteria established by the Company to permit it to provide natural gas supply service to Customers.
- Non-Critical Day: Any day determined by Company not to be a Critical Day
- Non-Residential
Applicant: An Applicant not classified as a Residential Applicant.
- Non-Residential
Customer: A Customer not classified as a Residential Customer, including a Commercial Customer and an Industrial Customer.
- Occupant: A natural person who resides in the premises to which gas service is provided.
- Operational Flow
Order ("OFO"): A directive issued by the Company that is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day, including actions necessary to comply with statutory directives and obligations including the Company's obligation pursuant to 107 (f) gas procurement activities, but not solely for other economic reasons. OFOs will be communicated as soon as reasonably practical to affected Customers or NGSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSs must provide the Company with a 24-hour contact for OFOs.

DEFINITIONS - GENERAL - CONTINUED

- Point of Delivery: The outlet of company facilities; usually the meter or regulator outlet.
- Price to Compare: The dollar amount charged by the Company, used by Customers to compare prices and potential savings with other Natural Gas Suppliers.
- PUC: The Pennsylvania Public Utility Commission.
- Remote Meter Reading Device: A device which by electrical impulse or otherwise transmits readings from a meter, usually located within a residence, to a more accessible location outside a residence. The term does not include AMR and devices that permit direct interrogation of the meter.
- Residential Applicant: An Applicant who is (1) a natural person at least 18 years of age not currently receiving service who applies for residential service, or (2) an adult Occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested. The term shall not include a (1) Residential Customer who seeks to transfer service within the Company's service territory, or (2) a Residential Customer who, within 30 days after Termination or Discontinuance of Service, seeks to have service reconnected at the same location or transferred to another location within the Company's service territory.
- Residential Customer: A Customer who is either (1) a natural person at least 18 years of age in whose name a residential account is listed and who is primarily responsible for payment of bills rendered for the service, or (2) any adult Occupant whose name appears on the mortgage, deed or lease of the property for which residential service is requested. A Residential Customer shall be further defined to include a Customer receiving the Company's gas service to a single-family dwelling or building, through one meter to four or fewer dwelling units in a multi-family dwelling, or premises used as a single family dwelling and for one or more business uses, provided the proprietor of the business resides in the single family dwelling, and the business uses less than fifty percent of the anticipated gas usage served through a single meter. Service will be supplied only where the Company's facilities are suitable to the service desired. A Residential Customer shall remain a Customer after Discontinuance of Service or Termination of Service until the final bill for service is past due. The term includes a person who, within 30 days after Termination or Discontinuance of Service, seeks to have service reconnected at the same location or transferred to another location within the Company's service territory.

DEFINITIONS - GENERAL - CONTINUED

Supplier of Last
Resort:

The Company or another entity that provides natural gas supply services to Customers that do not elect another supplier or choose to be served by the supplier of last resort, Customers that are refused service from another natural gas supplier, or Customers whose natural gas supplier fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all Customers under the terms of this Tariff. Each Customer may only have one supplier of last resort with one exception: The Company shall be under no obligation and shall have no duty to serve as Supplier of Last Resort to any Rate DS, IS, LFD, or XD customers.

Tariff:

The rates, rules, and regulations set forth herein, as may be amended, modified or superseded from time to time. The Tariff is on file with the PUC and available on the Company's website.

Termination of
Service:

The cessation of service, whether temporary or permanent, without the consent of Customer.

Unauthorized Use
of Service:

Unreasonable interference or diversion of service, including meter tampering (any act which affects the proper registration of service through a meter), by-passing unmetered service that flows through a device connected between a service line and customer-owned facilities and unauthorized service restoral.

User Without
Contract:

A natural person who takes or accepts gas service without the knowledge or approval of the Company, other than the Unauthorized Use of Service as defined above.

RULES AND REGULATIONS

1. THE GAS SERVICE TARIFF

1.1 Agreements. No agent or employee of the Company has authority to make any promise, agreement or representation not consistent with this Tariff.

1.2 Waiver of Rights. The failure by the Company to enforce any of the terms of this Tariff shall not be deemed a waiver of its right to enforce any of the terms of this Tariff.

1.3 Filing and Posting. A copy of this Tariff is on file with the PUC and is available on Company's website at <http://www.ugi.com>

1.4 Application of Rates: The rates named in this Tariff are based upon supply to one Customer through one meter at the same or contiguous property. Each service to a different location and/or of a different rate classification shall be billed as a separate Customer. Customers who take service at two or more locations on the same property under the same rate schedule may, by request, have their use of gas combined for billing purposes; Customers electing to take advantage of this rule may do so only at the time initial service is established to the premises and shall pay the cost of all additional service connections required unless, in the Company's sole judgment, the Company's investment in such connections is warranted by the revenue anticipated from the service to be supplied. Customers may not pool together for purposes of qualifying for a rate schedule.

1.5 Liability and Legal Remedies: The Customer will indemnify, defend and hold harmless the Company against all claims, demands, costs or expenses for loss, damage, or injury to person or property in any manner either directly or indirectly connected with or growing out of the supply or use of gas service by the Customer at or on the Customer's side of the point of delivery. Neither the Company nor the Customer will be liable to each other for any act or omission caused either directly or indirectly by strikes, labor troubles, accidents, litigation, federal, state or municipal laws or interference, or other causes not a result of each party's own negligence or intentional misconduct.

RULES AND REGULATIONS

2. CONTRACT FOR GAS SERVICE

2.1 Application for Service. Every Applicant for Gas Service must apply through the Company. Non-Residential Applicants may be required to sign a contract for service consistent with this Tariff.

2.2 Right to Reject. The Company may limit the amount and character of service it will supply. It may reject applications where service is not available, or which might affect service to existing Customers, or for other good and sufficient reasons at the Company's sole discretion.

2.3 Facilities and System Access. Each Customer with a Daily Firm Requirement ("DFR") or peak usage capability of 1,000 MCF per day or greater shall mutually plan and coordinate with the Company, development of all gas facilities to the Customer's premises (including pipelines, mains, service lines and appurtenances), in order to minimize duplication of facilities and to avoid unnecessary construction, as follows:

(a) If the Customer proposes to acquire, construct or contract for the use of service of gas facilities ("Customer gas facilities"), the Customer will provide advance notice to the Company in writing, at least sixty (60) days in advance of the earlier of the effective date of a contract for or commencement date for construction of Customer gas facilities. The Company shall be provided with sufficient information and a reasonable opportunity to evaluate the proposal and to submit to Customer for its consideration one or more alternative proposals (including expansion of Company facilities or other methods).

(b) The Customer agrees to submit all design and construction specifications and drawings to the Company in advance of construction, which demonstrate compliance with all applicable requirements as to gas main and service construction and pipeline safety. If the Company determines that Customer gas facilities will encroach upon or interconnect with Company facilities, serve common gas utilization equipment with Company facilities or are in the immediate vicinity of Company facilities such that the safety of Company facilities may be adversely affected thereby, the Company shall have the right to approve the design and location of such Customer gas facilities. The Company shall act upon its right to approve such Customer gas facilities within 90 days after the latter of submission of all design and construction specifications and drawings to the Company, or Customer notification required under Rule 2.3(a). Customer gas facilities will be deemed to encroach upon the Company's facilities when they would interfere with or prevent the Company from accessing, maintaining or operating its facilities or when the Customer gas facilities would be configured or located in a manner that would cause safety or reliability concerns with respect to the Company's facilities.

(c) If the full 60-day notice required in Rule 2.3(a) is not given or if the Customer otherwise fails to comply with Rule 2.3, then the Customer shall pay the Company the amount of \$1,000 per day for each day the Customer failed to comply but in no event more than \$30,000.

RULES AND REGULATIONS

2. CONTRACT FOR GAS SERVICE - Continued

2.4 Selection of Rate Schedules. When the characteristics of usage or service conditions of an Applicant or Customer are such that more than one rate schedule is available, the Applicant or Customer shall select the schedule to be applied. Upon request, the Company will assist to a reasonable extent in selecting the most advantageous schedule. For Customers changing schedules, the Company will bill the Customer under the selected rate beginning with the date of the next scheduled meter reading following notification of the selected rate. When service under a Demand Charge rate commences prior to the installation of equipment for determining the Customer's demand, the Customer's demand for billing purposes will be estimated by the Company.

2.5 Use of Gas. The use of gas shall only be for the purpose and in the places identified by the customer in applying for service. The gas supplied by the Company shall not be resold without the express written permission of the Company. In the event that the Customer uses the gas in an improper or unsafe manner, in violation of this Tariff or any applicable federal, state or municipal laws or codes, the Company may immediately terminate service as described in the Service Discontinuation and Termination section of this Tariff. In the event that any loss is sustained as a result of Customer's improper or illegal use of the gas, the Customer agrees to indemnify, defend and hold harmless Company. The Company will not supply gas for any additional equipment, or any increased usage for any Customer, unless request was filed with the Company prior to the connection or increased usage. The Company reserves the right to limit or discontinue Gas Service or charge Customer upgrade installation charges in order to provide additional Gas Service. Customer is responsible for any loss of Gas Service to other Customers caused by failure to register.

RULES AND REGULATIONS

2. CONTRACT FOR GAS SERVICE - Continued

2.6 Distribution System Bypass. Unless otherwise provided by contract, if any Customer or potential Customer of the Company bypasses the Company for all or a portion of their Natural Gas Service needs then the Company thereafter shall have no obligation to serve or maintain the gas supply or physical capacity necessary to serve such Customer under regulations specified herein. In addition, to the extent that such Customer continues to purchase natural gas or natural gas transportation service from the Company, the Company shall have the right to charge a negotiated rate for continued, subsequent or standby service that, at a maximum, is established solely by competitive market conditions.

2.7 Conditions Under Which Service Will Be Rendered From Transmission or Gathering Lines. The Company does not undertake or hold itself out to serve Customers from its transmission or gathering lines. Applications for service therefore may, at the election of the Company, be accepted where the lines are being operated in a manner which will permit gas to be served to the applicant without interference with its operations. Applicants, if accepted by the Company, must agree to comply with the Rules and Regulations of the Company and more particularly the following rules applicable to this type of service:

(a) Applicant agrees that service is only offered with the understanding that the Company's line from which gas is to be supplied is not permanent and that service to the applicant is subject to temporary or absolute change or discontinuance at the sole discretion of the Company, which may at any time remove, repair, or change the use or manner of operating said line.

(b) Applicant agrees that the Company may at any time cancel service upon thirty (30) days' written notice to applicant and applicant agrees that upon receipt of such notice of cancellation to immediately discontinue his connection for service within the said thirty (30) day period, and such cancellation and termination of service shall not be construed as an abandonment of service to such Customer within the meaning of the Pennsylvania Public Utility Law.

(c) The applicant agrees to accept the gas at the varying pressures at which the line is operated from time to time and applicant understands that such pressure is not governed by regulators but it is high and low and the applicant expressly assumes the duty of regulating the flow of the pressure of gas delivered to him and he assumes all risks from variation in pressure, defects in pipe, connections and appliances, from the escape and leakage of gas, from the sticking of valves and regulators and from the burning of gas on his premises and from like causes incident to the use of gas.

(d) The Company shall not be liable for any deficiency in the supply of gas caused by the use of compressing stations, breakage of lines, variations in pressure, discontinuance of service or any other causes.

(e) The Company shall not be liable for any damage arising out of this agreement or the service supplied thereto.

(f) Service shall be at the sole risk of the Customer.

RULES AND REGULATIONS

3. GUARANTEE OF PAYMENT

3.1 Deposits for Non-Residential Accounts. A cash deposit may be required from a Non-Residential Applicant to secure payment of bills for regulated distribution service. In addition, the Company may require a deposit, letter of credit or other adequate assurance of payment, or any combination thereof, from a Non-Residential Customer if the Non-Residential Customer has been delinquent in payment of any bill in the preceding twelve (12) months or the Company otherwise has reasonable grounds to require security for payment of bills. The deposit shall not be more than the bill for regulated distribution service for the estimated usage for one average monthly billing period plus that for the highest billing period within the most recent twelve (12) months with a minimum fifty dollars (\$50.00) deposit.

3.2 Additional Security from Large Volume Customers.

- (a) Whether or not the Company could otherwise require security for payment, the Company may require a deposit, letter of credit, other adequate assurance of payment, or any combination thereof, to the extent the Customer seeks any combination of delivery or retail service for volumes in excess of 3,000 MCF per month. Such security may be established for an amount up to two billing periods of all service requirements calculated at the retail rate.
- (b) In addition, the Company may take one or more of the following actions:
 - (1) Reduce the meter reading and billing period to less than one month, (and with agreement by the Customer) require payment in no less than three calendar days from billing.
 - (2) Require payment by certified check or wire transfer; and
 - (3) Impose other procedures reasonably designed to reduce potential exposure to credit risk.
- (c) The Company may, in its discretion, specify the manner in which security and payments shall be credited and applied to past due or current bills or to replenish security.

3.3 Deposits for Residential Accounts. The Company may require a cash deposit from a Residential Applicant or Residential Customer to secure payment of bills for regulated distribution service based upon the following:

- (a) A Residential Applicant or Residential Customer whose service was terminated for any of the following reasons:
 - (1) Nonpayment of an undisputed delinquent account.
 - (2) Failure to complete payment of a deposit, providing a guarantee or establish credit.
 - (3) Failure to permit access to meters, service connections or other property of Company for the purposes of replacement, maintenance, repair, or meter reading.
 - (4) Unauthorized Use of Service on or about the affected dwelling.
 - (5) Failure to comply with the material terms of a payment arrangement.
 - (6) Fraud or material misrepresentation of identity for the purposes of obtaining utility service.
 - (7) Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment.

RULES AND REGULATIONS

3. GUARANTEE OF PAYMENT - Continued

(8) Violating tariff provisions on file with the PUC so as to endanger the safety of a person or the integrity of the Company's delivery system.

(b) Any Residential Applicant who is unable to establish creditworthiness to the satisfaction of Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that falls within the range of general industry practice and specifically assesses the risk of utility bill payment.

(c) A Residential Customer who fails to comply with the material terms or condition of a settlement or payment arrangement.

(d) A Residential Customer who has been delinquent in the payment of two (2) consecutive bills, or three (3) or more bills within the preceding twelve (12) months.

(e) The Company has established separate credit procedures and standards for Residential Applicants and Residential Customers who are victims with a protection from abuse order or for whom there is a court order from a court of competent jurisdiction in this Commonwealth, which provides clear evidence of domestic violence against the Residential Applicant or Residential Customer. These procedures shall be publicly posted on the Company's website and maintained on file in each of the business offices of the Company and made available, upon request, for inspection by members of the public.

3.4. Amount of Deposit for Residential Accounts. For Residential Applicants, the amount of the cash deposit shall not be more than 1/6 of a Residential Applicant's estimated annual bill, with such estimated annual bill determined at the time the deposit is required. In lieu of a cash deposit from a Residential Applicant, the Company may accept a written third-party guaranty on behalf of the Residential Applicant, provided that the guarantor establishes credit with the Company under Section 3.2 and the terms of the written guaranty are approved in writing by the Company, with such approval not to be unreasonably withheld. For Residential Customers, the amount of the cash deposit shall not be more than the estimated charges for service based on the Residential Customer's prior consumption for the period equal to one average billing period plus one average month, not to exceed two (2) months. Deposit amounts for Residential Applicants and Residential Customers may include Natural Gas Supplier charges where such Supplier is a participant in the Company's Purchase of Receivable Program.

3.5 Payment Period for Deposits.

(a) Any Non-Residential Applicant seeking to establish service at a new or different service location or seeking to reconnect service at the same service location previously terminated or discontinued, shall pay the required deposit in full prior to the provision of service.

(b) Any Residential Applicant or Residential Customer seeking to establish service at a new or different location or seeking to reconnect service at the same service location previously terminated or discontinued, shall pay the required deposit in full within 90 days. A Residential Applicant or Residential Customer may elect to pay the required deposit in three installments as follows: 50% of the required deposit billed upon the establishment or reconnection of service, with 25% of the required deposit to

RULES AND REGULATIONS

3. GUARANTEE OF PAYMENT - Continued

be billed by the Company 30 days after the establishment or reconnection of service and the remaining 25% billed 60 days after the establishment or reconnection of service. Nothing shall preclude the Residential Applicant or Residential Customer from electing to pay the deposit in full before or on the due date.

(c) Any Customer receiving service from the Company shall pay the required deposit in full on or before the due date. A Residential Customer may elect to pay the required deposit in three installments as follows: 50% of the required deposit billed upon the determination by the Company under Section 3.3(c) or (d) above that the deposit is required, with 25% to be billed by the Company 30 days after the determination and the remaining 25% billed 60 days after the determination.

3.6 Deposit Hold Period for Residential Accounts. A timely payment history is established for a Residential Customer when the Residential Customer has paid in full and on time for twelve (12) consecutive months. Company may hold a deposit on a Residential Customer's account until a timely payment history is established. At the end of the Deposit Hold Period, Company shall credit the deposit, plus accrued interest, to the Residential Customer's account. Deposits credited after the end of the Deposit Hold Period shall first be applied to any past due amounts. If service is terminated or discontinued before the end of the Deposit Hold Period, Company shall deduct any outstanding balance from the deposit and return any positive balance to the Residential Customer within sixty (60) days.

3.7 Refund Provision-Non-Residential Customers. Deposits secured from Non-Residential Customers will be refunded when the Customer discontinues service and has no unpaid bills or at Company's sole discretion.

3.8 Adjustments. The amount of the deposit may be adjusted when there is a change in consumption that will significantly change the amount of the deposit as computed in Rule 3.1 and 3.3.

3.9 Interest on Deposits. Deposits from all Customers shall bear interest computed at the simple annual interest rate determined by the Secretary of Revenue for interest on underpayment of tax under Section 806 of the Act of April 19, 1929 (P.L. 343, No. 176), known as The Fiscal Code which will be credited annually to the Customer's deposit or account. The interest rate in effect when the deposit is required to be paid shall remain in effect until the later of the date the deposit is refunded or credited or December 31 of each year. On January 1 of each year, the new interest rate for that year will apply to the deposit. Deposits shall cease to bear interest upon termination or discontinuance of the service covered by the deposit.

3.10 Prior Debts.

(a) Non-Residential Accounts. As a condition of furnishing, transferring or reconnecting service to a Non-Residential Applicant or Non-Residential Customer, the Company may require payment of any outstanding balance on any account for which the Non-Residential Applicant or Non-Residential Customer is legally responsible;

RULES AND REGULATIONS

3. GUARANTEE OF PAYMENT - Continued

(b) Residential Accounts. As a condition of furnishing, transferring or reconnecting service to a Residential Applicant or Residential Customer, the Company may require payment of any outstanding balance which accrued within the past four years on any account for which the Residential Applicant or Residential Customer is legally responsible. The foregoing four-year limitation shall not apply if the outstanding balance includes past due amounts that the Company was not aware of due to Unauthorized Use of Service, fraud or theft; in which case, the Company may require payment of all such past due amounts without regard to the four-year limitation. The Company may render a make-up bill to a Residential Customer for previously unbilled service which accrued within the past four (4) years resulting from billing error, meter failure, leakage that could not reasonably have been detected or loss of service. If the make-up bill exceeds the otherwise normal estimated bill for the billing period during which the make-up bill is issued by at least 50% or at least \$50, whichever is greater, the Company shall, at the option of the Customer, amortize the bill at least as long as: (1) the period during which the excess amount accrued; or (2) necessary so that the quantity of service billed in any one billing period is not greater than the normal estimated quantity for that period plus 50%.

(c) The Company may utilize all means of determining an Applicant's or Customer's liability for any outstanding balances, including, but not limited to, the following: (1) use of Company records that contain confidential information previously provided to the Company, (2) information contained on a valid mortgage, lease or deed, (3) other information contained in the Company's records that indicate that the Applicant was an adult Occupant during the time the balances accrued, (4) use of commercially available consumer credit reporting service, (5) use of commercially available skip tracing software that contains records of names and addresses, and (6) use of information contained in credit reporting data utilized by the Company.

RULES AND REGULATIONS

4. SERVICE - SUPPLY FACILITIES

4.1 Facilities Ownership. Unless otherwise mutually agreed and except as provided in Sections 4.3 below, the Company will own and maintain any facilities required for the supply of Gas Service up to the outlet side of its metering equipment, including but not limited to, any mains, service lines, meters, regulators, connections or other equipment. All such equipment shall remain the exclusive property of the Company.

4.2 Facilities Location. The location of the Company's facilities shall in all cases be determined by the Company. The Customer shall provide, without charge, a suitable place for the meters, regulators or other equipment of the Company. The Customer is responsible to provide the connection point to the Customer's fuel line at a location adjacent to the terminus of Company facilities and where the connections are not concealed. Such service line, meter and connection locations shall be accessible to the Company's employees for the safe installation, operation, inspection and maintenance of the facilities and shall be, at all times, readily accessible, and if inside, free of excessive temperature variations, with ample passageway, and whether inside or outside, free of obstacles, and unsafe and hazardous conditions and, if not accessible, the Company has the ability to charge the Customer to move facilities to a location acceptable to the Company. The owner of a premises receiving or capable of receiving natural gas service from Company shall be deemed to consent to the location of Company facilities on the premises.

4.3 Customer Convenience Valve. Company may, in its sole discretion, install a valve on the outlet side of its metering facilities which shall be owned by the owner of the premises ("Customer Convenience Valve"), and the owner of the premises may, under such conditions as may reasonably be established by Company, operate the Customer Convenience Valve after it is connected to the premise's fuel lines.

4.4 Fuel Line Designation. When two or more meters are installed on one premise, such as an office building or an apartment house, they shall be grouped at one common place accessible for reading and testing. In such an installation, each fuel line pipe shall bear a tag showing the apartment or area served, supplied by and maintained by the Customer. In cases where it is not possible to group meters at one accessible place, they shall be located as directed by the Company.

4.5 Facilities Relocation.

(a) Changes in location of mains, service lines, meters, regulators, connections or other equipment for the accommodation of the Customer shall be done by the Company, unless otherwise mutually agreed, at the expense of the Customer. This provision includes the relocation of facilities by the Company where obstructions limit Company access to its facilities.

RULES AND REGULATIONS

4. SERVICE - SUPPLY FACILITIES - Continued

(b) Ancillary Fuel Line Work. The Company may, in its sole discretion, when relocating its facilities, make reasonable modifications or additions to the fuel lines of a premises receiving or capable of receiving gas service for the limited purpose of connecting such fuel lines to Company's relocated facilities, and the owner of the premises shall thereafter own and have responsibility for such modified fuel lines. If Company relocates its facilities solely for its convenience or to comply with regulatory requirements it shall pay the costs of relocating or extending the fuel line; otherwise, unless otherwise agreed by Company, the person requesting or requiring the relocation shall be responsible for payment.

4.6 Right of Removal. The Company shall have the right to remove its facilities from the premises of the Customer or, where appropriate, abandon facilities in place, at any time after the termination of service, whatever may have been the reason for such termination.

4.7 Non-Standard Service. The Customer may be required to pay the cost of any special installation necessary to meet Customer's requirements for Gas Service at non-standard conditions.

4.8 Protection of Company Facilities. The Company may condition its provision or continued provision of Gas Service to a Customer on: (a) installation by Customer of equipment, such as check valves or regulation equipment, downstream from Company-owned facilities reasonably necessary to protect Company facilities or service levels, or (b) the installation by Company of equipment, such as valves designed to limit the flow of gas to levels Customer is permitted to receive, reasonable necessary to protect Company facilities or service levels. Unless otherwise agreed to by the Company, the Customer shall be responsible for the costs of such facilities required under this Section 4.8.

RULES AND REGULATIONS

5. EXTENSION REGULATION

5.1 Obligation to Extend or Expand. Under the rules set forth below and under normal conditions of construction and installation, upon written application, the Company will extend or expand its facilities within its service territory, provided that (a) the requested extension or expansion will not adversely affect the availability or deliverability of gas supply to existing customers and (b) the Company's investment in facilities is warranted by the Annual Base Revenue to be derived from the extension. The costs of extending or expanding facilities beyond the Company's Allowable Investment Amount shall be paid by the Extension Applicant as a contribution.

5.2 General

(a) Annual Base Revenue. As used in this Section 5, the Annual Base Revenue is the anticipated annual base rate revenue from the extension or expansion, as determined by the Company, less the cost of fuel included in base rates. Where gas is used as a supplemental source of fuel for peak heating purposes, anticipated base revenues from such use shall be excluded from Annual Base Revenue.

(b) Allowable Investment Amount. The Company's Allowable Investment Amount shall be the Annual Base Revenue divided by a predetermined rate of return.

(c) Estimates. Cost estimates used by the Company may be based on construction and installation conditions anticipated for the extension, including, but not limited to, the cost of installation and construction, non-street surface restoration, such as replacement or repair of sidewalks, driveways, landscaping or sod, street opening and restoration terms and fees, and any other local government fees required for the installation. The Company may determine cost estimates based on average experienced unit costs.

(d) Surface Restoration. The Company will restore the street surface in accordance with applicable local government regulations and provide rough backfilling of the installation trench from the curb to the meter. The Extension Applicant will be required to perform or pay the Company's cost of non-street surface restoration.

(e) Standard conditions of construction in a residential development, commercial park and industrial park include trenching provided by the developer.

5.3 Residential and Small Commercial Gas Service. For Gas Service to individually-metered, single dwelling units, the Company will install required service facilities, including, as applicable, a meter, regulator, service-supply pipe and supply-main, provided the costs in excess of the Allowable Investment Amount shall be paid by the Extension Applicant.

RULES AND REGULATIONS

5. EXTENSION REGULATION - Continued

5.4 Commercial and Industrial Gas Service (including apartment buildings and multi-unit housing)

(a) For commercial and industrial Gas Service costing up to \$10,000 from which the Company in its sole judgment anticipates long-term, continuous usage at projected volumes, the Company will install, required service facilities, including, as applicable, a meter, regulator, service-supply pipe and supply-main, provided that the costs in excess of the Allowable Investment amount shall be paid by the Extension Applicant.

(b) The Company may condition its agreement to extend or expand its facilities upon satisfactory long-term and short-term usage commitments and any other terms and conditions of service as are mutually agreeable to the Company and the Extension Applicant. A contribution may be required up to the amount of the Company's total investment in the extension.

5.5 Contributions and Refunds. Except as otherwise described herein, when a contribution is required by the Company, the terms and conditions of refunds and or future payments that may be required of the Extension Applicant will be governed by the service agreement between the Company and the Extension Applicant. The terms of any refund due to the Extension Applicant shall be defined in the service agreement and shall be limited to a maximum refund of the amount of the original contribution (no interest) and shall be limited to the five year period immediately following completion of this extension.

5.6 Taxes on Contributions for Construction & Customer Advances. Any contribution, advance or other like amounts received from the Extension Applicant which shall constitute taxable income as defined by the Internal Revenue Service, will have the income taxes recorded in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a contribution or advance will not be included as part of the contribution, deposit, or advance charged to the Extension Applicant.

RULES AND REGULATIONS

5. EXTENSION REGULATION - Continued

5.7 Special Utility Service. The provisions set forth in Rule 5 do not apply to applications for Special Utility Service, which include:

- (1) A request for service from an Extension Applicant with installed alternate fuel capacity.
- (2) A request for service from an Extension Applicant located in an area where another natural gas utility also is authorized to serve.
- (3) A request for service from an Extension Applicant who, in the sole judgment of the Company, may not remain on the Company's system for a sufficient period of time to justify the extension or expansion.
- (4) Extension Applicants eligible for service under Rate Schedule XD.
- (5) Extension Applicants receiving or capable of receiving gas from an interstate pipeline, local production fields, or production facilities.

Applications for Special Utility Service shall be resolved on a case-by-case basis through negotiations between the Extension Applicant and Company.

5.8 Daily Metering. The Company reserves the right as a condition of service under non-residential Tariff rate schedules to install, at the Customer's expense, remote read devices for the purposes of monitoring and/or billing Customer volumes, at every single meter or multimeter location served under such rate schedules. The Customer shall at all times, at the discretion of the Company, maintain, at its expense, a suitable telecommunication and electric lines to the device which will allow the Company unlimited remote access to the remote read device. If the Customer fails to maintain a suitable telecommunication connection and electric lines to the device, the Company reserves the right to install and maintain telecommunication and, as applicable, electric lines to serve the remote read device and charge the Customer accordingly.

Standard access to daily usage information shall be provided by the Company to the Customer, or Customer's agent, at no additional charge in a form and manner as specified by the Company. Custom reports, access to historical data beyond one month and/or multiple user access may be provided on an as-available basis by the Company for an additional fee.

RULES AND REGULATION

5. EXTENSION REGULATION - Continued

5.9 - Pilot Growth Extension Tariff ("GET Gas") Rider

5.9.1 Availability and Purpose. In lieu of the extension rules set forth in Rules 5.1-5.8, the following GET Gas tariff rules may apply. These GET Gas tariff rules will be applied to eligible customers as part of a 5 year pilot program, unless suspended or terminated earlier pursuant to Rule 5.9.4 or Commission order.

The GET Gas pilot program is designed to test new tariff rules to facilitate the extension of natural gas service to the general class of residential homes and non-residential buildings, not currently receiving natural gas distribution service, which:

- (a) are in an Unserved Area (a small group or pocket of customers in a neighborhood location in close proximity to an existing main) or an Underserved Area (a significant portion of a general community or town location or municipality where the Company has identified significant potential for natural gas service demand and existing natural gas facilities are located within a reasonable distance);
- (b) are reasonably expected over time to reach target customer saturation levels which will produce revenues, including GET Gas Rider charges, that will support required investments and not unduly burden existing customers; and
- (c) otherwise meet the applicable requirement conditions of the GET Gas program.

Under the GET Gas Program, the Company may designate Company facilities extended to an applicant or applicants, as "GET Gas Facilities" and will assess an incremental GET Gas Rider charge amount related to the recovery of GET Gas amounts, as determined on a general class basis, from the class of customers who may connect to these GET Gas facilities during an initial twelve year period.

5.9.2 Designation. Subject to the funding limitations set forth in Rule 5.9.5, Company may apply the GET Gas program tariff rules to service extension requests which exceed a cost of \$15,000 from an Underserved Area or an Unserved Area reasonably designated by Company, where:

- (a) there is, in the Company's sole discretion, a reasonable prospect that (i) fifty percent (50%) or more of existing residential homes along the GET Gas project facility extension route or area will convert their primary heating source to natural gas and directly connect to the GET Gas facilities within 12 years ("GET Gas Customers"); and
- (b) the estimated total investment for each GET Gas Customer to be connected does not exceed \$10,000 (inclusive of any projected commercial customers).

RULES AND REGULATION

5. EXTENSION REGULATION - Continued

5.9.3 Get Gas Rider. Customers receiving service by connections to Company facilities designated by Company as GET Gas pursuant to Rule 5.9.2 within an initial twelve years following installation, and which receive service under Rate Schedules R, RT, N or NT, shall be required to pay GET Gas Rider charges listed below as part of distribution service for a period of ten years, beginning from the first date the meter is set. GET Gas Rider charges will not be considered Basic Natural Gas Service Charges during the Pilot Period. Non-residential customers subject to the GET Gas Rider charge, as determined by the Company in its sole discretion, may not avoid the charge by electing an alternate rate schedule. In lieu of paying the monthly GET Gas Rider charges, Customers may elect at any time to pay a lump sum upfront payment equal to the remaining principal portion of the GET Gas surcharge. The lump sum upfront payment made by Non-Residential Customers shall be based on anticipated annual customer usage, as determined by the Company in its sole discretion.

GET Gas Rider Rate:

Rate Schedules R and RT: \$54.95 monthly charge

Rate Schedules N and NT: \$7.86 monthly charge plus \$7.37 per Mcf for all usage.

5.9.4 Limitations. If the differential between Average Residential Annual Natural Gas Costs per MMBtu and Average Residential Annual Heating Oil Costs per MMBtu drops and remains below \$10.00 per MMBtu for two consecutive quarters (with such calculations performed for the quarters ending March, June, September and December), the Company will evaluate whether to continue to invest in new GET Gas facilities based on market specifics at that time, except that the Company will continue to invest in (a) service connections to GET Gas Facilities that are already installed or (b) GET Gas projects that are currently underway or have been committed to by the Company.

For purpose of the above limitation:

Average Residential Annual Heating Oil Costs per MMBtu = (12 month future period average of NYMEX "HO" Contract) plus (delivery variable); and

Average Residential Annual Natural Gas Costs per MMBtu = (All applicable Rate R volumetric rates and riders) plus (All applicable Rate R monthly charges, excluding the monthly GET Gas Rider, divided by the current average annual residential volumes).

Company also reserves the right to temporarily close or to terminate the program at its discretion for good cause.

5.9.5 Funding. Funding for this pilot GET Gas tariff program shall be limited to an annual average level of \$5 million for the duration of the 5 year pilot term, with total funding not to exceed \$25 million, absent Commission approval to exceed these amounts.

RULES AND REGULATIONS

6. CUSTOMER'S RESPONSIBILITY FOR COMPANY'S PROPERTY

6.1 Maintenance of Company Equipment. Company shall own and maintain Company facilities through the Point of Delivery, but shall not be required to install or maintain any pipes, facilities or equipment beyond that point, unless specifically provided for in writing.

6.2 Access to Premises. The authorized agents and/or employees of the Company shall have unimpeded access at all reasonable times to the premises of the Customer for the purpose of reading meters and disconnecting service, for installing, testing, inspecting, repairing, adjusting or removing any Company property. Authorized agents and/or employees of the Company shall have immediate access to any premises whenever they believe an unsafe or hazardous condition exists.

6.3 Protection by Customer. The Customer shall be responsible at Customers expense for the protection of the Company's property on the Customers premises, and shall not permit any unauthorized person to do any work on such property. In the event of damage or destruction of Company's facilities on Customer's property, the Customer shall pay the costs of repairs, replacement, and/or related costs.

6.4 Tampering and Theft of Service

(a) Tampering. In the event the Company's meter or other equipment is tampered or interfered with, the Customer shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for any repairs or replacements required, as well as for costs of inspections, investigations, and protective installations. Such tampering will be grounds for immediate termination of service without notice as specified in the Termination of Service and Disconnection section of this Tariff.

(b) Theft of service occurs when a person obtains gas, by deception, tampering with Company facilities or other means designed to avoid payment for gas provided by Company. Persons who obtain gas through such means may be subject to civil suit and/or criminal prosecution. If theft of service occurs, the Company may immediately terminate service to the location receiving the unauthorized service.

- (1) Before service will be restored to the affected location, the Customer must pay (1) for all gas consumed during the period of unauthorized usage, (2) any delinquent gas service balance, including late fees, (3) reconnection fees, (4) a security deposit, and (5) the costs associated with damage to the Company's meters or equipment.
- (2) In the event that the theft of service is referred for criminal prosecution, the Company may deny gas service until the case is concluded and any restitution ordered is paid.

RULES AND REGULATIONS

6. CUSTOMER'S RESPONSIBILITY FOR COMPANY'S PROPERTY - Continued

6.5 Continuity of Service. The Company will endeavor at all times to provide reasonable and continuous service to the Customer. The sole liability of the Company for failure to furnish a sufficient supply of gas or for failure to transport Customer's gas shall be limited to an amount equal to the Customer's proportionate monthly Customer charge for the period of time during which a Gas Service failure occurs during which a supply failure occurs. In no event shall the Company be liable for direct, extraordinary, special, or consequential damages arising in any manner whatsoever as a result of supply failure.

6.6 Notification of Construction. It will be the Customer's responsibility to notify the Company and any applicable federal, state or local agencies (i.e., Pennsylvania's One Call System, Inc.) prior to digging or before any construction occurs on the Customer's property that may impair or prevent access by the Company to its service line or any other equipment located on the Customer's property.

6.7 Gas Leaks. It is the responsibility of the Customer to exercise all due care in the detection of defects, leaks, or other dangerous developments incident to the handling of gas. The Customer agrees to immediately inform Company of any gas leaks and in the event of any resulting loss thereof, failure to do so may result in an evidentiary finding of contributory or comparative negligence on the part of the Customer.

6.8 Suspension of Service. For the purpose of performing maintenance or making repairs to the mains or other parts of its system, the Company may suspend service for such periods as may in its sole judgment be necessary.

6.9 Company's Right to Inspect. Piping, fixtures and appliances on Customer's premises must be installed at the expense of the Customer or owner of the property. The Company shall have the right, but shall not be obligated, to examine the Customer's installation and appliances at the time service is first supplied or at any later time. If at any time the installation or appliance is found defective or unsafe, service may be refused or discontinued until Customer has the condition corrected. The Company's inspection, or failure to inspect or reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects or inadequacies in the installation, piping, or appliances, or from violation of the Company rules, or from accidents which may occur upon the premises of the Customer.

RULES AND REGULATIONS

7. METER READING

7.1 Definition of a Cubic Foot. A cubic foot shall be the amount of gas that occupies a volume of one cubic foot at an absolute pressure of 14.73 pounds per square inch and a temperature of 60° Fahrenheit. To determine the volume at conditions other than standard pressures of gas delivered, factors such as those for pressure, temperature, specific gravity, heating value, and deviation from the laws of ideal gases may be applied.

7.2 Method of Measurement. Gas usage shall be measured by Company owned meters.

7.3 Pressure Correction. At the Customer's request, the Company may allow delivery at an elevated pressure that exceeds the standard pressure of seven inches water column (7" W.C.). In situations where delivery pressure is two pounds per square inch or greater, the Company may choose to use a fixed factor to account for the higher energy content of the higher pressure gas, whereby the metered volume is multiplied by the pressure factor to determine the correct energy consumed. In cases where the Company agrees to provide delivery service at such an elevated pressure without a fixed factor, a supplemental device will be installed at the Customer's expense to correct the meter reading for pressure and temperature. The Company may reject a Customer's request for non-standard service at elevated pressure for system operational reasons, where the Customer does not agree to pay the cost for non-standard service, where applicable, under Rules 4.7, 5.3 or 5.4(a), or for any other reason that the Company may determine at its sole discretion.

7.4 Meter Tests. The Company may, from time to time and at its expense, inspect and test its meters. The Customer has the right to have the Company test the meter in service at the Customer's premises, and, upon written request, the Company will, as applicable, remove, seal and test the meter in accordance with the Gas Service Regulations of the Pennsylvania Public Utility Commission ("Regulations") or secure an in-person meter reading to confirm the accuracy of an automatic meter reading device when a customer disconnects service or a new service request is received. Together with the written request for a meter test, the Customer shall deposit with the Company the meter testing fee specified by the Regulations. If the meter tests within the accuracy limits specified by the Regulations, the meter shall be deemed for all purposes to have registered accurately. In such case, no billing adjustment shall be made and the meter testing fee deposited with the Company shall be credited to the Company.

7.5 Adjustment for Meter Error. If any meter becomes defective or fails to test accurately, an adjustment will be made to the Customer's bill in accordance with the Regulations and the meter testing fee deposited with the Company shall be refunded to the Customer.

7.6 Meter Test Fees. The Company may assess the following service charges:

Meter Size:	0 - 500 CFH	\$10.00
	501 - 1500 CFH	\$20.00
	Over - 1500 CFH	\$30.00

RULES AND REGULATIONS

8. BILLING AND PAYMENT

8.1 Billing Month. Bills are rendered monthly. The Company normally reads meters monthly. However, at its option, the Company may read meters once every two months. In instances where meters are read every two months, the first month's bill will be based on an estimate of the consumption for the first month of the bi-monthly period. Bills are due when rendered and shall be considered as received by the Customer when left at, or mailed to, the address where service is rendered, or such other address as designated by the Customer. A billing month is the period upon which a Customer's monthly charges and consumption are computed and for which a bill is rendered. For Residential Customers, the billing month is a period of not less than 26 or greater than 35 days. An initial bill for a new Residential Customer may be less than 26 days or greater than 35 days; provided however, if an initial bill exceeds 60 days the Residential Customer shall be given the opportunity to amortize the amount over a period equal to the period covered by the initial bill without penalty. A final bill due to the discontinuance may be less than 26 days or greater than 35 days but may never exceed 42 days. In cases involving termination, a final bill may be less than 26 days. In addition, bills for less than 26 days or more than 35 days shall be permitted if they result from rebilling initiated by the Company or Customer dispute to correct a billing problem. Bills for less than 26 days or more than 35 days shall be permitted if they result from a meter reading route change initiated by the Company.

8.2 Estimated Consumption. When the Company is unable to obtain an actual meter reading because of inability to gain access to the meter, or because of extreme weather conditions, emergencies, equipment failures, work stoppages or any other circumstances, the Company will render appropriately marked estimated bills.

8.3 Application of a Rate Schedule. The Company will compute bills under the rate schedule selected by and for which the customer qualifies. In the event the customer does not select a Rate Schedule, the Company may discontinue service or place the Customer on a rate schedule for which the Customer qualifies.

8.4 Budget Billing. Residential Heating Customers may elect an optional billing procedure which averages the estimated Company regulated service costs over a revolving twelve (12) month Budget Billing plan. These Customers will be billed for the use of gas during the next eleven (11) months beginning with whatever month that they select. Company will review the Budget Billing amount on the fourth (4th), seventh (7th) and tenth (10th) months annually adjusting upward or downward the Budget Billing amount based on actual charges to date and projected charges to the end of the twelve (12) month Budget Billing. The twelfth bill will be for usage for the month, with an adjustment for the difference between payments made and actual charges for gas service for the prior eleven (11) months, inclusive. At the conclusion of the budget billing year, any resulting reconciliation amount exceeding \$100 may be amortized over a twelve (12) month period upon Residential Heating Customer request.

The optional twelve (12) month Budget Billing plan, as described above, is available to Commercial and Industrial Heating Customers provided that at least seventy-five (75) percent of the Customer's total gas consumption is for space heating. If a Customer has an unpaid balance equal to the amount of two (2) Budget Bill Plan bills, billing under this plan may be terminated by the Company.

RULES AND REGULATIONS

8. BILLING AND PAYMENT - Continued

8.5 Payment Due Date. The due date for payment of Residential Customers' bills shall not be less than twenty (20) days from the date of mailing and fifteen (15) days for a Non-Residential Customer's bill with the exception that bills to the Commonwealth of Pennsylvania, the Government of the United States, or any of their agencies, and elementary and secondary schools shall be due fifteen (15) days after the date of mailing unless otherwise extended to thirty (30) days by mutual agreement. For all billings, if the due date for payment should fall on a Saturday, Sunday, bank holiday or any other day when the offices of the Company where payments are regularly received are not open to the general public, the due date shall be extended to the next business day. Failure to receive a bill will not release the Customer from payment obligations.

8.6 Date of Payment for Residential Customers. For payments by mail, the effective date of payment shall be the date of the postmark. For payments made through electronic transmission, the effective date of payment shall be the date of actual receipt of payment by the Company. For payments made at a branch office or an Authorized Payment Agent, the effective date of payment shall be the date of actual receipt of payment at that location.

8.7 Late Payment Charge. Late payment charges will be applied as follows to the balance due which is not paid by the due date including amounts billed by the Company on behalf of natural gas suppliers other than the Company. Residential Customers will be charged a late payment charge of one and one half (1 1/2) percent per month on the balance due not paid by the due date; provided that, for a Residential Customer's payment by mail, the Company shall not impose a late payment charge unless payment is received more than 5 days after the due date. Non-Residential Customers will be charged five (5) percent per month on the balance due not paid by the due date and an additional one and one half (1 1/2) percent per month for each month thereafter.

8.8 Return Payment Service Charge. The Company may impose a service charge of the greater of thirty-five dollars (\$35.00) or maximum allowed by Commonwealth of Pennsylvania for each check or negotiable instrument (including electronic payment) received in payment of bill(s) which is dishonored and returned by the bank upon which it is drawn. The Company may require a Customer to tender non-electronic payment after the Customer tenders two (2) consecutive electronic payments that are subsequently dishonored, revoked, canceled or otherwise not authorized.

8.9 Due Date Extension Program. Residential Customers meeting the qualification requirements of the Due Date Extension Program shall, upon written application, have the due date for payment of bills for service to their personal residence extended. To qualify, Applicants must submit proof that their sole source of support, and that of others in their household, is derived from a permanent fixed income plan, issuing monthly checks. Under the program, the due date for payment on a bill normally falling due between the sixth day of the month and the twentieth day of the month shall be extended to the first working day after the twentieth of the month. The due date for payment on a bill normally falling due between the twenty-first day of the month and the fifth day of the following month, shall be extended to the first working day after the fifth day of the latter month.

8.10 Application of Payments for Rates RT and NT. Where Company renders a bill for natural gas supply service on behalf of a Choice Supplier and a partial payment is received, the partial payment shall first be applied to pre-retail access Company balances and then to post-retail access balances.

RULES AND REGULATIONS

8. BILLING AND PAYMENT - Continued

In the event a customer has a pre-retail access Company balance, partial payment shall be applied in the following order of priority:

1. First to outstanding pre-retail access Company balances, or the installation amount on a payment arrangement with the Company on this balance; then to
2. Current regulated Company charges; then to
3. Choice Supplier supply charges; then to
4. Non-Basic Service charges; then to
5. Hardship Energy Fund contributions.

In the event a Customer develops a post-retail access balance, partial payment shall first be applied to the pre-retail access Company balances in the order of priority specified above. Thereafter, partial payment shall be Company applied in the following order of priority:

1. First to outstanding post-retail access Company Balances, or the installation amount on a payment arrangement with the Company on this balance; then to
2. Current regulated Company charges; then to
3. Choice Supplier service charges; then to
4. Non-Basic service charges; then to
5. Hardship Energy Fund contributions.

Where Company renders a budget bill on behalf of a Choice Supplier for Natural Gas Supply service, partial payments shall be applied on a pro rata basis after outstanding pre-retail access balances and post retail access balances have been paid in accordance with the orders of priority specified above. For purposes of this Section, pre-retail access balances means outstanding account balances incurred prior to Customer transferring to Rate RT and NT.

For purposes of this Section, post-retail access balances means outstanding account balances incurred after Customer transfers to Rate RT and NT.

8.11 Unless otherwise stated in this Section, 8. Billing and Payment, all billing and payment provisions of this section apply to Customers served under all Company rate schedules, including Rate Schedules RT and NT where a Customer's Choice Supplier also participates in the Company's Purchase of Receivables ("POR") program.

8.12 Payment Refunds. Refunds due customers greater than two dollars (\$2) shall be mailed to the Customer. Refunds less than two (\$2) may be picked up at the office within sixty (60) days. After sixty (60) days, the refund shall be applied to Operation Share.

RULES AND REGULATIONS

9. TERMINATION AND DISCONTINUANCE OF SERVICE

9.1 (a) Termination of Service. The Company may terminate service on reasonable notice and remove its equipment in case of Customer's (i) nonpayment of an undisputed delinquent account, (ii) failure to complete payment of a deposit, provide a guarantee of payment or establish credit, (iii) failure to permit access to meters, service connections or other property for the purpose of replacement, maintenance, repair or meter reading, (iv) failure to comply with the material terms of a payment arrangement, or (v) violation of tariff Rules and Regulations. The Company may terminate service promptly and without notice for Customer's (i) Unauthorized Use of Service delivered on or about the affected dwelling or premises, (ii) fraud or material misrepresentation of the Customer's identity for the purpose of obtaining service, (iii) abuse of or tampering with the meters, connections or other equipment of the Company, (iv) violating tariff Rules and Regulations which endanger the safety of a person or the integrity of the Company's distribution system; (v) tendering payment for reconnection of service that is subsequently dishonored, revoked, canceled or otherwise not authorized and which has not been cured or otherwise made in full payment within three business days of the Company's notice, or (vi) after receiving termination notice from the Company, tendering payment which is subsequently dishonored under 13 Pa. C.S. § 3502, or, in the case of an electronic payment, that is subsequently dishonored, revoked, canceled or otherwise not authorized and which has not been cured or otherwise made in full payment within three business days of the Company's notice. Prior to restoration of service terminated for any of the foregoing reasons, the Company may require a payment in advance of all arrearages, applicable deposit, and a reconnect charge of \$73.00.

(b) For Residential Customers, the Company will accept the following as verification of household income in determining the eligibility of an account under Chapter 56 for termination during the period of December 1 through March 31: (i) recent pay stubs or W-2 forms, (ii) access card or statement from Department of Public Welfare ("DPW"), (iii) if a source of income is rental income, then a verified copy of rent receipt(s), (iv) if the Residential Customer receives social security payments, pension payments, disability payments, Supplemental Security Income (SSI) payments, or any other source of fixed income with direct deposit, then a copy of bank statement or benefit letter, (v) child support and/or alimony support verification letter, (vi) if the Residential Customer receives payments from unemployment benefits or workers' compensation, then a copy of the determination letter or check stub, (vii) previous year's income tax statement, (viii) a filed 1099 form showing any interest income, annuity or dividends, and (ix) a verification letter from DPW of any approved cash or crisis grant applicable to the current heating season.

9.2 Discontinuance of Service. Any Customer who is about to vacate any premises supplied with gas service or wishes to have service discontinued for any reason shall give at least seven (7) days written notice to the Company and any non-Customer Occupant of the premises to which service is being supplied, specifying the date on which it is desired that service be discontinued. If a Residential Customer requests a Discontinuance of Service at the Residential Customer's residence, and the Residential Customer and the members of the Residential Customer's household are the only Occupants, the Company may discontinue service without additional notice to the affected premise. If a Customer (other than a landlord ratepayer) requests a

RULES AND REGULATIONS

9. TERMINATION AND DISCONTINUANCE OF SERVICE - Continued

Discontinuance of Service at a dwelling other than the Customer's residence, or at a single meter, multi-family residence, whether or not the Customer's residence, the Customer must state in writing (under penalty of law) that the premises are unoccupied. If the premises are occupied, the Customer's written notice requesting Discontinuance of Service must be endorsed by all affected Occupants. If the foregoing conditions are not met, the Company may discontinue service at the affected premises upon notice to the affected premises in accordance with Chapter 56. The Customer shall be liable for gas consumed until transfer of the account or the meter shut off. When Discontinuance of Service by Customer is for a period of less than twelve (12) months, the Company may require a payment of customer charges for each month the service has been discontinued in order to have the service restored.

9.3 If service to any Non-Residential Customer is terminated for the reasons set forth in Section 9.1 (Termination of Service) or discontinued in accordance with Section 9.2 (Discontinuance of Service) hereof, the Company shall not be under any obligation to resume service to the same Customer at the same premises within twelve months unless it shall receive payment of an amount equal to the minimum bill for each month of the intervening period.

9.4 Reconnect Charge. If service to a customer is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to such customer, at the same premises, within twelve (12) months from the date service was discontinued, unless they shall first receive a reconnection charge of \$73.00. In addition, if the Customer's service was discontinued at the Customer's request, a payment of the applicable minimum charge for each month that service was discontinued shall be required. A Customer at the same premise who requests seasonal service and has gas shut off and turned on within twelve month period shall be billed an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the twelve month period.

RULES AND REGULATIONS

10. RIDER A

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge is applicable to the net monthly rates and minimum charges contained in this Tariff. The surcharge shown below will be recomputed when a tax rate used in the calculation changes and/or the Company implements a change in rates.

The recomputation of the surcharge will be submitted to the PUC within 10 days after the occurrence of a reason for surcharge recomputation shown above. If the recomputed surcharge is less than the one in effect the Company will, and if more may, submit a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after the filing.

Rider A - State Tax Adjustment Surcharge is 0.000%.

This Rider applies to Rates R, RT, N, NT, GL, DS, GBM, and LFD.

RULES AND REGULATIONS

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, 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:

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

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 consecutive twelve month periods. The amount of purchased gas costs per MCF 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.

In the event a Natural Gas Supplier discontinues service or defaults before its contract with the Customer expires, any costs incurred by the Company during the period between the Natural Gas Supplier's discontinuance of service or default and the first day of the Customer's next regular billing cycle which cannot be recovered from the Natural Gas Supplier shall be considered a Purchased Gas Cost.

Definitions

In computing purchased gas costs pursuant to the formula above, the following definitions shall apply:

"PGC" - Purchased Gas Cost determined to the nearest one-hundredth cent (0.01¢) per MCF to be included in rates for gas supplied under the rate schedules identified above.

"Purchased Gas" - The volume of gas purchased by the Company that is delivered to the Company's Customers, plus such portion of the Company's used and unaccounted-for gas, including, but not limited to, natural gas, synthetic gas, liquefied natural gas, and natural gas substitute, including liquefied propane and naphtha.

"C" - The current cost of gas ("C-Factor") is determined as follows: (a) for all types of purchased gas, project the cost for each purchase (adjusted for net current gas stored) for the projected period when rates will be in effect plus (b) the arithmetical sum of (1) the projected book value of noncurrent gas at the beginning of the computation year minus (2) the projected book value of noncurrent gas at the end of the computation year.

RULES AND REGULATIONS

11. RIDER B - Continued

SECTION 1307(F) PURCHASED GAS COSTS

As applicable, to the extent such charges are not directly paid, Purchased Gas Costs shall include credits related to the use of PGC capacity by transportation customers where the Customer or NGS utilizes Company assigned or released pipeline capacity. In addition, revenues related to balancing services provided pursuant to Sections 20.2 and 20.4; Rate NNS; Rate MBS; capacity or commodity gas sales made pursuant to Customer elections under the Retail Standby Rider; Unauthorized Overrun; OFO, DFD and NGS penalty charges and bundled city gas sales made to NGSSs shall be credited to the PGC.

"E" - Experienced net overcollection or undercollection of purchased gas costs ("E-Factor"). Such net overcollection or undercollection statement shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. Each over-under collection statement shall also provide for refund or recovery of amounts necessary to adjust for over or under recoveries of E-Factor amounts under the previous 1307(f) rate.

Interest shall be computed monthly at the rate provided for in Section 1307(f) (5) of the Public Utility Code from the month that the over or undercollection occurs to the effective month such overcollection is refunded or such undercollection is recouped.

The E-Factor calculated for PGC rates to be effective on December 1, 2016 shall include an actual final Interruptible Revenue Credit ("IRC") balance amount resulting from the termination of the Company's Tariff Gas Pa. P.U.C. No. 5.

Additionally, supplier refunds will be included in the calculation of E-Factor with interest added at the annual rate of six percent (6%) calculated in accordance with the foregoing procedure, beginning with the month such refund is received by the Company.

Computation and Application of the E-Factor

The E-Factor shall be computed to the nearest one-hundredth cent (0.01¢) per Mcf in accordance with the formula set forth below:

$$\text{E-Factor} = (-E/S)$$

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

"S" - Projected MCF of gas to be billed to Customers during the projected period when rates will be in effect.

RULES AND REGULATIONS

11. RIDER B - Continued

SECTION 1307(F) PURCHASED GAS COSTS

Revenue Sharing Incentive Mechanism: The PGC rate determined in this section may be adjusted to reflect the operation of a Revenue Sharing Incentive Mechanism as defined hereafter.

Off-system Sales: If and when the Company makes an off-system sale of natural gas, either in the Company's market area or upstream of the Company's market area with or without the use of PGC assets (including those derived from reservation charge contracts), the net revenues from the sale shall be shared by both the Company and the Company's retail customers served pursuant to this section of the tariff. The net revenues of the sale shall mean the total revenues from the sale of gas to a third party, less (1) the sum of the cost of natural gas, transportation commodity charges, and fuel retainage, if the sale or exchange is made upstream of the Company's market area or (2) the average city gate commodity cost of all gas purchased and flowing on the first of the month, including the natural gas, transportation commodity, and fuel, if such sale is made at the Company's city gate or in the Company's market area. The sharing of such net revenues shall be allocated in accordance with the Revenue Sharing Allocation procedure in this section.

Exchanges of Natural Gas: If and when the Company and a third party agree to make a location exchange of natural gas in which both parties receive like quantities of gas, with no adverse economic effect on the Company's Customers, any revenues received by the Company for performing this service shall be shared by the Company and the Company's retail Customers served pursuant to this section of the Tariff. Any revenues received from the exchange of natural gas, either upstream of the Company's city gate, or at the Company's city gate, shall be allocated in accordance with the Revenue Sharing Allocation procedure in this Section.

Capacity Release on Interstate Pipelines: Capacity release revenue generated by administrative releases to third parties that fill the Company's storage shall be credited 100% to PGC customers. Other revenue received by the company for off system Capacity Release of interstate pipeline capacity will be credited in accordance with the Revenue Sharing Allocation procedure in this Section.

Storage Asset Management: If and when the Company has a third party manage gas supply assets paid for by the PGC, any revenues received from the third party ("Asset Management Fees") shall be allocated in accordance with the Revenue Sharing Allocation procedure in this Section.

Revenue Sharing Allocation: Through November 30, 2016, the sum of the revenues derived from all Off-System Sales, Exchanges of Natural Gas, Storage Asset Management and Capacity Release on interstate pipelines will be allocated 75% to PGC and 25% to the Company. Provided, however, that capacity release revenues credited to the PGC shall be further allocated 92% to the PGC and 8% to non-Choice firm transportation customers who utilized PGC capacity.

RULES AND REGULATIONS

11. RIDER B - Continued

SECTION 1307(F) PURCHASED GAS COSTS

The amount retained by the Company will be an incentive to pursue additional sales and will be treated below the line for ratemaking purposes. For purposes of calculating this margin, the cost of gas will be equal to the monthly average commodity cost of gas plus variable transportation costs to deliver the gas to the off-system customer. The monthly average commodity cost of gas shall be defined as the monthly average commodity cost of gas purchases for all supplies scheduled at the beginning of the month; provided, however, that if an additional unscheduled purchase is made during the month specifically for an off-system sale, such purchase shall be considered to be the gas used to make the off-system sale and the commodity cost of such purchase will be assigned to off-system sales up to the volume of the purchase.

Filing with the PUC: Audit, Rectification:

The Company's annual reconciliation statement shall be submitted to the PUC by May 1 of each year, or such other time as the PUC may prescribe.

Quarterly Adjustments

When making the December 1, March 1 and June 1 quarterly C-factor adjustments, the Company will refund or recover all actual and projected incremental over or under collections from December 1 through November 30 over remaining PGC year sales volumes. When making September 1 quarterly C-factor adjustments, the Company will refund or recover all actual and projected incremental over or under collections from December 1 through November 30 over sales volumes applicable to the six months of June through November. Any quarterly PGC rate change will be capped at 25% of the then-current PGC rate, with any amounts above this cap being brought forward for inclusion in the calculation of subsequent quarterly C-factor adjustments. When actual November data is reconciled with the projected November data used to establish PGC rates effective December 1, the resulting over or under collection amount shall be refunded or recovered in the Company's next quarterly filing over the applicable annual PGC sales volumes plus migration rider volumes.

Rider B -Purchased Gas Cost

Annual C-Factor	\$ 4.4886/Mcf
Annual E-Factor	(\$ 0.2224)/Mcf
Purchased Gas Cost	\$ 4.2662/Mcf

RULES AND REGULATIONS

12. RIDER C

MIGRATION RIDER

This Migration Rider provides for a method under Section 1307 (f) of the Public Utility Code for the recovery of the experienced net over / undercollection of purchased gas costs from ratepayers who switch from retail service to service under Rate Schedules RT, NT, DS, IS, LFD and XD and the crediting of the experienced net over / undercollection of purchased gas costs to ratepayers who switch from Rate Schedules RT, NT, DS, IS, LFD, and XD to retail service. Except for customers served under Rates RT and NT, the Company may waive this rider for customers with competitive conditions. Upon Customer request, the Company may also waive this rider for Customers transitioning between Natural Gas Suppliers.

The Migration Rider Rate shall be equal to the current Section 1307(f) Annual E-Factor as approved in the Company's most recent Section 1307(f) natural gas cost proceeding for ratepayers who switch from retail service to service under Rate Schedules RT, NT, DS, IS, LFD and XD, and shall be equal to the negative of the same current Section 1307(f) Annual E-Factor for ratepayers who switch from Rate Schedules RT, NT, DS, IS, LFD, and XD to retail service. All revenue recovered or credited under this rider will be credited or debited to the Company's Section 1307(f) mechanism. The recovery period for the experienced net over/(under) collection of purchased gas costs from a ratepayer to whom this rider applies will be one year from the date on which a ratepayer last switched from retail service to transportation service.

Customers that have received transportation service from the Company for at least twelve consecutive months and switch to retail service under Rate R and N, shall not be charged the associated PGC E-Factor for a period of twelve months.

The currently effective Migration Riders are:

Customers Switching from PGC - (\$0.2224)/Mcf

Customers Switching to PGC - \$0.2224/Mcf

RULES AND REGULATIONS

13. RIDER D

MERCHANT FUNCTION CHARGE

Applicability and Purpose

This Rider shall be applied to rates for each MCF of gas supplied under Rate Schedules R and N of this Tariff, and shall be reflected in the Price to Compare. The Rider is equal to the fixed percentage, established by the PUC in Company's last general base rate proceeding, of purchased gas costs which are expected to be uncollectible, and shall not be reconciled to reflect actual results. Rider D is intended to make Company's Price to Compare more comparable to the gas supply service prices offered of other Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses.

Rider D Charge

Rider D charges shall be equal to 2.19% for Residential PGC Customers and 0.47% for Non-Residential PGC Customers of Rider B (Purchased Gas Costs) and Rider C (Migration Rider) charges.

The collection of the Rider D charges will be summarized by Rate Schedule sub-accounts in the Gas Operating Revenue FERC Account No. 480000 for Rate R and 481000 for Rate N. The associated costs are recorded in FERC Account Nos. 904001 and 904002.

RULES AND REGULATIONS

15. PRICE TO COMPARE

The Price to Compare ("PTC") is composed of the Annual C-Factor, Annual E-Factor, Gas Procurement Charge and Merchant Function Charge. The PTC rate will change whenever any components of the PTC change. The current PTC rate is detailed below:

Price to Compare - Rate Schedule R

Annual C-Factor	\$ 0.44886 / Ccf
Annual E-Factor	(\$ 0.02224) / Ccf
Gas Procurement Charge	\$ 0.00146 / Ccf
Merchant Function Charge	\$ 0.00934 / Ccf
Total Rate Schedule R Price to Compare	<u>\$ 0.43742 / Ccf</u>

Price to Compare - Rate Schedule N

Annual C-Factor	\$ 4.4886 / Mcf
Annual E-Factor	(\$ 0.2224) / Mcf
Gas Procurement Charge	\$ 0.0146 / Mcf
Merchant Function Charge	\$ 0.0201 / Mcf
Total Rate Schedule N Price to Compare	<u>\$ 4.3009 / Mcf</u>

RULES AND REGULATIONS

16. RIDER F

UNIVERSAL SERVICE PROGRAM

Applicability and Purpose

This Rider shall be applicable to all residential customers except customers in the Company's Customer Assistance Program ("CAP"). This Rider has been established to recover costs related to the Company's Universal Service and Conservation Programs, excluding internal administrative costs.

RATE

In addition to the charges provided in this tariff, an amount shall be added to the otherwise applicable charge for each MCF of sales volumes or distribution volumes distributed by the Company to customers receiving service under Rate Schedules R and RT.

The USP rate: \$0.2927/Mcf

CALCULATION OF RATE

The Rider USP rate shall be calculated to recover costs for the following programs: Low Income Usage Reduction Program ("LIURP"); CAP; Hardship Funds; and any other replacement or Commission-mandated Universal Service Program or low income program that is implemented during the period that the Rider is in effect.

LIURP costs will be calculated based on the projected number of Level 1 income homes to be weatherized. Hardship Fund costs will be calculated on the projected level of an allocated share of administrative funds incurred by the UGI Operation Share Energy Fund.

CAP costs will be calculated to include

- 1) the projected CAP credit
- 2) projected CAP customer application and administrative costs; and
- 3) projected CAP pre-program arrearage forgiveness.

CAP Credit shall be defined as the difference between the total calculated Rate R bill, excluding Rider USP and CAP customer GET Gas charges, and the CAP bill and an adjustment for unearned credit amounts based upon the current discounts at normalized annual volumes of the then-current CAP participants and the projected CAP Credit for projected customer additions to CAP during the period that the CAP Rider rate will be in effect at the average discount of current CAP participants at normalized annual volumes.

RULES AND REGULATIONS

16. RIDER F - Continued

UNIVERSAL SERVICE PROGRAM

QUARTERLY ADJUSTMENT

Any time that the Company makes a change in base rates or PGC rate affecting residential customers, the Company shall recalculate the Rider USP rate pursuant to the calculation described above to reflect the Company's current data for the components used in the USP rate calculation. The Company shall file the updated rate with the PUC to be effective one (1) day after filing.

ANNUAL RECONCILIATION

On or before November 1 of each year, the Company shall file with the PUC data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended September. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the CAP quarterly rate adjustment to be effective December 1. Actual recoverable costs shall reflect actual shortfall costs, actual application costs, actual pre-program arrearage forgiveness, actual LIURP and actual Hardship Administrative costs. Actual recoverable CAP credit costs and pre-program arrearage forgiveness shall be based upon actual CAP credits granted and pre-program arrearage forgiveness granted less an 8.48% adjustment for amounts granted to participants in excess of 10,000. The 8.48% adjustment related to CAP credits and pre-program arrearage forgiveness will be based on the following:

For each reconciliation period, the average annual CAP credit per participant will be determined by dividing the total actual CAP credits granted during the reconciliation period by the average monthly number of participants receiving CAP credits during the reconciliation period. The average monthly number of participants receiving Cap credits exceeding 10,000 will be multiplied by the average annual CAP credit granted per participant and then multiplied by 0.0848 in order to determine the amount of the CAP Credits which will not be recovered through Rider USP.

For each reconciliation period, the average pre-program arrearage forgiveness per participant will be determined by dividing the total actual pre-program arrearage forgiven during the reconciliation period by the number of participants receiving pre-program arrearage forgiveness. The number of participants receiving pre-program arrearage forgiveness exceeding 10,000 will be multiplied by the average pre-program arrearage forgiveness per participant and then multiplied by 0.0848 in order to determine the amount of the pre-program arrearage forgiveness which will not be recovered through Rider USP.

RULES AND REGULATIONS

17. RIDER G

ENERGY EFFICIENCY AND CONSERVATION RIDER

Applicability and Purpose

The Energy Efficiency and Conservation Rider ("EEC Rider") shall recover costs related to the Company's Energy Efficiency and Conservation Plan ("EECP"). The EEC Rider shall be computed separately for each of the following two customer classes:

1. Residential customers served under Rate Schedules R, RT.
2. Non Residential customers served under Rate Schedules N, NT, DS and LFD.

EEC Rider Rate:

Residential \$0.0778/Mcf
Non-Residential \$0.0278/Mcf

The EEC Rider shall be subject to the State Tax Adjustment Surcharge.

Calculation

The EEC Rider shall be determined as follows:

1. Costs to be recovered shall include Company incurred costs to implement its Commission approved EECP during each plan year (October 1st through September 30th) (Plan Year), including all costs incurred to develop and administer the Company's EECP.
2. The Residential EEC Rider shall be calculated in accordance with the formula below and shall be rounded to the fourth decimal:

$$\text{Residential EEC Rider} = (\text{Cr} / \text{Sr}) - (\text{Er} / \text{Sr}) \text{ where}$$

Cr = Projected Residential EECP Costs.

Sr = Projected Residential Class Sales.

Er = Net over or under collection of the Residential EEC Rider resulting from the difference between the EEC Rider revenues received and the EECP costs incurred.

RULES AND REGULATIONS

17. RIDER G - Continued

ENERGY EFFICIENCY AND CONSERVATION RIDER

3. The Non Residential EEC Rider shall be calculated in accordance with the formula below and shall be rounded to the fourth decimal:

Non Residential EEC Rider = $(Cn / Sn) - (En / Sn)$ where

Cn = Projected Non Residential EECP Costs.

Sn = Projected Non Residential Class Sales.

En = Net over or under collection of the Non Residential EEC Rider resulting from the difference between the EEC Rider revenues received and the EECP costs incurred.

4. The Residential and Non Residential EEC Riders will be updated annually and will be filed with the Commission on one day's notice to be effective December 1 of each year. The Company reserves the right to make an interim reconciliation filing to adjust the EEC Riders.

5. Any over or under collection at the end of the plan period shall be recovered or refunded either through a subsequent EECP approved by the Commission or through continuation of the EEC Riders until full recovery or refunding has occurred.

RULES AND REGULATIONS

18. RIDER H

TECHNOLOGY AND ECONOMIC DEVELOPMENT RIDER

Availability. The Technology and Economic Development Rider ("TED") is a negotiated rider available in the entire territory to Customers served by the Company which the Company determines, in its sole discretion, has prospective additional gas usage applicable to service under Tariff Rate Schedules N, NT, DS or LFD at the time of execution or renewal of a Service Agreement. The Rider TED is established for the purpose of adjusting the customer's overall distribution charge to address project specific or competitive issues to gain access to and expand use of natural gas within the Commonwealth of Pennsylvania. The negotiated Rider TED may be either a surcharge or credit depending on project specific customer and Company economic requirements. Rider TED will be utilized to support the expansion of new technologies such as combined heat and power and natural gas vehicles, develop brownfields, and support economic development in Pennsylvania by facilitating business retention and attraction as well as other gas distribution system expansion activities.

General Terms. The Customer must execute a Rider TED service agreement.

MONTHLY RATE TABLE

Monthly Charge: _____ Negotiable

Plus

Charge per Mcf: _____ Negotiable

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RULES AND REGULATIONS

19. GAS EMERGENCY PLANNING

19.1 Company's Right To Reduce or Curtail Service. An emergency exists whenever the aggregate demand for firm service on the Company's system, or confined segment of the system, exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity with respect to Priority 1 Customers. In the event of a natural gas emergency, the Company shall have the right to impose a mandatory reduction or curtailment on any Customer's use of gas.

(a) Prior to taking any action under section 19.2 to curtail Customer usage, provided sufficient time exists as determined by the Company in its sole judgment, the Company shall use reasonable efforts and methods to: (1) interrupt all interruptible services, (2) issue Operational Flow Orders or Daily Flow Directives and, (3) call for voluntary usage reductions by any or all Customers.

(b) In planning for natural gas emergency situations, the Company shall make reasonable efforts to make contractual or informal arrangements with Customers and others which would allow the Company to obtain supplies or implement usage reductions in an effort to avoid or mitigate any emergency action pursuant to subsections 19.2 or 19.3 requiring firm service reductions. In making such arrangements, the Company may enter into specific negotiated terms, conditions and rates with any Customer or entity where a clear benefit exists to the Company for the management or avoidance of an emergency. Related costs, if any, may be included as gas costs for recovery under Section 11 of this Tariff.

19.2 Priority-Based Curtailments. In the event of an emergency, where the Company has mandated priority-based curtailments, the available gas supplies to the Company shall be prorated, if practicable, among Customers and NGSS according to the priorities set forth below, listed in descending order. Customers in a higher priority category shall not be curtailed until all Customers falling into a lower priority category have been curtailed to plant protection use levels, unless operational circumstances or physical limitations warrant a different result. Additionally, where only a partial restriction of a category is required, implementation shall be pro rata to the extent practical under the circumstances. Whenever possible, as determined by the Company in its sole discretion, allocation actions shall be limited to confined geographic or operational portions of the Company's system where the emergency exists.

(a) Priority 1. Service for residential and firm critical commercial essential human needs use.

(b) Priority 2. Firm service not included in Priority 1, which for purpose of curtailment shall be prioritized in the following subcategories:

- (1) Firm small commercial and industrial service for plant protection under Rates N, NT, and DS.

RULES AND REGULATIONS

19. GAS EMERGENCY PLANNING - Continued

- (2) Firm large commercial and industrial service for plant protection under Rates LFD and XD.
- (3) Firm commercial and industrial service under Rates, NT, DS, LFD and XD to the extent actual gas deliveries are being made to the Company's system on behalf of the Customer; all except for plant protection.
- (4) Firm commercial and industrial service provided by Company gas purchase activities; all except for plant protection.

19.3 Mandatory Reductions In the event of an emergency under subsection 19.1, the Company may require each commercial and industrial retail and transportation Customer that is not a Priority 1 Customer to reduce its consumption of gas. In requiring mandatory reductions, the gas supplies available to the Company may be allocated to Customers in accordance with the priorities of use specified in subsection 19.2.

(a) The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety.

(b) The mandatory reduction shall be for a period specified by the Company and may be until further notice. The Company may change a Customer's authorized usage, upon notice, at any time during an emergency.

(c) Mandatory reductions shall be for a maximum duration of five (5) consecutive business days, unless extended by PUC order.

(d) Except as provided in 19.3(e) the minimum authorized usage may not be lower than the minimum usage of firm service necessary for plant protection use

(e) When all other service has been curtailed except for Priority 1 service and the Company continues to be unable to meet Priority 1 requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to Customers if curtailments to plant protection use are found to be necessary.

(f) Consistent with its responsibility to maintain system integrity at all times, the Company shall provide periodic status updates and restore service as soon as practicable to any gas-fired electric generation facility that is deemed critical to electric system reliability by the electrical system's control area operator.

(g) Transportation Customers and NGSs are required to deliver, or cause to be delivered, natural gas supplies to the Company's system during an emergency, regardless of any mandatory gas consumption reductions imposed by the Company on such transportation Customers or NGSs' Customers. Such natural gas delivery may be required up to the Customer's or NGS's applicable DFR, MDQ, DDR or otherwise specified daily delivery quantity as determined by the Company in its discretion.

RULES AND REGULATIONS

19. GAS EMERGENCY PLANNING - Continued

19.4 Notice of Restriction or Curtailment

(a) Notice of any restriction or curtailment shall be made to affected customers or NGSs via methods and mediums most reasonably expected to accomplish such notice; these may include, but are not limited to: telephone, facsimile, website, or electronic data exchange. If necessary, the Company will make notice through the media in order to communicate specific requests to large groups of Customer categories that are affected, including any relevant geographic limitations.

(b) It is the Customer's or NGS's responsibility to provide the Company with appropriate contact information, and to keep such information updated, in order to assure timely and efficient notices can be provided.

(c) The Company shall endeavor to provide the maximum notice time possible in the event of any notice of restriction or curtailment.

(d) The Company shall provide specific restriction or curtailment notices stating gas usage reduction percentages, absolute usage allowances or other reduction actions. In addition, the Company shall specify compliance timelines and restriction or curtailment durations as appropriate for the circumstance.

19.5 Emergency Allocation. The Company reserved the sole right to authorize exemptions in cases of verified Customer emergency situations affecting health and welfare.

19.6 Definitions

(a) Residential Use - Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes; all residential Customers served under Rates R, RT, and GL and apartments served under Rate N, NT, and GL, or subsequent rates classified by the Company as residential.

(b) Firm Service - Natural gas service offered by the Company to Customers under Tariffs or contracts that anticipate no interruptions. Such schedules are Rate R, RT, GL, N, NT, DS, LFD, and XD or subsequent firm rate schedules.

(c) Commercial Use - Gas usage by Customers engaged primarily in the sale of goods or services including consumption by office buildings, institutions and government agencies, and classified as commercial class for Company accounting purposes. Commercial Customers are served under Rates GL, N, NT, DS, LFD, XD, and IS or subsequent rates classified by the Company as commercial.

(d) Essential Human Needs Use - Gas usage into any building where persons normally dwell, including residences, apartment houses, dormitories, hotels, hospitals and nursing homes.

RULES AND REGULATIONS

19. GAS EMERGENCY PLANNING - Continued

(e) Industrial Use - Gas usage by Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power, and classified as industrial for Company accounting purposes. Industrial Customers are served under Rates GL, N, NT, DS, LFD, XD, and IS, or subsequent rates classified by the Company as Industrial.

(f) Plant Protection Use - Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's plant facilities or danger to plant personnel at the facility when the protection cannot be afforded through the use of an alternate fuel. Plant protection uses include usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

19.7 Limitation of Liability.

In the event of any limitation of service or curtailment, the Company may restrict, curtail or discontinue service in accordance with this Section 19, or PUC order, without incurring any penalty or liability for any loss, injury or expense that may be sustained by the Customer except when the restriction or discontinuation of service is a result of the Company's willful or wanton misconduct.

19.8 Appropriation Liability.

(a) The Company may appropriate natural gas and/or pipeline capacity pursuant to this Section 19, a PUC policy statement, directive or order, or an emergency order issued by the Governor of Pennsylvania.

(b) The Company shall compensate the Customer or the Customer's NGS for the cost of appropriated gas supplies. The compensation, in the aggregate, shall equal but not exceed, the greater of:

- (1) the city gate cost of the appropriated natural gas including all transportation charges up to the Company's city gate; or,
- (2) the reasonable cost actually paid by the Customer or the Customer's NGS for delivered substitute energy, as documented by the Customer or the Customer's NGS and presented as evidence to the Company. Such compensation may be a later delivery of in-kind gas service at the sole discretion of the affected Customer or NGS.

RULES AND REGULATIONS

19. GAS EMERGENCY PLANNING - Continued

19.9 Discontinuance of Service.

The Company may discontinue service at its sole discretion, without notice, for the duration of an emergency, to any Customer that continues to take gas in violation of any rules, notice of limitation or curtailment provided for under this Section 19.

19.10 Penalties for Unauthorized Takes.

(a) The Company may, in its sole discretion, issue penalties for any unauthorized taking of gas to any Customer failing to comply with any restriction or curtailment made under this Section 19.

(b) The penalty for unauthorized takes associated with this section shall be \$75 per Mcf, plus all natural gas costs, all pipeline transportation costs including fuel. Payment of penalties under this section shall be in addition to any liability for direct or indirect damages resulting from Customer's or Customer's NGS failure to comply.

(c) The Customer shall be liable to the Company for any costs incurred in taking action to discontinue service in accordance with actions taken under subsection 19.9.

RULES AND REGULATIONS

20. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS

20.1 Rates; Notification of Delivery

- (a) Applicable Rates DS, LFD, XD and IS.
- (b) Notification of Delivery; Nomination Procedures. Customer shall notify the Company of any and all gas deliveries to the Company's system, including, but not limited to, the provision of nomination, revised nomination and scheduling information, in accordance with the Company's *Nomination Procedure*, as may be amended from time to time, and made available on the Company's Gas Management Website ("Nomination Procedure"). The quantity of gas received on behalf of the Customer shall be determined by allocation or other method by the Company if required in its sole discretion. It is the Customer's responsibility to arrange that any necessary billing information be provided to the Company and/or delivering gas source(s).
- (c) Nominating Agents. A Customer shall notify the Company of its designated nominating agent ("Agent") for purposes of nominating the volumes of natural gas to be delivered to the Company's system on the Customer's behalf in accordance with the *Nomination Procedures*. Customer shall notify Company, on a form designated by the Company in the *Nomination Procedures*, of the responsibilities of the Agent, and shall provide Company with the Agent's valid e-mail address and valid 24 hour contact information. Customer shall remain liable for all charges and penalties notwithstanding Customer's designation and use of an Agent in accordance with the provisions herein.
- (d) Penalties for Customer's Default. Customers failing to provide nomination, billing, scheduling, agent, supplier and/or other required information to the Company or pipeline(s) in accordance with the provisions of the Tariff, or otherwise failing to comply with the Company's *Nomination Procedure*, shall be subject to applicable imbalance charges and, in addition, be charged an Administrative Scheduling Fee in an amount no greater than \$1,000 per day for every day such required information is delayed. If a Customer default of these provisions occurs and is occurring for a period of 90 days, the Company may impose retail or standby rates on the Customer's account beginning the first day after such 90-day period through and until such time as the Company deems the Customer default to have been resolved.
- (e) Sequencing for Billing. Unless otherwise agreed by the Company and the Customer, customer-owned gas delivered under the transportation rate schedules shall be sequenced for billing purposes as the first gas through the meter, and gas purchased under the Retail and Standby Rider shall be sequenced for billing purposes as the last gas through the meter. Gas billed under firm rate schedules shall be billed prior to gas billed under interruptible rate schedules. In lieu of otherwise specified tariff provisions, where the Company and Customer agree, Company shall use pipeline metering facilities for measuring and billing total deliveries to the Customer's facility.

RULES AND REGULATIONS

**20. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
(Continued)**

(f) Payment of Charges, Penalties. The Customer shall pay the Company for any and all additional charges incurred on the Customer's behalf or resulting from the Customer's actions or inactions which the Company can demonstrate arise out of the provision of transportation service including, but not limited to, pipeline transportation and service charges. Any such charge, penalty or obligation imposed by a pipeline transporter or supplier as result of balancing of gas delivered to the Customer shall be paid by the Customer in addition to otherwise applicable charges.

(g) The Billing Pool Agent is required to notify Company at least ten days prior to dropping a Customer from a Billing Pool. If adequate advance notice is not provided, the Company reserves the right to not drop the Customer from the Billing Pool.

(h) Billing Pools. One or more transportation Customers may join together in pooled transactions for the purchase and delivery of gas. The Company may allocate among all such customers the volumes of gas or imbalances for purposes of determining responsibility for charges, rates, penalties or other obligations imposed by the Company, or in connection with operation of the pool. A Supplier to a Billing Pool must notify the Company prior to initiating gas deliveries. A Customer is required to submit in writing a request for entry into a Billing Pool.

- (1) Each Billing Pool shall appoint an Agent who will coordinate nomination, billing, reconciliation, allocation and any other necessary communication between the Billing Pool and the Company.
- (2) All members of a Billing Pool shall be of like balancing service election. The Company may restrict formation or operation of any Billing Pool in order to meet like balancing service election or pipeline imposed eligibility requirements.
- (3) Automated Meter Reading. The Company reserves the right as a condition of being a pool member, , to install, at the Customer's expense, automated meter reading ("AMR") equipment for the purposes of daily collection or monitoring, and billing Customer volumes at each related service meter. Where AMR equipment is installed, the Customer shall maintain, at its expense, unless otherwise directed by the Company, a dedicated phone connection and electric service to the AMR equipment which will allow the Company unlimited remote access to the AMR device at all times. Failure to maintain a required phone and/or electric service may result in Customer being removed from a Billing Pool and being placed on a rate schedule not requiring daily measurement capability.
- (4) Service under Rate NNS is required by, and shall be individually billed to, any and all members of a Billing Pool except when all pool members are monitored on a daily basis through the use of Company owned AMR equipment at all meter locations. Additionally, service under Rate MBS is required by, and shall be individually billed to, any and all members of a Billing Pool when the billing month for each pool member does not end on the same calendar date; Billing Pools having all customers monitored and billed through the use of Company owned AMR equipment at all meter locations shall be exempt from this requirement.

RULES AND REGULATIONS

**20. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
(Continued)**

(i) Recognition of Supplies. Volumes transported on behalf of the Customer will be recognized in the Customer's current billing month based on nominated or scheduled volumes information and may be adjusted after notification is received from the pipeline supplier(s) of the volumes transported on behalf of the Customer. Volumes scheduled shall be determined on the basis of best available actual or confirmed pipeline and/or Company information at the time of billing.

(j) Unless otherwise negotiated under Rate XD, the Company shall retain for Company use gas, and lost and unaccounted for gas, 0.5% of the total volume of gas delivered into its system for the Customer's account.

20.2 Balancing and No-Notice Service.

(a) Each Customer shall use best efforts to balance purchases, deliveries and receipts of gas at all times. Except as specified in 20.1(h), for the purposes of balancing excess deliveries and shortfalls and purchasing services under Rates NNS and MBS, Billing Pools may be treated as a single entity. Subject to the terms and conditions set forth below, the Company shall provide no-notice and monthly balancing services under Rate Schedules NNS and MBS. Service under Rate Schedules NNS and MBS is available only for inadvertent fluctuations, limited by the terms and conditions of each Rate Schedule, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. In the event the Customer fails to use best efforts to balance deliveries and receipts, or otherwise misuses no-notice or balancing services as determined by the Company in its sole discretion, Section 20.4 shall apply for the period of such default or misuse.

(b) Daily Balancing. The Company shall allow Customer's daily demand to inadvertently vary from daily scheduled deliveries by +/-10.0% without imposing Daily Balancing Charges, provided the total daily quantity taken does not exceed Customer's Daily Firm Requirement, MDQ or otherwise specified contract demand limit. Daily imbalances in excess of the +/-10.0% tolerance, unless otherwise provided by service elected under Rate NNS, shall be assessed a Maximum Daily Excess Balancing Charge in accordance with section 20.4 under Critical Day and Non-Critical Day criteria unless otherwise specified in Customer's contract, in addition to the charges specified in Rates DS, LFD, XD and IS, on all such quantities.

(c) Imbalance Resolution. Customer's monthly imbalances will be calculated at the end of each billing period to determine if any overdelivery (excess) or underdelivery (shortfall) condition exists for volumes scheduled versus volumes metered. If the Customer is determined to be in an imbalance condition, and has not elected service under Rate MBS, then the Company shall sell and the Customer shall buy any shortfall amount according to the following cash-out pricing:

<u>Shortfall Percent</u>	<u>Cash-Out Price</u>
Up to 5%	Average Monthly Index ("AMI")
Greater than 5%, but not greater than 15%	AMI x 1.1
Greater than 15%, but not greater than 25%	AMI x 1.3
Greater than 25%	AMI x 1.5

RULES AND REGULATIONS**20. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
(Continued)**

Likewise, the Customer shall sell and the Company shall buy any excess amount according to the following cash-out pricing:

<u>Excess Percent</u>	<u>Cash-Out Price</u>
Up to 5%	Average Monthly Index ("AMI")
Greater than 5%, but not greater than 15%	AMI x 0.9
Greater than 15%, but not greater than 25%	AMI x 0.7
Greater than 25%	AMI x 0.5

The AMI (Average Monthly Index) shall be calculated as the average of the published Gas Daily Midpoint index prices for Texas Eastern, Market Area 3 ("M-3") during the Customer's billing month.

The AMI is applicable to the above tables only for inadvertent monthly imbalances. The HMI (Highest Monthly Index) or the LMI (Lowest Monthly Index) as defined below shall apply respectively to shortfall and excess conditions in those situations where intentional imbalances are involved.

The HMI shall be calculated as the highest of the published *Gas Daily Absolute* index prices for Texas Eastern, M-3 during the Customer's billing month.

The LMI shall be calculated as the lowest published *Gas Daily Absolute* index prices for Texas Eastern, M-3 during the Customer's billing month.

(d) The Company may extend the balancing period for gas volumes and may increase volumes eligible for balancing in its discretion, but only if it determines that such action is consistent with its obligations to other customers.

(e) Supply Transfers. In order to facilitate Monthly balancing related to inadvertent imbalances in Company's sole discretion, the Company shall allow Supply Transfers among Customers and Billing Pools, Customers-to-Billing Pools and Billing Pools-to-Customers at a fee of \$125 per transaction, provided however: (1) such transfer is requested prior to the end of the billing month for both the transferee and the transferor, (2) such transfer is physically possible given pipeline interconnection and delivery point limitations which require transfers to be between parties located on the same segment of the Company's distribution system, and system supplies and reliability are not adversely affected.

(f) Competitive Volume Customers. In the case of Customers or applicants seeking service for facilities with a design volume capability allowing for direct connection to transmission or gathering lines for bypass of Company facilities, Company shall have the right to establish daily and monthly balancing tolerances at levels other than those specified in subsections (b) and (c) of this Section 20.2 to reflect specific operational limitations or to protect the interests of other Customers, as determined by the Company in its sole discretion. Additionally, the Company may establish special nomination rules, imbalance resolution rules and communication protocols that reflect the Customer's or applicant's commercial alternatives, and which are consistent with its obligations to other Customers.

RULES AND REGULATIONS

**20. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
(Continued)**

20.3 Service Agreement and General.

(a) Limitation on Liability.

- (1) The Company shall not be liable for curtailment of service under Rates DS, LFD, XD and IS, or loss of the Customer's gas as a result of any steps taken to comply with any law, regulation or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation or order.
- (2) Gas transported and delivered by the Company to the Customer hereunder shall be and remain the property of the Customer. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during and after receipt by the Company.
- (3) The Company shall not be liable for any loss to the Customer arising from or out of service hereunder, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the Customer with other supplies.

(b) Warranty, indemnity and special provisions. The receipt of service constitutes Customer's agreement to the following representations and warranties, together with related provisions in the service agreement:

- (1) clear and marketable title to the Customer's gas;
- (2) delivery points, pressure, quality and other specifications acceptable to gas transmission pipeline(s) and the Company;
- (3) eligibility of the Customer for service;
- (4) existence of lawful authority for sale, transportation and delivery;
- (5) agreement to pay all excise, sales, use, gross receipts, or other taxes (other than income taxes) all tariff charges and all penalties, charges, fees for transportation, balancing etc., associated with delivered gas, which may be levied upon or incurred by the Company at any time;
- (6) agreement to indemnify and hold the Company harmless from breach of representations or warranties, and any liability associated with Customer's gas while on the Company's system.

Copy of Gas Purchase Agreements, Other Documents. When requested by the Company, the Customer shall provide the Company with a copy of Customer's gas purchase contract and any related transportation, marketing and brokerage contracts, or, in lieu of providing such contracts, certify pertinent information as required by the Company, and, in order to meet state or federal requirements, provide a sworn affidavit setting forth the Customer's cost of gas for the period requested by the Company. The Company shall endeavor to protect the confidentiality of information provided by the customer in accordance with this provision. The Company will provide such information to third parties only when required to do so by law, regulation or order and in such case, will attempt to maintain confidentiality to the extent possible.

RULES AND REGULATIONS

**20. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
(Continued)**

Unless otherwise provided by contract, if any Customer of the Company bypasses the Company for all or a portion of their natural gas service needs then the Company thereafter shall have no obligation to serve or maintain the gas supply or physical capacity necessary to serve such Customer under regulations specified herein. In addition, to the extent that such Customer continues to purchase natural gas or natural gas transportation service from the Company, the Company shall have the right to charge a negotiated rate for continued, subsequent or standby service that, at a maximum, is established solely by competitive market conditions.

20.4 Maximum Daily Excess Balancing Charge

The Daily Excess Balancing Charge that applies on Critical Days shall be as follows:

The charge for exceeding daily balancing limits shall be ten times the highest price for delivery in Texas Eastern, M-3, as published in *Gas Daily* on the table "Daily Price Survey." This rate shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the FERC-approved gas tariffs of the interstate pipelines which deliver gas into Pennsylvania.

The Daily Excess Balancing Charge that applies on Non-Critical Days shall be as follows:

<u>Daily Imbalance Percent</u>	<u>Penalty</u>
Up to 15%	GDI
Greater than 15%, but not greater than 30%	GDI x 2
Greater than 30%, but not greater than 45%	GDI x 3
Greater than 45%, but not greater than 60%	GDI x 4
Greater than 60%	GDI x 5
Intentional imbalances	GDI x 10

The GDI (Gas Daily Index) shall be equal to the difference in price between the highest published Gas Daily index price for Texas Eastern, M-3 and the lowest published Gas Daily index price for Texas Eastern, M-2 but shall not be lower than \$0.25/Mcf.

The Company shall not charge any Maximum Daily Excess Balancing Charges if the Excess Daily Imbalance is anticipated to benefit the distribution systems daily balancing position as determined by Company in its sole discretion.

20.5 Operational Flow Orders and Daily Flow Directives

The Company has the right to issue Operational Flow Orders and Daily Flow Directives at any time. Failure to comply with any OFO or DFD shall result in a penalty charge of Fifty (\$50) per Mcf or the charge calculated in compliance with Section 20.4 Maximum Daily Excess Balancing Charge, whichever is greater.

RULES AND REGULATIONS

**21. GENERAL TERMS FOR INTERCONNECTION COORDINATION
SERVICES FOR CONNECTING ENTITIES**

Any entity with actual or potential sources of gas supply connected to Company facilities (Connecting Entity) shall be obligated to enter into an agreement with the Company (Coordination Agreement) addressing, to the extent applicable: (1) the duties and obligations of the parties with respect to their respective facilities, (2) measurement of deliveries of gas, (3) gas quality standards, (4) nomination requirements, (5) permitted variations in supply deliveries and imbalance resolution and (6) other operational issues raised by the nature of the supply source connection

RATE R

GENERAL SERVICE - RESIDENTIAL

AVAILABILITY

This rate applies to all Residential Customers in the entire gas service territory of the Company and available at one location, for the total requirements of any residential Customer. Residential Customers are customers receiving the Company's gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family.

MONTHLY RATE TABLE

Customer Charge: \$17.50 per customer

Plus

Distribution Charge: \$0.30123/Ccf

Plus

SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider B - Section 1307 (f) Purchased Gas Cost
Rider C - Migration Rider
Rider D - Merchant Function Charge
Rider E - Gas Procurement Charge
Rider F - Universal Service Program
Rider G - Energy Efficiency and Conservation

MINIMUM CHARGE

Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12 month intervening period.

PAYMENT

In accordance with Section 8.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

RATE RT

GENERAL SERVICE - RESIDENTIAL TRANSPORTATION

AVAILABILITY

This Rate applies to all Residential Customers in the entire gas service territory who are served by a qualified Choice Supplier receiving service under Rate AG and available at one location, for the total requirements of any residential Customer. Residential Customers are customers receiving the Company's gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family.

MONTHLY RATE TABLE

Customer Charge: \$17.50 per customer

Plus

Distribution Charge: \$0.30123/Ccf

Plus

SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider C - Migration Rider
Rider F - Universal Service Program Rider
Rider G - Energy Efficiency and Conservation

MINIMUM CHARGE

Customer Charge as set forth above

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12 month intervening period.

RATE RT - CONTINUED

GENERAL SERVICE RESIDENTIAL TRANSPORTATION

PAYMENT

In accordance with Section 8.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

RULES AND REGULATIONS

Where a Customer is returned to the Company or an alternate Supplier of Last Resort prior to the next regular meter reading date, due to the Licensed Choice Natural Gas Supplier's non-performance, Customer will receive service from Company or alternate Supplier of Last Resort for the remainder of the billing month at the contract rate between the Customer and Choice Supplier. Customer must provide evidence of the applicable contract rate, if requested by Company, to receive the contract rate price. As of the next regular meter read date, Customer will be transferred to Rate R, unless enrolled as a Rate RT customer by another Choice Supplier, effective as of the next regular meter read date.

GENERAL TERMS

Company Use and Unaccounted For gas shall be retained in accordance with Section 5, Operational Requirements, paragraph 5.1, Daily Delivery Requirements, of the Gas Choice Supplier Tariff.

RATE GL

GENERAL SERVICE - GAS LIGHT SERVICE

AVAILABILITY

This service is available for street, highway, driveway or other lighting or sign illumination, where measurement by meter of the gas consumed is not practicable or economical. As used herein, "light" means a single lamp or sign having one (1) gas-flow orifice and one (1) or more mantles, and of a type approved by the Company.

MONTHLY RATE

Distribution Charge: \$5.4974/Mcf

Plus

SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider B - Section 1307(f) Purchased Gas Costs

Monthly usage is assumed to be 1.8 Mcf.

BILLS DUE

All bills for continuing service are due each month when rendered, and the final due date stated on the bill shall be no less than fifteen (15) days from the date of presentation. Upon discontinuance of service, bills are due and payable upon presentation.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied to lights furnished, erected and maintained by the customer only when equipped with regulators and such devices as the Company considers necessary for turning lights on and off for maintenance and safety purposes.

RATE N

GENERAL SERVICE - NON-RESIDENTIAL

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Non-Residential Customers using gas for any purpose including gas purchased by another public utility for resale. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate N service may not be applied to supplement or back up any transportation service.

MONTHLY RATE TABLE

Customer Charge: \$32.00 per customer

Plus

Distribution Charge: \$3.6932 per Mcf

Plus

SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider B - Section 1307(f) Purchased Gas Costs
Rider C - Migration Rider
Rider D - Merchant Function Charge
Rider E - Gas Procurement Charge
Rider G - Energy Efficiency and Conservation
Rider H - Technology and Economic Development Rider

MINIMUM CHARGE

The Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12 month intervening period.

RATE N - CONTINUED

GENERAL SERVICE - NON-RESIDENTIAL

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

RATE NT

GENERAL SERVICE - NON-RESIDENTIAL TRANSPORTATION

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Customers who are served by a Choice Supplier receiving service under Rate AG, except residential Customers, using gas for any purpose. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate NT service may not be applied to supplement or back up any transportation or retail service.

MONTHLY RATE TABLE

Customer Charge: \$32.00 per customer

Plus

Distribution Charge: \$3.6932 per Mcf

Plus

SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider C - Migration Rider
Rider G - Energy Efficiency and Conservation
Rider H - Technology and Economic Development

MINIMUM CHARGE

The Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12 month intervening period.

RATE NT - CONTINUED

GENERAL SERVICE - NON-RESIDENTIAL TRANSPORTATION

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

RULES AND REGULATIONS

Where a Customer is returned to the Company or an alternate Supplier of Last Resort prior to the next regular meter reading date, due to the Licensed Choice Natural Gas Supplier's non-performance, Customer will receive service from Company or alternate Supplier of Last Resort for the remainder of the billing month at the contract rate between the Customer and Choice Supplier. Customer must provide evidence of the applicable contract rate, if requested by Company, to receive the contract rate price. As of the next regular meter read date, Customer will be transferred to Rate N, unless enrolled as a Rate NT customer by another Choice Supplier, effective as of the next regular meter read date.

GENERAL TERMS

Company Use and Unaccounted For gas shall be retained in accordance with Section 5, Operational Requirements, paragraph 5.1, Daily Delivery Requirements, of the Gas Choice Supplier Tariff.

RATE GBM

GAS BEYOND THE MAINS (Piped Propane Service)

APPLICABILITY

This Page is applicable to customers receiving Piped Propane service in accordance with the Commission's Final Order at Docket No. M-2008-2072850 entered on December 19, 2013.

AVAILABILITY

In accordance with the Commission's Final Order at Docket No. M-2008-2072850 entered on December 19, 2013, Rate GBM is available to small commercial customers until UGI obtains authority from the Commission to abandon such service no later than December 31, 2020, who are served by piped propane systems in existence as of December 19, 2013 ("Existing Propane Systems"), or through reasonable extensions of such Existing Propane Systems made consistent with the line extension provisions of this tariff.

MONTHLY RATE TABLE

Customer Charge: \$32.00 per customer

Plus

Distribution Charge: \$3.6932 per Mcf

Plus

GBM Commodity Rate: \$12.2823 per Mcf

Plus

SURCHARGES and RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider C - Migration Rider
- Rider D - Merchant Function Charge
- Rider G - Energy Efficiency and Conservation

The GBM Commodity Rate (a) is designed to recover the full costs of propane acquired to provide GBM service without subsidies from non-GBM service customers, (b) shall be reconciled annually with the resulting over-under collection being recovered or refunded through an E-Factor applied over the next annual period, (c) shall be subject to quarterly PGC adjustments, effective on one day's notice, effective March 1, June 1 and September 1. To the extent there is an over or under recovery of propane costs at the time Rate GBM service is ended, the balance shall be recovered or refunded from all Rate R and N customers by inclusion in the subsequent PGC Gas Cost Adjustment charge calculation.

RATE GBM - CONTINUED

GAS BEYOND THE MAINS (Piped Propane Service)

GBM customers may elect to receive natural gas commodity service from an alternate natural gas supplier, but shall still be responsible for payment of the GBM Commodity rate less a credit equal to the current PGC rate to reflect the displacement impact of the alternate natural gas supplier's delivery of associated natural gas into the Company's distribution system. GBM customers leaving or returning to Rate GBM service shall pay or receive the GBM E-Factor Rate (the "GBM Migration Rider").

ADDITIONAL SERVICE PROVISIONS

1. The costs of converting a Customer's appliance to or from propane or natural gas service, unless otherwise agreed by Company, shall be paid by the customer.
2. The customer shall provide a suitable location for any required propane facilities as determined by UGI.
3. If propane service is requested by a developer for a planned or actual real estate development with multiple actual or potential service locations, the developer shall enter into an agreement with Company addressing the provision of suitable locations for required propane facilities, appliance conversion characteristics and responsibilities for use of propane distribution facilities.

RATE DS

DELIVERY SERVICE

AVAILABILITY

This service applies in the entire territory served by the Company. Firm Delivery Service shall be provided for all volumes supplied by the Customer for which the Company has available on system delivery capacity, subject to Section 19 - Gas Emergency Planning provisions of the Company's tariff, applicable rules and regulations of the PUC and any other governmental mandates.

The Customer must execute a Service Agreement for not less than (1) one year. The contract shall continue in force for consecutive (1) year periods unless cancelled by the Customer upon ninety (90) days written notice to Company prior to the expiration of a contract term.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable Delivery Service balancing provisions or in accordance with optionally elected and approved balancing or standby services.

Service under Rate DS is subject to the terms set forth under General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Capacity Charge if applicable, and the Distribution Charge as described below. The following are maximum rates.

Customer Charge: \$290.00

Plus Capacity Charge: The Company's unitized weighted average cost of capacity for service received under this rate schedule, as calculated by the Company in accordance with PUC Order at Docket No. R-0096-3646.

Plus

Distribution Charge: \$2.9121/Mcf

Plus

SURCHARGES AND RIDERS

Rider A - State Tax Adjustment Surcharge
Rider C - Migration Rider
Rider G - Energy Efficiency and Conservation
Rider H - Technology and Economic Development

RATE DS - CONTINUED

DELIVERY SERVICE

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

RETAINAGE RATE

Company Use and Unaccounted For gas shall be retained in accordance with Section 20, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, AND IS, paragraph 20.1(j).

RATE NNS

NO-NOTICE SERVICE

AVAILABILITY

This Rate is available upon request to any Customer served on Rate DS, LFD, XD or IS who, after review and acceptance of such request by Company, has entered into a Service Agreement with Company for service under Rate NNS. The term of the Service Agreement shall be concurrent with that of the Customer's underlying Rate Schedule.

Service under this Rate is available for inadvertent fluctuations only and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided.

Service to large volume users, such as electric generation facilities, may be limited as determined by the Company. Service under Rate NNS is subject to the terms and conditions set forth under Section 20 General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

TERMS AND CONDITIONS

Customers monitored on a daily basis through the use of Company owned AMR equipment may elect a specific level of no-notice service under this Rate. Such election shall be made through the specification of a No-Notice Allowance ("NNA"), in MCF per day, of an amount no less than 10% and no greater than 100% of Customer's Daily Firm Requirement, Maximum Daily Quantity or otherwise specified daily contract limit. The elected NNA shall be effective for a fixed period equal to the lesser of one year or the remaining balance of the Customer's service agreement or, a lesser time period mutually agreeable to both the Customer and the Company. In no instance shall a NNA be effective for a period of less than one month.

No-notice service shall be provided under this Rate whereby the Company shall forward or bank no-notice supplies to the Customer on a daily basis in such amounts necessary to balance the Customer's daily deliveries with the Customer's daily consumption. Forwarded amounts shall be limited in amount by the lesser of the sum of the Customer's daily nomination plus elected NNA or, the Customer's DFR, MDQ or otherwise specified contract limit except as allowed. Banked amounts shall be limited to an amount no greater than the Customer's NNA election.

Customer electing an NNA shall be billed for no-notice service according to that specific level of service.

Volumes in excess of the daily limits shall be subject to Daily Excess Imbalance Charges as set forth in section 20.4 General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS on all such excess quantities, in addition to the charges specified in the Customer's underlying Rate Schedule.

RATE NNS - CONTINUED

NO-NOTICE SERVICE

EXCESS REQUIREMENT OPTION

The Excess Requirement Option is available on an interruptible basis to any delivery service Customer served under Rates XD, LFD. This Option shall extend the no-notice provisions of Rate NNS, on solely a best efforts basis, during periods where Customer's daily requirements exceed transportation contract service limits.

Customer must nominate a Daily Excess Requirement ("DER") under this Option in an amount no less than 5 Mcf per day and no greater than 25% of Customer's DFR or otherwise specified contract limit. On days where service under the Excess Requirement Option is required, Customer will have the right, subject to the terms and conditions set forth herein, to take gas in excess of Customer's DFR or otherwise specified contract limit provided such excess is no greater than the nominated DER amount.

Service taken in excess of the sum of Customer's DFR and DER on any day shall be considered Excess Take or Unauthorized Overrun as determined by Customer's Delivery Service Schedule and service agreement.

Unauthorized gas forwarded or returned to the Company by the Customer shall be considered imbalance gas and shall be subject to either the balancing provisions set forth under Section 20.2 of General Terms for Delivery Service for Rate Schedules DS, LFD, XD and IS or the Customer's otherwise applicable transportation balancing service.

MONTHLY RATE TABLE (Basic NNS Service)

\$0.0066 per Mcf

or, if applicable \$0.1320 per Mcf per day of elected NNA

plus

MONTHLY RATE TABLE (Excess Requirement Option)

\$4.50 per Mcf per day of elected DER.

RATE MBS

MONTHLY BALANCING SERVICE

AVAILABILITY

This Rate is available upon request to any Customer served on Rate DS, LFD, XD or IS who, after review and acceptance of such request by Company, has entered into a Service Agreement with Company for service under Rate MBS. The term of the Service Agreement shall be concurrent with that of the Customer's underlying Rate Schedule.

Service under Rate MBS is available for inadvertent fluctuations only, limited to an amount not to exceed 10% of the customer's total scheduled deliveries for the month, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Service under Rate MBS is subject to the terms set forth in Section 20 General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

Rate MBS is available as a monthly balancing service for Customer transportation deliveries. Service under Rate MBS allows Customer transportation imbalances (metered volumes less total scheduled nominations) which are within 10% of Customer's total scheduled nominations for the month to be carried forward in the Customer's MBS Account ("Balance Account") for redelivery of excesses or receipt of shortfalls in subsequent months.

TERMS AND CONDITIONS

Balance Account Operation. To the extent Customer's total deliveries exceed Customer's total consumption at the end of a Billing Month, the excess volumes shall be added to the Customer's Balance Account. To the extent Customer's total consumption exceeds Customer's total deliveries at the end of a Billing Month, the shortfall volumes shall be subtracted from the Customer's Balance Account.

Balance Account Limits. At no time, as calculated at the end of a Billing Month, shall a Customer exceed a Balance Account excess or shortfall balance greater than 10% of the Customer's total scheduled deliveries for the month, as determined by the Company in its sole discretion. Any such imbalance on the Customer's Balance Account shall result in an immediate zeroing of the Balance Account balance in accordance with the Cash-In/Cash-Out pricing set forth in Section 20.2.

The Company, in its sole discretion, may zero out the Customer's Balance Account at the end of any Billing Month by purchasing or selling such net imbalance volumes in the Customer's Balance Account at the prevailing month's Cash-In/Cash-Out pricing at set forth in Section 20.2, provided such zero out may occur only if necessitated by operational needs of the Company or as a result of a requirement of an applicable interstate pipeline.

MONTHLY RATE TABLE

Rate DS/IS
\$0.0050/Mcf x Monthly Billed Volumes

Rate LFD
\$0.0034/Mcf x Monthly Billed Volumes

Rate XD
\$0.0031/Mcf x Monthly Billed Volumes

RATE LFD

LARGE FIRM DELIVERY SERVICE

AVAILABILITY

This Rate applies in the entire territory served by the Company. It is available to any Customer who executes a Service Agreement with the Company for an on system Daily Firm Requirement (DFR), as agreed to by Customer and Company in said agreement, for not less than fifty (50) MCF of gas per day of firm service. Volumes delivered under this Rate shall be metered separately from service under any of the Company's other rates, except as provided for in Rates IS, NNS, and MBS. In lieu of separate metering, the Company may accept contractual commitments specifying minimum volumes of service under Rate LFD.

Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized receipt point, as determined by the Company in its sole discretion, provided Company has available on-system and/or pipeline capacity available in such quantities to meet Customer requirements. The Company shall be under no obligation to maintain on-system facilities required for service beyond the term of an executed service agreement.

Unless otherwise agreed by the Customer and Company, the Customer must enter into a Service Agreement for a minimum term of two (2) years. The Service Agreement shall continue in force for a minimum of consecutive two (2) year periods unless cancelled by Customer upon one (1) year written notice to the Company prior to the expiration of the then current Service Agreement term. The Customer shall remain liable for minimum bill requirements for the length of the Service Agreement under this Rate, including applicable penalties, in the event the Customer defaults on its Service Agreement before the end of its term.

Firm service shall be provided for all volumes provided by the Customer for which the Company has available delivery capacity, subject to the curtailment provisions of the Company's Tariff, applicable rules and regulations of the PUC and any other governmental mandates.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable balancing provisions or in accordance with optionally elected and approved balancing or standby services.

The DFR shall be the Company's contracted maximum firm delivery obligation to the Customer on any day and shall be no less than fifty (50) MCF. Service in excess of the DFR is interruptible in accordance with the terms of Rate IS.

Service under Rate LFD is subject to the terms set forth under General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

RATE LFD - CONTINUED

LARGE FIRM DELIVERY SERVICE

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Demand Charge, the Distribution Charge and any Excess Take Charge as described below. The following are maximum rates.

Customer Charge: \$700.00

Plus

Maximum Demand Charge: \$5.45/Mcf of Customer's elected DFR

Plus

Maximum Distribution Charge: \$1.2133/Mcf

Plus

SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge

Rider C - Migration Rider

Rider G - Energy Efficiency and Conservation

Rider H - Technology and Economic Development Rider

RETAINAGE RATE

Company Use and Unaccounted For gas shall be retained in accordance with Section 20, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, AND IS, paragraph 20.1(j).

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

EXCESS TAKE CHARGE

Except as provided in the Company's *Nomination Procedure*, for authorized usage on any day in excess of the Daily Firm Requirement there will be a charge of \$6.00 per MCF in addition to the charges specified in the rate table.

RATE LFD - CONTINUED

LARGE FIRM DELIVERY SERVICE

MINIMUM BILL

Monthly: The Minimum Monthly Bill shall be the Customer Charge, Demand Charge and Charge for Other Transportation.

Annual: The Minimum Annual Bill shall be based on the Customer maintaining a 0.50 annual load factor and shall be due and payable with the bill for the 12th month in the contract year. The Customer's actual load factor shall be determined by dividing the total volume of gas taken during the contract year (including volumes taken under the Retail and Standby Rider, the Cash-Out provisions of Section 20.2) by the sum of the Daily Firm Requirements for the contract year. If the actual load factor is less than 0.50, then, in addition to payment for actual usage, the Customer shall pay a Minimum Annual Bill charge equal to the product of: (1) the difference between 0.50 and the actual load factor, (2) the sum of the Customer's Daily Firm Requirements for the contract year, and (3) the average delivery charge paid by the Customer over the previous 12 month period, as calculated by the Company. If the Customer's actual load factor is greater than or equal to 0.50, no Minimum Annual Bill charge will be required.

CHARGE FOR OTHER TRANSPORTATION

If the Customer chooses to use the Company as agent in regard to transportation service by others, any costs calculated by or billed to the Company, with regard to such agency, shall be billed to the customer by the Company and may include an applicable administrative fee as agreed by the Customer and Company.

OFF-PEAK USAGE OPTION

The Customer may elect a consecutive 48 hour off-peak period during which time Customer's usage may exceed their DFR limit. The elected 48 hour period shall either commence at 10:00 a.m. Eastern clock time on Friday and end at 10:00 a.m. Eastern clock time Sunday or commence at 10:00 a.m. Eastern clock time Saturday and end at 10:00 a.m. Eastern clock time Monday. Customers electing the Off-Peak Usage Option must obtain prior approval by the Company at least one month in advance of initiating off-peak gas transportation and may not change their elected period more than once in any consecutive 12 month period. Off-Peak Usage shall not be subject to Excess Take charges nor require Customer to take service under Rate NNS. The Company may limit Off-Peak Usage service at any time for any reason and shall give Customer at least two (2) hours' notice, in a reasonable manner as determined by the Company, when such limitation is necessary. Volumes taken under the Off-Peak Usage Option must be appropriately nominated in accordance with the Company's *Nomination Procedure* and are subject to the balancing provisions of Section 20.2 of "General Terms for Delivery Service for Rate Schedules DS, LFD, XD and IS." Upon written request by the Customer, and approval by the Company, the Company may allow additional off-peak time periods during the months of April through October, consistent with the above Off-Peak Usage limitations on interruptions and nominations.

RATE LED - CONTINUED

LARGE FIRM DELIVERY SERVICE

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to limit the service to the amount of the Daily Firm Requirement or confirmed delivered volumes to a Company authorized receipt point, the Company will give at least two (2) hours' notice but upon prior written request of Customer up to six (6) hours' notice, in a reasonable manner as determined by the Company. If the Customer takes gas in excess of the DFR or otherwise applicable flowing gas limitations on any day for which notice of limitation has been given, the Customer shall be billed and shall pay for such excess gas at the rate to be calculated in compliance with Section 20.4 Maximum Daily Excess Balancing Charge, in addition to the charges specified in the Rate Table and applicable gas costs. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

SERVICE UNDER OTHER RATES

Volumes purchased under the Retail and Standby Rider or under the Cash-Out provisions of Section 20.2 or taken under Rate NNS shall be included for the purposes of determining Excess Take Charge and Unauthorized Overrun gas.

RATE XD

EXTENDED LARGE FIRM DELIVERY SERVICE

AVAILABILITY

This Rate applies in the entire territory served by the Company on request of a Customer which the Company determines, in its sole discretion, has a prospective gas volume usage of at least 200,000 MCF per year at the time of execution or renewal of a Service Agreement.

Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized receipt point, as determined by the Company in its sole discretion, provided Company has available on-system and/or pipeline capacity available in such quantities to meet Customer's requirements. The Company shall be under no obligation to maintain facilities required for service beyond the term of an executed Service Agreement.

Unless otherwise agreed to by the Customer and the Company, the Customer must enter into a Service Agreement for a minimum term of three (3) years. For a Customer requesting firm service, the Service Agreement shall specify an initial Daily Firm Requirement (DFR). The Customer shall remain liable for minimum bill requirements for the length of the Service Agreement under this Rate, including applicable penalties, in the event the Customer defaults on its Service Agreement before the end of its term.

For Customers requesting firm service, Firm Delivery Service shall be provided for all volumes provided by the Customer for which the Company has available delivery up to DFR, subject to the Section 19 - Gas Emergency Planning provisions of the Company's tariff, applicable rules and regulations of the PUC and any other governmental mandates.

Service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable balancing provisions or in accordance with optionally elected and approved balancing or standby services.

The DFR shall be the Company's contracted maximum firm delivery obligation to the Customer on any day. Service in excess of the DFR is interruptible and will be provided under terms and conditions identical to those set forth under Rate Schedule IS.

Service under Rate XD is subject to the terms set forth under General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

RATE XD - CONTINUED

EXTENDED LARGE FIRM DELIVERY SERVICE

MONTHLY RATE TABLE

The charge for each monthly billing period shall be negotiable and shall be the sum of the Customer Charge, Distribution Charge, Demand Charge if applicable, and the Minimum Annual Bill as described below.

The following are maximum rates.

Customer Charge: Charge as determined by negotiation.

Plus

Maximum Demand Charge: Charge as determined by negotiation.

Plus

Maximum Distribution Charge: \$1.2133/Mcf

Plus

SURCHARGES and RIDERS

Rider C - Migration Rider

The State Tax Surcharge does not apply to service under Rate XD.

RETAINAGE RATE

Unless otherwise agreed between the Customer and the Company, Company Use and Unaccounted For gas shall be retained in accordance with Section 20, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS, paragraph 20.1(j).

MINIMUM BILL

Minimum Bill Volumes and terms shall be defined in the Service Agreement and be determined by negotiation.

CHARGE FOR OTHER TRANSPORTATION

If the Customer chooses to use the Company as agent in regard to transportation service by others, any costs calculated by or billed to the Company, with regard to such agency, shall be billed to the Customer by the Company and may include an applicable administrative fee as agreed by the Customer and Company.

RATE XD - CONTINUED

EXTENDED LARGE FIRM DELIVERY SERVICE

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to limit the service to the amount of the Daily Firm Requirement or confirmed delivered volumes to a Company authorized receipt point, the Company will give at least two (2) hours' notice but upon prior written request of Customer up to six (6) hours' notice, in a reasonable manner as determined by the Company. If the Customer takes gas in excess of the DFR or otherwise applicable flowing gas limitations on any day for which notice of limitation has been given, the Customer shall be billed and shall pay for such excess gas at the rate to be calculated in compliance with Section 20.4 Maximum Daily Excess Balancing Charge, in addition to the charges specified in the Rate Table and applicable gas costs. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

Volumes purchased under the Retail and Standby Rider or under the Cash-Out provisions of Section 20.2 or taken under Rate NNS shall be included for the purpose of determining Unauthorized Overrun gas.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

RATE R/S

RETAIL AND STANDBY RIDER

AVAILABILITY

Retail and Standby services are available under the Retail and Standby Rider to any Customer receiving service under Rate Schedules DS, LFD, XD and IS. Service shall be supplied only where the Company's facilities are suitable and available for the service desired. Service is subject to curtailment under Tariff Rule No. 19, Emergency Gas Planning.

Retail and Standby services under this schedule may be provided on a firm and/or interruptible basis. Subject to the Company's sole discretion, services shall be provided only if, and to the extent, sufficient Company and/or Customer provided capacity exists for the transportation of available gas supplies. Unless otherwise agreed by the Company and Customer, the Customer must enter into a service agreement for a minimum term of one (1) year with monthly payments for service taken.

The Company may provide capacity, supply or a bundled service, retail or standby, to the Customer under this rate schedule per one or more of the following:
For Customers having upstream capacity rights: Company shall provide, or stand ready to provide, gas supplies to the Customer in such amounts and at such delivery or receipt points as necessary to meet Customers' contract requirements, as specified on a daily, monthly, seasonal or annual basis.

For Customers providing, selling or forwarding gas supplies to the Company for redelivery to Customer: Company shall provide, or stand ready to provide, pipeline and/or system capacity to deliver such gas supplies to the Customer.

For Customers requiring bundled sales service: Company shall provide, or stand ready to provide, the necessary pipeline and/or system capacity, and gas supplies necessary to provide gas service to the Customer at the Customers' metered location.

Where applicable, Customer must nominate standby service requirements by specifying a Nominated Standby Requirement (NSR) in MCF and a Daily Standby Requirement (DSR) in MCF per day of amounts equal to the Customer's total and daily standby supply requirements. Unless otherwise agreed by the Company and Customer, the firm or interruptible DSR shall be equal to the NSR divided by the number of days in the standby period.

Customers served under firm Rate Schedules DS, LFD and XD may take firm retail and/or standby service under this rate schedule in any amount up to their available Daily Firm Requirement (DFR) or otherwise specified contract limit. All other terms and conditions of service as specified in Customer's Rate Schedules DS, LFD and XD and/or contract shall continue to apply.

Capacity and/or supply utilization under this rate schedule shall be on an as available basis for customers requesting retail and/or standby services. Subject to the Company's sole discretion, other incrementally obtained capacity and/or supply shall be assigned according to a Customer request queue or otherwise specified auction procedure. When necessary, such request queue or auction procedure shall be established in accordance with the terms outlined in the Company's *Nomination Procedure*.

The Company, upon notice to the Customer, may specify minimum levels of retail and/or standby nominations required for service under this rate schedule.

RATE R/S - CONTINUED

RETAIL AND STANDBY RIDER

Service under Rate R/S is subject to the terms set forth in Section 20.2.

MONTHLY RATE TABLE

The charge for each Billing Month shall be the sum of the Customer Charge

Plus

The Capacity/Reservation Charge corresponding to the Customer's service election,

Plus

The Commodity Charge as shown below.

Plus

Administrative Service Fee: \$75 per month.

Capacity/Reservation Charge:

Firm Retail Option: The applicable market price for available upstream capacity, plus the applicable charge for available system capacity, less any capacity charges paid under the Customer's applicable Rate Schedule, but in no case less than zero.

Firm Standby Option: The applicable Firm Standby Reservation Charge per MCF of DSR and/or per MCF of NSR.

- a) The Firm Standby Reservation Charge shall be equal to the sum of the monthly contract demand rates charge by the Company's interstate pipeline suppliers divided by the sum of the daily contract demands.
- b) The Firm Standby Reservation Charge shall be subject to increase or decrease whenever any of the Company's interstate pipeline suppliers make changes in their contract demand rates. Any change in the Standby Rate shall become effective on the first day of the month following the date on which the change in pipeline contract demand rate becomes effective.
- c) The Firm Standby Reservation Charge revenues will be credited to the PGC.

Interruptible Standby Option: The applicable interruptible standby reservation charge per MCF of DSR and/or per MCF of NSR.

Plus

Commodity Charge: The distribution charge applicable under the Customer's Rate Schedule plus the applicable commodity cost, which shall be the identifiable additional cost of supply necessary to serve the Customer's usage, plus any applicable reservation cost of supply.

RATE R/S - CONTINUED

RETAIL AND STANDBY RIDER

The minimum monthly bill under this rate schedule shall be the sum of the Customer and Capacity/Reservation Charges plus any commodity reservation costs per MCF of NSR.

The State Tax Surcharge does not apply to service under Rate R/S.

Any charges or penalties imposed by pipeline suppliers as a result of usage under this rider shall, at the Company's sole discretion, be allocated to Customers according to each Customer's contractual obligation or be assigned to the Customer responsible for the incurrence of the charges or penalties.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

RATE IS

INTERRUPTIBLE SERVICE

AVAILABILITY

This Rate applies in the entire territory served by the Company. It is available to any commercial or industrial Customer using gas for any purpose when Customer has executed a Service Agreement with a term of at least one (1) year for use of gas under the terms of this Tariff.

Service under this Rate shall only be provided when, in the Company's sole discretion, sufficient system capacity is available.

Unless otherwise agreed by both Customer and Company, service under IS-~~is~~ available only to Customer loads with documented installed capability to consume an alternate fuel, and the Customer must enter into a Service Agreement for a minimum term of one (1) year with monthly payments for service taken. The Customer shall remain liable for minimum bill requirements for the length of the Service Agreement under this Rate, including applicable penalties, in the event the Customer defaults on its Service Agreement before the end of its term.

The Customer and Company agree that a Manual Interruptible ("MI") Customer must demonstrate they have the capability of consuming at least 5,000 MCF of gas during April through October ("Off Peak Period"). For all Automatic Temperature Control ("ATC") Customers, the Customer shall install and operate equipment to transfer the fuel source of its interruptible equipment from natural gas to an alternate fuel at a predetermined temperature setting as determined annually by the Company.

The Company shall verify, prior to commencement of service for new Customers, that the customer load being served qualifies under these provisions. The Company shall be permitted to inspect the facilities and piping at the premises of the Customer from time to time to confirm that the load being served so qualifies. The Company, at its discretion, may require such separate metering and piping and elimination of any cross-connection to non-qualifying end use equipment as may be necessary to enforce these provisions and to ensure the interruption of service hereunder during periods of restricted service. It is the Customer's responsibility to ensure qualifying alternate fuel capability is maintained in good working order as Company shall maintain no obligation for service during periods of interruption. If the Customer fails to meet any of the applicable conditions listed below; as determined by the Company at its sole discretion, the Company may discontinue service or transfer the Customer to the otherwise applicable firm or standby rate schedule, provided sufficient on-system capacity is available:

- 1) ability to maintain qualified alternate fuel facilities
- 2) 24 hour notification capability
- 3) maintain operable ATC equipment

Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized contract receipt point, as determined by the Company in its sole discretion and only when in the opinion of the Company there are sufficient facilities and gas supply. The Company maintains sole discretion to determine the appropriate allocation of gas to Customers.

RATE IS - CONTINUED

INTERRUPTIBLE SERVICE

Gas service in excess of volumes delivered by the Customer shall be provided only in accordance with applicable balancing provisions or in accordance with optionally elected and approved balancing or standby services.

INTERRUPTION NOTIFICATION

MI Customers agree to maintain a twenty four hour capability to receive notification of interruptions by the Company. When notified by the Company, the MI customer must discontinue use of natural gas for the Rate IS account until notification of Company to resume use of natural gas under Rate IS. Except in an emergency circumstance, the Company will provide reasonable notice of any interruption at least two hours prior, or upon prior written request of the Customer if agreed by Company, of up to six hours.

ATC Customers agree to maintain equipment required to automatically switch fuels from natural gas to Customer's alternate fuel and from alternate fuel back to natural gas based on outside temperatures, as determined solely by the Company and noticed annually to the Customer. The ATC equipment shall meet specifications as provided by the Company and shall be in working order at all times from November through March of each year.

The Company reserves the right to periodically verify MI and ATC Customer's alternate fuel as well as to verify the proper operation of ATC equipment.

MONTHLY RATE TABLE

Customer Charge: Charge as negotiated between the Customer and the Company.

Plus

Distribution Charge:

Charge as negotiated between the Customer and Company based upon the alternate fuels that the Customer has the economic capability of consuming, inclusive of related business factors.

MINIMUM ANNUAL BILL

For ATC Customers: Shall be as negotiated by the Customer and Company, but shall be no less than the product of five hundred (500) MCF times the distribution rate in effect on the first day of the Service Agreement or subsequent anniversary date if renewed Service Agreement.

For MI Customers: Shall be as negotiated by the Customer and Company, but shall be no less than five thousand (5,000) MCF of natural gas in Off Peak Period times the distribution rate in effect on the first day of the Service Agreement or subsequent anniversary date if renewed Service Agreement.

RATE IS - CONTINUED

INTERRUPTIBLE SERVICE

Unless the Company otherwise agrees, the Minimum Annual Bill shall be calculated at the end of any Service Agreement period, anniversary, or termination of service in accordance with terms of the Service Agreement. Volumes of natural gas taken under Standby Service during the Service Agreement period shall be credited to the Minimum Annual Bill volumes.

SURCHARGES and RIDERS

Rider C - Migration Rider

The State Tax Surcharge does not apply to service under Rate IS.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to restrict gas supplied under this Rate, the Company will provide due notice of such restriction. If a Customer, after having received due notice of restriction, shall take gas in excess of the amount made available by such notice, then Customer shall be billed for such excess gas at the rate of Fifty Dollars (\$50.00) per MCF,, or the charge calculated in compliance with Section 20.4 Maximum Daily Excess Balancing Charge, whichever is greater, plus the charge specified in the monthly rate table. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

Gas delivered under the Rate IS or purchased under the Cash-Out provisions of Section 20.2 or the Retail and Standby Rider or taken under Rate NNS shall be included in the determination of Unauthorized Overrun gas.

RETAINAGE RATE

Company Use and Unaccounted For gas shall be retained in accordance with Section 20, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, AND IS, paragraph 20.1(j).

UGI UTILITIES, INC. - GAS DIVISION

GAS CHOICE SUPPLIER TARIFF NO. 6-S

Rates and Rules
Governing the
Furnishing of
Gas Aggregation Service

Issued: January 19, 2016

Effective: Effective for service
rendered on and after March 19, 2016.

Issued By:

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NOTICE

RULES AND REGULATIONS

1. THE CHOICE SUPPLIER TARIFF

- 1.1 Filing and Inspection. A copy of this Choice Supplier Tariff (Sections 1 - 11) (hereinafter "Supplier Tariff"), which includes the Charges and Rules and Regulations under which the Company will supply Aggregation Service to Company approved Natural Gas Suppliers (Choice Suppliers) serving customers under Rate Schedules RT and NT, is on file with the Pennsylvania Public Utility PUC and is available on the Company's website <http://www.ugi.com>.
- 1.2 Application. The provisions of the Supplier Tariff apply to all Choice Suppliers serving customers under Rate Schedules RT and NT.
- 1.3 Statement by Agents. No representative has authority to modify a Supplier Tariff rule or provision, or to bind the Company by any contrary promise or representation.
- 1.4 Rule and Regulations. The Rules and Regulations, as part of this Supplier Tariff, are a part of every Aggregation Agreement entered into by the Company pursuant to this Supplier.
- 1.5 Purpose of Tariff. This Supplier Tariff sets forth the basic requirements for interactions and coordination between the Company in its role as a Natural Gas Distribution Company ("NGDC") and Choice Suppliers, and includes rules necessary for maintaining the delivery of gas to customers served under Rate Schedules RT and NT.

RULES AND REGULATIONS

2. CHOICE SUPPLIER QUALIFICATION

- 2.1 Service under this Tariff is contingent upon the Choice Supplier completing the Company's Choice Supplier Application Forms to Serve Choice Customers (Application) and Company's approval of such Application. Choice Supplier shall include with its returned Application, payment of a non-refundable Enrollment Fee of five hundred dollars (\$500). In the event the Choice Supplier submits an incomplete application, the Company shall provide written notice to the Choice Supplier of the Application's deficiencies. An incomplete Application will not be processed by the Company until it is fully completed by the Choice Supplier and received by the Company. Failure to submit a fully completed Application within thirty (30) calendar days following notice that the Application was incomplete will result in a rejection of the Application.
- 2.2 Choice Supplier must meet all pipeline credit standards and prove it is qualified by the pipeline to receive an assignment, release or transfer of pipeline capacity.
- 2.3 Processing of Application. The Company shall promptly process each Application and notify the Choice Supplier of the results of Company's review of such Application. If the Company rejects an application, the Company will provide a reason.
- 2.4 Approval of Application. Upon approval of Choice Supplier's Application, Company shall execute the duplicate originals of the Aggregation Agreement tendered by the Choice Supplier and return one copy to the Choice Supplier.
- 2.5 Supplemental Evaluations. Company may require additional periodic credit evaluations to ensure ongoing financial fitness as set forth in Section 8 of this Tariff. The Choice Supplier will be assessed a \$250 fee for all credit evaluations performed by Company. The evaluation will be based on standard credit factors such as previous Choice Supplier's customer service record, Dun & Bradstreet or similar financial and credit ratings, trade references, bank information, unused line of credit, and financial information. Company shall have sole discretion to determine creditworthiness based on the above criteria, but will not deny creditworthiness without reasonable cause.
- 2.6 A qualified Choice Supplier may opt to participate in the Purchase of Receivables ("POR") program offered by the Company by entering into a Purchase of Receivables Agreement. Upon approval of a Purchase of Receivables Agreement, the Company shall execute the duplicate originals of the Purchase of Receivables Agreement tendered by the Choice Supplier and return one copy to the Choice Supplier. A copy of the POR Agreement may be found on the Company's Gas Management website.

RULES AND REGULATIONS

3. CUSTOMER LIST

- 3.1 Customer Choice List. Company will maintain a list of Rate R and RT customers that have authorized the release of their information in a secure portion of a Web Site accessible to Choice suppliers in compliance with the requirements of Rule 3.2. Company will also maintain a list of Rate N, NT, and DS customers with annual usage less than 300 MCF per year that have authorized the release of their information in a secure portion of a Web Site accessible to Choice suppliers in compliance with the requirements of Rule 3.2. When authorized by the customer, this list shall also include account number, address, rate code and / or historical usage.
- 3.2 Customer List Confidentiality. Such list shall only be accessible by licensed Choice Suppliers that have executed a confidentiality agreement and are otherwise qualified to serve Rate RT and NT customers under this Tariff.

RULES AND REGULATIONS

4. CHOICE SUPPLIER OBLIGATIONS

- 4.1 Unless otherwise authorized by Company, Choice Suppliers must comply with the provisions of Section 7 of the Choice Supplier Tariff.
- 4.2 A Choice Supplier must provide and maintain a bond or other financial guarantee in a form and amount as set forth in Section 8 that is acceptable to Company and/or other PUC-approved Supplier of Last Resort.
- 4.3 A Choice Supplier must acquire or agree to acquire an adequate supply of natural gas to serve Choice Supplier's Aggregation Pool and make or cause to be made arrangements by which such gas supplies can be transported to Company's city gates, as directed by Company. Such supplies must be ranked on the transporting pipeline at the pipeline's highest Predetermined Allocation ranking.
- 4.4 A Choice Supplier must enter into an Aggregation Agreement to serve Choice customers under Rate Schedules RT and NT.
- 4.5 A Choice Supplier must comply with Company system reliability requirements, including Daily Flow Directives ("DFDs"), Operational Flow Orders ("OFOs"), and notice requirements.
- 4.6 A Choice Supplier must comply with applicable communications standards, including approved internet based Electronic Data Exchange ("EDI") procedures.
- 4.7 A Choice Supplier must cooperate with Company in the preparation of an annual reliability plan presented to the PUC.
- 4.8 A Choice Supplier must acquire and maintain a PUC license.
- 4.9 A Choice Supplier (including their nominating agents, if applicable) who nominates gas for delivery to the Company's system must have and maintain Internet access. The Choice Supplier shall also provide Company with a valid email address and 24-hour contact information.
- 4.10 The Company's provision of Aggregation Service is contingent upon the Choice Supplier paying all amounts billed to it by the Company in a timely manner.
- 4.11 Failure to comply with all Choice Supplier Obligations will result in the Company disqualifying the Choice Supplier from serving customers under Rate Schedules RT and NT. In the event the Company disqualifies a Choice Supplier, the Choice Supplier may appeal the disqualification to the PUC. If the PUC does not reverse the disqualification within 45 days, the Choice Supplier will be disqualified at the end of the 45 day period and its customers will be returned to sales service or switched to another Choice Supplier. Any Company disqualification will be on a non-discriminatory basis.

RULES AND REGULATIONS

4. CHOICE SUPPLIER OBLIGATIONS - CONTINUED

4.12 If a Choice Supplier elects to participate in the Company's POR Program, the Choice Supplier must enter into a POR Agreement for the rate classes that it serves that will be included in the POR. The elected Rate Classes shall be one of the following: (1) RT only, (2) NT only, or (3) RT and NT. All receivables associated with basic natural gas supply services in the specific rate class, subject to the rate class elections made above, must be sold by the participating Supplier to the Utility. For the purposes of this provision, the phrase "basic natural gas supply services" shall include charges directly related to the physical delivery of natural gas to a retail customer but shall not include charges for "carbon-neutral" products, appliance maintenance service, energy efficiency services, termination or cancellation fees, security deposits or other products or services not directly related to the physical delivery of natural gas to a retail customers. Customer accounts that are billed for non basic natural gas supply services will not be eligible for UGI's POR program. All of the NGS' customer accounts within the elected Rate Classes (subject to the volumetric limits contained in section 5.4) must be POR eligible accounts, with the exception of customers that purchase carbon-neutral products. NGSs may choose to use UGI consolidated billing for Non-POR eligible customers who are purchasing bundled "carbon-neutral" product offerings. The termination and reconnection provisions of Chapters 14 and 56 of the Public Utility Code and Commission regulations shall not be applicable to unpaid NGS charges for non-POR eligible accounts on consolidated billing. NGSs will be responsible for collecting unpaid NGS charges on non-POR eligible accounts on consolidated billing. UGI shall support rate-ready billing, and all NGS rates must conform to supported rate designs. For Purchased Customer Accounts, Company shall pay Choice Supplier an amount equal to 97.67% for residential amounts billed (inclusive of associated sales taxes) and 99.39% of non-residential amounts billed (also inclusive of taxes). Customer participation for NT shall be subject to Volumetric Eligibility pursuant to Section 5.4.

4.13 All existing customers of Choice Suppliers who elect to participate in the Company's optional Purchase of Receivables program shall be provided notice by the Choice Supplier and Company that (a) the Company will be providing one bill for all Company and Choice Supplier charges, (b) all payments should be made to the Company, (c) any unpaid amounts shall be subject to late payment charges, (d) the Company may request a security deposit for amounts which include Choice Supplier charges and (e) the Company maintains the right to terminate service for any unpaid Company or Choice Supplier charges, pursuant to Pennsylvania Public Utility Code regulations.

All new customers enrolling with Choice Suppliers who are participating in Company's optional Purchase of Receivables program shall be provided notice by the Choice Supplier prior to enrollment, and by Company upon enrollment, that (a) the Company will be providing one bill for all Company and Choice Supplier charges, (b) all payments should be made to the Company, (c) any unpaid amounts shall be subject to late payment charges, (d) the Company may request a security deposit for amounts which include Choice Supplier charges and (e) the Company maintains the right to terminate service for any unpaid Company or Choice Supplier charges, pursuant to Pennsylvania Public Utility Code regulations.

RULES AND REGULATIONS

5. OPERATIONAL REQUIREMENTS

- 5.1 Daily Delivery Requirements. The Company will communicate to each Choice Supplier a Daily Delivery Requirement ("DDR"). The DDR will be the required volume of gas to be delivered for the indicated date for each Choice Supplier's pool of customers served under Rate Schedules RT and NT, and may specify the required points of delivery. The DDR includes a volume of gas that the Company will retain for Company use gas, and lost and unaccounted for gas, equal to 0.5% of the total volume of gas delivered into its system for the Customer's account. Choice Suppliers who fail to deliver their DDR will be subject to penalties and imbalance charges as outlined in Rate AG.
- 5.2 Daily Flow Directive. An order issued by the Company to address system management issues including actions necessary to comply with statutory directives and obligations including the Company's obligations pursuant to 1307(f) gas procurement activities, but not solely for other economic reasons. DFDs will be communicated to affected Customers or NGSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSs must provide the Company with a 24-hour contact for DFDs. Failure to comply with a DFD may result in the Customer or NGS being assessed the penalty charge set forth in Section 20.4 of the Company's Gas Service Tariff.
- 5.3 Operational Flow Orders. A directive issued by the Company that is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system, including actions necessary to comply with statutory directives and obligations including the Company's obligations pursuant to 1307(f) gas procurement activities, but not solely for other economic reasons. OFOs will be communicated as soon as reasonably practical to affected Customers or NGSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSs must provide the Company with a 24-hour contact for OFOs. Failure to comply with an OFO may result in the Customer or NGS being assessed the penalty charge set forth in Section 20.4 of the Company's Gas Service Tariff.
- 5.4 POR Volumetric Eligibility Requirements for Rates NT. All Rate NT Customers with annual usage of 1,000 Mcf or less will be eligible for inclusion into a POR program. NT Customer accounts will be reviewed on an annual basis to determine if they are eligible to be included in the next 12 month period.

RULES AND REGULATIONS

6. BILLING AND PAYMENT

- 6.1 Billing Period. On or before the 15th of a month, Company shall send each Choice Supplier an invoice reflecting all charges incurred by the Choice Supplier for the prior calendar month activities. Such invoice may include charges related to adjustments for prior periods.
- 6.2 Payment. Payments will be due 10 days following issuance of the invoice. Choice Supplier shall make payment to the Company of such invoiced amount by wire transfer to the bank and account specified on the invoice. If the invoiced amount is less than \$1,000, payment can be made by check, payable to the Company. Unpaid balances shall accrue interest at the rate of 1.5 percent per month. Unpaid balances may result in the Company accessing the financial security posted by the Choice Supplier and / or the Choice Supplier being disqualified from providing Aggregation Service.
- 6.3 Billing Dispute. If Choice Supplier asserts a good faith billing dispute, the Choice Supplier shall inform the Company in writing of such dispute and pay the undisputed amount. The disputed amount shall accrue interest at the effective prime rate of interest as published under "Money Rates" by "The Wall Street Journal", or the maximum contract rate permitted by law, whichever is less. The Choice Supplier and the Company shall endeavor to resolve any disputes promptly and the amount determined to be properly invoiced, plus accrued interest on such amount shall be paid to the Company within fifteen (15) days following such resolution. Unpaid amounts not subject to dispute shall accrue interest at the rate specified in 6.2.
- 6.4 Licensed Supplier Budget Billing. The Company will bill all budget billing amount calculated and provided by the Licensed Supplier. The Company will not determine a License Supplier's budget bill charge unless the account is being billed under the POR program.
- 6.5 Application of Payments for Rates RT and NT. Where Company renders a bill for natural gas supply service on behalf of a Natural Gas Supplier and a partial payment is received, the partial payment shall first be applied to pre-retail access Company balances and then to post-retail access Company balances. In the event a customer has a pre-retail access Company balance, partial payment shall be applied in the following order of priority:
1. First to outstanding pre-retail access Company balances, or the installation amount on a payment arrangement with Company on this balance; then to
 2. Current Company charges; then to
 3. Choice Supplier supply charges; then to
 4. Non-Basic Service charges; then to
 5. Hardship Energy Fund contributions.

RULES AND REGULATIONS

6. BILLING AND PAYMENT - CONTINUED

In the event a Customer develops a post-retail access balance, partial payment shall first be applied to the pre-retail access Company balances in the order of priority specified above. Thereafter, partial payment shall be applied in the following order of priority:

1. First to outstanding post-retail access Company Balances, including receivables purchased under a POR program, or the installation amount on a payment arrangement with Company on this balance; then to
2. Current Company charges, including receivables purchased under a POR program; then to
3. Choice Supplier service charges; then to
4. Non-Basic service charges; then to
5. Hardship Energy Fund contributions.

Where Company renders a budget bill on behalf of a Choice Supplier for Natural Gas Supply service, partial payments shall be applied on a pro rata basis after outstanding pre-retail access balances and post retail access balances have been paid in accordance with the orders of priority specified above.

For purposes of this Section, pre-retail access balances means outstanding account balances incurred prior to Customer transferring to Rate RT and NT.

For purposes of this Section, post-retail access balances means outstanding account balances incurred after Customer transfers to Rate RT and NT.

RULES AND REGULATIONS

7. NOMINATION PROCEDURE

- 7.1 Customer Choice Nomination Procedure. The Nomination Procedure specifies requirements for nominating, scheduling, balancing, and communicating information relating to Choice Supplier's gas deliveries for customers served under Rates RT and NT.
- 7.2 Contact Persons. A list of Company contact persons will be posted on the Company's Web Site, located at <http://www.ugi.com/gas/delivery>, or its successor, along with their department affiliation, telephone number, and fax number.
- 7.3 Mandatory Assignment. As used in this tariff the term "Firm Commodity Supply Alternative" shall mean a Company purchase of natural gas, delivered directly to its distribution system or at points along Company pipeline capacity routes (Commodity Delivery Points), constituting a component of Company's PGC supply portfolio and an alternative to pipeline capacity contracts upstream of the Commodity Delivery Points or other firm sources of PGC supply. Firm Commodity Supply Alternative contractual arrangements may require the payment of demand charges or minimum take requirements. Except as provided below, Choice supplier shall be required to accept releases of Company pipeline capacity combined with bundled city gate sales and, as applicable, peaking sales of gas from Company and sales of gas associated with Firm Commodity Supply Alternative arrangements, in accordance with the following:

A monthly release of interstate pipeline capacity or allocation of Firm Commodity Supply Alternative in an amount equal to forty-one percent (41%) of the PDDR of the Choice Customers served by the Choice Supplier during the month shall be released or allocated at a price equal to the projected weighted average demand cost of all PGC capacity, storage, peaking and Firm Commodity Supply Alternative assets, divided by .41.

UGI shall also provide Choice Suppliers with a must-take Monthly Bundled Sale Quantity ("MBSQ") during each winter month of November through March, and the Choice Supplier would be permitted to nominate and purchase gas at UGI city gates throughout each winter month, subject to the Maximum Daily Quantity ("MDQ") limits, up to the MBSQ. The MDQ equals twenty-six percent (26%) of the PDDR of the Choice Customers served by the Choice Supplier during the month multiplied by the percentage shown on UGI's Gas Management website under the heading Maximum Daily Bundled Sale Percentages. The minimum daily quantity is zero. Choice Suppliers would be required to nominate to UGI a daily quantity for bundled sales no later than 8:45 A.M. Eastern Prevailing Time on each Intercontinental Exchange ("ICE") trading day for deliveries applicable to the ICE flow dates. If no nomination is received, the nomination quantity would default to zero. UGI reserves the right to issue operational flow orders ("OFO") that can modify the daily bundled sale flexibility or require certain levels of deliveries from the released firm transportation contracts. These OFOs would be issued for operational reasons only. MBSQs would be based on UGI's storage withdrawal plan, to be updated annually, and communicated as a percentage of each Choice Supplier's pre-month normalized delivery requirements, which will be shown on UGI's Gas Management website under the heading Must-Take Monthly Bundled Sale Percentages. If the full MBSQ is not nominated and purchased by the end of each such winter month, the shortfall ("Bundled Sale Cash-In quantity") would be purchased by the PGC ("Bundled Sale Cash-In amount") as follows:

RULES AND REGULATIONS

7. NOMINATION PROCEDURE - CONTINUED

- a. The DDR Variation Percentage is the sum of the actual DDRs experienced by a Choice Supplier divided by the sum of the pre-month average DDRs that was used to calculate the MBSQ, converted to a percentage. For any month where the DDR Variation Percentage is greater than ninety percent (90%), the Bundled Sale Cash-In amount would equal (1) the product of (a) 0.90 times the lowest absolute low for the Texas Eastern, M-2 receipts index price as published in *Platts' Gas Daily* for the applicable month of flow minus (b) the summer index price used for bundled sales (the "Bundled Sale Cash-In index") times (2) the Bundled Sale Cash-In quantity. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.
- b. In recognition of the effects of extreme warm weather conditions, shortfall amounts would be purchased as follows under such conditions:
- i. For any month where (a) the DDR Variation Percentage is less than or equal to ninety percent (90%) and (b) the Bundled Sale Cash-In quantity is less than or equal to the MBSQ minus the product of the DDR Variation Percentage times the MBSQ, then the Bundled Sale Cash-In amount would equal (1) the First of the Month Price called "Columbia Gas Transmission Corp., Appalachia" as published in *Platts' Gas Daily Price Guide ("Inside FERC")* for the month subsequent to the applicable month in which the Bundled Sale Cash-In quantity was created minus the summer index price used for bundled sales (the "Alternate Bundled Sale Cash-In Index") times (2) the Bundled Sale Cash-In quantity. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.
- ii. For any month where (a) the DDR Variation Percentage is less than or equal to ninety percent (90%) and (b) the Bundled Sale Cash-In quantity is greater than the MBSQ minus the product of the DDR Variation Percentage times the MBSQ, then the Bundled Sale Cash-In amount would equal (1) the Alternate Bundled Sale Cash-In Index, as defined in Section 7.3.b.i, times the DDR Variation Percentage times the MBSQ plus (2) the Bundled Sale Cash-In Index, as defined in Section 7.3.a, times the difference of the Bundled Sale Cash-In quantity minus the product of the DDR Variation Percentage times the MBSQ. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.

In addition to the bundled sales described above, Choice Suppliers shall be required to purchase from UGI a separate bundled sale on peak days ("Peaking Sale") equal to an amount up to thirty-three percent (33%) of the PDDR of the Choice Customers served by the Choice Supplier during the month. The Peaking Sale would be made on winter days when the Choice Supplier's DDR exceeds the sum of the released firm capacity and the MDQ associated with the bundled sale. The Peaking Sale quantity would be the difference of the Choice Supplier's DDR minus the sum of the released firm capacity and the MDQ associated with the bundled sale. The Peaking Sale price would be based on the commodity cost of UGI's peaking services. If weather conditions cause the Choice Supplier's DDR to exceed the Choice supplier's PDDR, the Choice Supplier would be responsible for arranging for supplies to meet the additional delivery requirements for its Choice Customers.

RULES AND REGULATIONS

7. NOMINATION PROCEDURE - CONTINUED

Also in addition to the bundled sales described above, to the extent Company's design cold PGC supply portfolio includes Firm Commodity Supply Alternative contractual arrangements containing minimum take requirements, Choice Supplier shall also be required to make monthly purchases of natural gas from Company in an amount and at the commodity price Company would have been required to pay under the Firm Commodity Supply Alternative contractual arrangements had the Choice Customers projected to be served by the Choice Supplier during the month received PGC service. To the extent Company's design cold PGC supply portfolio includes Firm Commodity Supply Alternative contractual arrangements not containing minimum take requirements, Choice Supplier may elect on a month-to-month basis to make monthly bundled city gate purchases of natural gas from Company in an amount and at the commodity price Company would have been required to pay had the Choice Customers projected to be served by the Choice Supplier during the month received PGC service, provided, however, that nothing in this section shall preclude the Company from issuing OFOs requiring additional purchases of natural gas in accordance with the provisions of Section 5.3 of this tariff.

- 7.4 Capacity Recall. All capacity assigned, released or transferred by Company is subject to recall, in the event:
- a. A Choice Supplier is disqualified as an approved Choice Supplier on Company's system; or
 - b. The amount of capacity assigned, release or otherwise transferred is no longer required to serve the Choice Supplier's Pool; or
 - c. The Choice Supplier fails to comply with Section 4 of this tariff (Supplier Obligations) and the capacity is required by the Company or Commission approved Supplier of Last Resort to meet its firm commitments.
- 7.5 Agents. A Choice Supplier may have one or more agents who perform one or more supply obligations under this Supplier Tariff. In the event such an agent or agents are utilized, Choice Supplier shall notify Company of the responsibilities of the Agent, and shall provide Company with the Agent's valid e-mail address, 24 hour contact, fax number and phone number for contact purpose. Choice Suppliers using Agents shall remain liable for all charges and penalties.
- 7.6 Determination of Capacity Assignment Quantities. Assignments, releases or transfers of upstream pipeline firm transportation capacity will be made pursuant to Section 7.3. Each month the Company will evaluate and adjust the capacity releases quantity made to the Choice Supplier from time to time, as required.
- 7.7 City Gate Receipt Points. For nomination purposes, all transportation volumes received on behalf of customers served under Rates RT and NT shall be nominated to the Company's City Gate receipt points. Company reserves the right to specify delivery receipt points.

RULES AND REGULATIONS

7. NOMINATION PROCEDURE - CONTINUED

- 7.8 Daily Nominations. Choice Suppliers serving Rate RT and NT customers shall submit daily nominations equal to the DDR, consistent with the Company's requirements.
- 7.9 Third Party Supply Nominations - Customer Consent. All Company Choice Customers must provide consent to any Choice Supplier nominating on their behalf. Enrollments by Choice Suppliers are deemed to constitute that the customer has provided such consent. For transportation customers served under Rates RT and NT the Choice Supplier must maintain and produce upon request by Company evidence of customer consent within one business day notice.

RULES AND REGULATIONS

8. FINANCIAL SECURITY

- 8.1 Financial Security. A Choice Supplier shall provide financial security to ensure that Company and/or other PUC-approved Supplier of Last Resort is able to receive, without undue delay, funds or other forms of remuneration sufficient to meet the financial consequences of a Choice Supplier's failure to perform its natural gas supply delivery service obligations hereunder. Company may also use such forms of financial security to ensure the ability of a Choice Supplier to pay the penalties authorized by this Supplier Tariff. The amount and the form of the security, if not mutually agreed upon by the Company and the Choice Supplier, shall be based on the criteria established under 52 Pa. Code § 62.111(c) and as set forth in this Section 8.
- 8.2 Amount of Financial Security. A Choice Supplier seeking to be licensed to provide service on Company's system shall be required to provide an initial amount of \$50,000 in financial security. After the Choice Supplier begins to serve customers on Company's system the amount of financial security shall, unless otherwise mutually agreed, be equal to \$134.63/Dth times the Design Day Requirement (in Dth) for Choice Supplier's pool of Choice customers (as established at Docket No.P-00032054), but in no event shall the amount of financial security be less than \$50,000. This security level shall be subject to adjustments as provided in Section 8.4.
- 8.3 Forms of Financial Security. For purposes of satisfying the amount of financial security determined under Section 8.2 hereof, the Choice Supplier shall provide financial security in one or more of the following manners, in a form reasonably acceptable to the Company and/or other PUC-approved Supplier of Last Resort, and shall reimburse Company for attorneys' fees and all related external costs incurred by Company in implementing and enforcing the form of financial security provided by Choice Supplier:
- (a) cash;
 - (b) performance bond;
 - (c) irrevocable letter of credit;
 - (d) guarantee from a third party;
 - (e) in the case of Choice Suppliers with annual operating revenues of less than \$1 million; real or personal property placed in escrow or other arrangement that would make the property readily available to Company in the event of the Choice Supplier's non-performance or entering into bankruptcy, provided that the Choice Supplier (i) provides a verified statement, certified by a third party report, showing that the Choice Supplier has clear title to the property and that the property has not been pledged as collateral, or otherwise encumbered in regard to any other legal or financial transaction; (ii) provides a current appraisal report of the market value of the property; and (iii) grant the Company, upon request, a security interest in such property in a form acceptable to Company; or
 - (f) accounts receivable pledged or assigned to the Company pursuant to a Company Commission-approved POR program satisfying the requirements of Section 8.5 hereof; or

RULES AND REGULATIONS

8. FINANCIAL SECURITY - CONTINUED

(g) another form of financial security mutually acceptable to Company and Choice Supplier.

8.4 Adjustments to Financial Security Level. From time to time, the Company shall review the financial security provided by a Choice Supplier and determine whether any adjustments are required consistent with the formula under Section 8.2 hereof. The Company shall use the following factors to determine whether any such adjustments are required:

(a) A change in the Choice Supplier's recent operating history on Company's system or on other NGDS systems has materially affected Company system operation or reliability. A change that could materially affect the Company system or reliability may occur when the Choice Supplier fails to deliver natural gas supply sufficient to meet its customers' needs on 5 separate occasions within a 30 day period, or fails to comply with Company Operational Flow Orders as defined at 52 Pa. Code § 69.11.

(b) A significant change in the number of customers served, in the volume of gas delivered, or in the unit price of natural gas or a change in the class of customers being served by the Choice Supplier. A change over a consecutive 30 day period of 25% in the number of customer served, in the volume of gas delivered or in the average unit price of natural gas would represent a significant change.

(c) A change in the Choice Supplier's credit reports that materially affects the Choice Supplier's creditworthiness. A Choice Supplier's creditworthiness could be materially affected when two of the following credit rating companies change the Choice Supplier's credit rating: Dun & Bradstreet, Standard & Poor's Rating Services, Inc., TransUnion LLC, EQUIFAX Inc., Experian Information Solutions, Inc.

(d) A change in operational or financial circumstances that materially affects the Choice Suppliers' creditworthiness. A Choice Supplier's creditworthiness could be materially affected when two of the following investment rating companies change the Choice Supplier's rating of its issued securities from an investment grade or good rating to a speculative or moderate credit risk rating, and vice versa: Standard and Poor's Rating Services, Inc., Moody's Investment Services, Inc., Fitch, Inc., A.M. Best Company, Inc. and DBRS, Inc.

8.5 POR Requirements. A Choice Supplier may meet part or all of its financial security obligations determined under Section 8.2 hereof utilizing the accounts receivable pledged or assigned to the Company pursuant to a Company Commission-approved POR program, provided that Choice Supplier executes a Security Agreement which, among other things: (a) grants Company a first priority security interest in the accounts payable to Choice Supplier for the purchased receivables; and (b) grants Company an immediate right of set-off against any account payable to Choice Supplier for any obligation owed by Choice Supplier to Company. To reflect the variability in the amounts owed by Company to

RULES AND REGULATIONS

8. FINANCIAL SECURITY - CONTINUED

Choice Supplier for purchased receivables given seasonal variations in customer loads, the amount of this form of security will be determined pursuant to the following formula: (The average daily Mcf volume of gas delivered by the Choice Supplier during the lowest 30 day period of volume during the past 12 months for accounts enrolled in the POR program) *times* (the lowest rate per Mcf charged by the Choice Supplier during the past 12 months) *times* (the number of days between the purchase of and payment for a Choice Supplier's receivables).

- 8.6 Notice. If the Company determines, based on the criteria in Section 8.4 hereof, that an adjustment in the amount or type of security that a Choice Supplier must provide is warranted, the Company shall provide notice of its determination to the Choice Supplier in writing. The Choice Supplier shall comply with the Company's determination no later than 5 business days after the date the Choice Supplier was served with notice of the Company's determination. If the Choice Supplier disagrees with the Company's determination, the Choice Supplier may file a dispute with the Company and the Company and the Choice Supplier must attempt to resolve the dispute within 30 days after the date that the Company was notified of the dispute.

RULES AND REGULATIONS

9. ENROLLMENT OF CUSTOMERS INTO RATE SCHEDULES RT and NT

- 9.1 To be served under Rate Schedules RT and NT, a Customer must be enrolled by the Choice Supplier elected by the Customer. Such enrollment by the Choice Supplier must be provided in an electronic file to the Company via an approved internet based EDI transaction. The requirement filed shall include:
- a. The customer's name;
 - b. The customer's address;
 - c. The customer's Company account number;
 - d. The specific transaction;
 - e. The elected billing option.
- 9.2 Company Confirmation. Company will electronically confirm receipt of the enrollment information and within one (1) business day and subsequently provide an electronic validation of the Choice Supplier's transmitted information.
- 9.3 Determination of Gas Flow Date. For enrollments received on or before the 15th of any calendar month, the customer will be switched to Rate Schedule RT and NT, where the customer does not respond within 5 days from the Company's mailing of a letter confirming the election to be served by the Choice Supplier, on the Customer's regularly scheduled meter reading date in the calendar month immediately following the month the enrollment information was received. For enrollments received after the 15th of any calendar month, the customer will be switched to Rate Schedule RT and NT, where the customer does not respond within 5 days from the Company's mailing of a letter confirming the election to be served by the Choice Supplier, on the Customer's regularly scheduled meter reading date in the second calendar month following the month the enrollment information was received.

RATE AG

10. AGGREGATION SERVICE

AVAILABILITY

Rate AG - Aggregation Service (AG Service) is available to and required for an approved Natural Gas Supplier (Choice Supplier) licensed by the PUC to provide natural gas supply service to customers who qualify to receive service under Rate RT (General Service - Residential Transportation) or Rate NT (General Service - Non-residential Transportation) (hereinafter a Choice Supplier).

AGGREGATION SERVICE

A Choice Supplier qualified to receive Rate AG Aggregation Service shall aggregate the load of customers served under Rates RT and NT customers in an Aggregation Pool. Such Aggregation Pool is limited to customers served under Rates RT and NT.

ASSIGNMENT OF COMPANY PIPELINE CAPACITY

Company has the right to require the Choice Supplier to accept a release, assignment or transfer of Company pipeline capacity on a recallable basis. The minimum such assignment shall be one (1) Dth per day per pipeline path.

RATE TABLE

Balancing Fee for Choice Supplier (\$/MCF) - As posted.

(Total Cost of Pipeline Assets Retained by Company for System Balancing - Balancing Related PGC Credits) divided by (Projected Annual Sales and Transportation Volumes Utilizing the Assets, as projected in each annual 1307(f) filing). This rate will be posted on Company's Delivery Service Web Site or its successor and will be updated as required.

Switching Fee:

\$10 / Customer Switch (The first switch to Rates RT and NT shall be Free).

Rate AG Enrollment Fee: \$500.

Credit Check of Choice Supplier: \$250 / Credit Check.

Pipeline Capacity and Bundled Sales:

Choice Supplier shall be responsible for applicable charges pursuant to Section 7.

RATE AG - CONTINUED

AGGREGATION SERVICE

PENALTIES

Failure to Deliver DDR:

The difference in price between the highest published index price for Texas Eastern M-3 and the lowest published index price for Texas Eastern M-2, as published in *Platts' Gas Daily* on the table "Daily Price Survey", but shall not be lower than \$0.25/per Dth, applied to the difference between the DDR and the delivered volumes, plus all incremental costs incurred by Company as a result of the failure to deliver the DDR.

The Company may not charge for delivering in excess or under of the DDR if the overdelivery or underdelivery is anticipated to benefit the distribution system's daily balancing position as determined by Company in its sole discretion.

Failure to Comply with an OFO or DFD:

The Company has the right to issue Operational Flow Orders and Daily Flow Directives at any time. Failure to comply with any OFO or DFD shall result in a penalty charge of Fifty (\$50) per Mcf or the charge calculated in compliance with Section 20.4 Maximum Daily Excess Balancing Charge, whichever is greater.

NOTICE

A Choice Supplier must provide Company, or any Commission-authorized alternative Supplier of Last Resort and its Rate RT or NT Customer(s) with ninety (90) days advance written notice of its intention to exit the market. In the event a Choice Supplier discontinues service or exits the market before its contract for natural gas supply service to a Rate RT and NT Customer expires and such Customer returns to its Supplier of Last Resort, Choice Supplier shall provide all contract billing data required by Company or other Commission-approved Supplier of Last Resort to render bills to Choice Supplier's customers for the period between Choice Supplier's default or exit from the market and the customer's next meter reading date.

RATE AG - CONTINUED

AGGREGATION SERVICE

BALANCING

Company will balance the daily difference, if any, between the anticipated Customer use, as communicated through the DDR, and the actual usage of Choice Supplier's customers. For this service, the Choice Supplier shall pay to Company the applicable Balancing Fees shown in this rate schedule, per Mcf of Aggregation Pool usage, as measured at the meter.

RECONCILIATION

Company shall calculate the difference between the actual deliveries of each Choice Supplier's Aggregation Pool, and the usage of each such Aggregation Pool. The Company shall adjust future DDRs to account for any usage differences between forecasted weather and actual weather. Where actual meter reads cannot be obtained, the company will estimate usage and such estimate shall be deemed actual usage. At the time a Choice Supplier no longer has any Choice Customers enrolled the cumulative difference between delivered volumes and usage of the Choice Supplier's Aggregation Pool shall be cashed out at Company's average cost of gas purchased for the most recent 12 months. The average cost of gas shall be calculated as the product of the total commodity cost of gas purchases including transportation and fuel used and accounted for the most recent 12 months, divided by tariff sales for the same 12-month period.

NATURAL GAS SUPPLY PLANS

Choice Supplier shall cooperate with Company in the preparation of such reliability plans required under Section 1317 of the Public Utility Code, and shall provide all reasonable information related to gas deliverability assets under its control required by Company including providing copies of pipeline capacity contracts or delivered supply contracts, or, in lieu of providing such contracts, warrant pertinent information as required by the Company or any regulatory authority. Choice Supplier shall also enter into any necessary contractual arrangements, or make any required regulatory filings, to ensure that contracts and assets under its control, which are relied upon in Company's reliability plan, are available to Company or Commission-authorized supplier of last resort in accordance with Choice Supplier's obligations under its Aggregation Agreement and this Tariff.

COMPLIANCE WITH COMMISSION REQUIREMENTS

Choice Supplier shall at all times comply with all applicable Commission requirements and regulations.

UGI UTILITIES, INC. - GAS DIVISION

UGI UTILITIES, INC.
AGGREGATION AGREEMENT
FOR RATE SCHEDULES RT and NT
(Pro Forma)

This Aggregation Agreement for Rate Schedules RT and NT ("Aggregation Agreement") is made and entered into this _____ day of _____, 20____, by and between UGI Utilities, Inc., a Pennsylvania Corporation ("Company"), and _____, a _____ ("Choice Supplier").

WHEREAS, Company is a Pennsylvania public utility that, amongst other things, provides intrastate transportation service to Rate RT and NT customers located within its certificated service territory; and

WHEREAS, Choice Supplier is engaged in the business of selling natural gas supply services, and desires to market such services to Rate RT and NT customers located within Company's certificated service territory; and

WHEREAS, pursuant to the terms and conditions set forth in this Aggregation Agreement, Company is willing to receive natural gas supplies at specified points of interconnection situated between Company's facilities and the facilities of one or more interstate natural gas pipeline companies to serve the aggregated load of Rate RT and NT customers served by Choice Supplier, and to provide other services to facilitate the provision by Choice Supplier of natural gas supply services to customers; and

WHEREAS, pursuant to the terms and conditions set forth in this Aggregation Agreement, Choice Supplier is willing to deliver natural gas supplies for receipt by Company for subsequent transportation and redelivery at specified end-use customer locations, and to acquire aggregation services from Company.

NOW, THEREFORE, intending to be legally bound hereby, Company and Choice Supplier agree as follows:

ARTICLE I. DEFINITIONS

For the purposes of this Aggregation Agreement, in addition to any definitions set forth in Company's Gas Service Tariff and *Nomination Procedure*, which are hereby incorporated herein by reference, the following definitions apply:

1. **Aggregation Service** means services provided by Company to Choice Supplier to facilitate the delivery of gas supplies to customers receiving service under Rates RT and NT.
2. **Balancing** means services provided by Company to cover differences between a Choice Supplier's Daily Delivery Requirement and the actual usage of the Choice Supplier's Aggregation Pool.
3. **Customer** means a recipient of service under Rate Schedules RT and NT that contracts for natural gas supply service from a Choice Supplier.
4. **Daily Delivery Requirement (DDR)** means the daily quantities of natural gas supplies a Choice Supplier is required to deliver for an Aggregation Pool, as forecasted and communicated by Company, and may specify the required points of delivery. Such forecast shall be calculated to include volumes needed for end-use requirements, prior imbalances and Company use and unaccounted for gas.
5. **Delivery Point** means a point specified by Company where Choice Supplier may deliver natural gas supplies for subsequent redelivery by Company to Choice Marketer's Rate RT and NT customers.
6. **Rate Ready Billing** is the method of billing used by the Company to calculate the natural gas supply services provided by the Choice Supplier. Under this method, the Company uses actual meter readings obtained by the Company, or estimated consumption when the Company is unable to obtain an actual meter reading, and billing rate information provided by the Choice Supplier to calculate the bill.
7. **Transportation** means a service provided by Company on its facilities that enables gas owned by others to be received into, moved through, and delivered out of facilities owned, leased, or operated and controlled by Company.

8. **Upstream Capacity Assignment, Release or Transfer** means the process to provide access to interstate pipeline capacity and storage contracts owned by Company to Choice Supplier pursuant to Company's tariff and any applicable regulatory rules.

ARTICLE II. TERM

This Aggregation Agreement shall become effective on _____ and shall remain in effect, unless terminated pursuant to Section 6.1 hereof, or by either party by providing ninety (90) days' prior written notice, for so long as Choice Supplier is qualified to receive Rate AG service from Company. In the event this Aggregation Agreement expires or terminates, Company shall have no obligation, as between Choice Supplier and Company, to accept any natural gas supplies tendered by Choice Supplier for receipt into Company's facilities, and Choice Supplier's payment and financial obligations shall continue until fully discharged.

ARTICLE III. CHOICE SUPPLIER'S OBLIGATIONS

1. **Compliance**. Choice Supplier agrees that it shall comply with all of the applicable terms and conditions of Company's Gas Service Tariff and Company's Supplier Tariff, both of which are hereby incorporated by reference.

2. **Creditworthiness**. Choice Supplier shall establish, and maintain throughout the term of this Aggregation Agreement, and thereafter until all of Choice Supplier's payment obligations incurred under this Aggregation Agreement have been fully discharged, a satisfactory Financial Security status with Company. To enable the Company to determine credit status, Choice Supplier will provide to the Company the following: 1) relevant financial information to determine creditworthiness; 2) appropriate trade and banking references; and 3) written consent for Company conduct a credit investigation. In addition, Choice Supplier shall comply with the Financial Security provisions of Company's Supplier Tariff, and may, based on Choice Supplier's credit standing with Company, be required to provide financial security in excess of the minimum amounts specified therein.

3. **Standards of Conduct.** Choice Supplier shall abide by all standards of conduct and other legal requirements applicable to Choice Supplier's line of business, including but not limited to the standard of conduct applicable to Choice Suppliers set forth in rules and regulations established by regulatory bodies having jurisdiction over Choice Supplier's activities, and other applicable law.

4. **Payments.** Choice Supplier will remit payment for all services within 10 days after receipt of Company invoice. A late payment charge of 1.50% per month will be applied to all outstanding balances as of the due date.

5. **Customer List.** Choice Supplier shall execute an Electronic Trading Partner Agreement and will keep confidential any customer information acquired either directly or indirectly from Company, and use such information solely for the purpose of offering natural gas supply service to Rate RT and NT customers. In the event the Company determines the Choice Supplier impermissibly released customer information to another party, in addition to all available remedies, Company may, at its option, immediately cancel this Aggregation Agreement.

ARTICLE IV. COMPANY'S OBLIGATIONS

1. **DDR.** Company shall provide Choice Supplier with its DDR for each Gas Day. Company shall accept receipt of all gas volumes up to the DDR. Company shall have the right to accept, but shall in no instance be required to accept, an Over-delivery by Choice Supplier. The acceptance of such over delivery shall not constitute any waiver of any provisions of the Company's Gas Service Tariff or *Nomination Procedure*.

2. **Monthly Statement.** Company shall bill Choice Supplier by the 15th of each month for services provided by Company during the preceding month and other amounts due to Company.

3. **Enrollment Notification.** Company shall generate and send a letter to all customers enrolled by a Choice Supplier indicating the supplier selected and the date service from the Choice Supplier is scheduled to commence. All customers enrolled by the 15th of each month will be transferred to their respective Choice Supplier effective with their next calendar meter read if customer does not respond within five (5) days following confirmation to challenge the enrollment. Company shall send an electronic message confirming the selection to the Choice Supplier.

4. **Rate AG.** Company shall provide all of the other aggregation services applicable to Choice Supplier specified in the Rate AG provisions of its tariff.

ARTICLE V. BILLING SERVICE

5.1 **Standard Billing Service.** Company shall bill Choice Supplier's Rate RT and NT customers for natural gas supply services provided by Choice Supplier on a rate-ready basis unless (a) a Choice Supplier not participating in the Company's POR program elects to provide a separate bill for its charges or (b) a Choice Supplier's customer elects to receive a separate bill for such services from its Choice Supplier. Choice Supplier must provide all billing rate information no later than fifteen (15) days prior to the effective date of such rate. Company will input all requests for new plans within a reasonable time frame based on the number of requests received.

5.2 **Standard Billing Charges.** Choice Supplier shall pay to Company the following fees for billing services:

Billing Fee \$0.25/Bill.

Billing Adjustment Fee

Affecting One (1) Month - \$3.10/Revised Bill

Affecting More than One (1) Month - \$3.60/Revised Bill

5.3 **Negotiated Billing Service**. In the event a Choice Supplier wants Company to provide a billing service other than the Standard Billing Service, such service shall be negotiated between Company and Choice Supplier.

5.4 **Choice Supplier Budget Billing**. The Company will bill all budget billing amounts calculated and provided by the Choice Supplier unless the account is being billed under the POR program, in which case the Company will provide budget billing to the Customer. The Company will not determine or reconcile a License Supplier's budget bill charge if the License Supplier is not participating in the Company's POR program.

ARTICLE VI. REMEDIES

6.1 **Termination Upon Default**. In addition to other rights a party may have under this Aggregation Agreement, if either party fails to perform an obligation, or breaches any representation or warranty ("Defaulting Party") under this Agreement, then the other party ("Non-Defaulting Party") shall have the right to terminate this Agreement by providing prior written notice thereof to the Defaulting Party. Termination pursuant to this Article shall be without waiver of any additional remedy, whether at law or in equity, to which the party not in default otherwise may be entitled for breach of this Agreement.

6.2 **Limitation of Liability**. Except as expressly permitted under this Agreement and Company's Gas Service Tariff, neither party shall be entitled to recover incidental, consequential or punitive damages, or lost profits, for any breach by the other party of an obligation, representation or warranty under this Agreement, provided such limitation shall not apply to willful or grossly negligent misconduct on the part of the Defaulting Party.

ARTICLE VII. REPRESENTATIONS, WARRANTIES AND INDEMNIFICATION

Choice Supplier warrants that 1) it shall have good title to all natural gas tendered for receipt by Company hereunder, or is authorized by the owner of such gas to

tender it for delivery to Company, and 2) such gas will be free and clear of all liens, encumbrances, and claims whatsoever. Choice Supplier shall fully indemnify Company, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of a breach of such warranties.

ARTICLE VIII. LIMITATION OF THIRD PARTY RIGHTS

This Agreement is entered into solely for the benefit of the Company and the Choice Supplier, and is not intended and should not be deemed to vest any rights, privileges or interests of any kind or nature to any third party, including, but not limited to the Customers that comprise Choice Supplier's Pool under this Agreement.

ARTICLE IX. SUCCESSION AND ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. However, no assignment of this Agreement, in whole or in part, will be made without the prior written approval of the non-assigning party. The written consent to assignment shall not be unreasonably withheld.

ARTICLE X. APPLICABLE LAW AND REGULATIONS

This Agreement shall be construed under the laws of the State of Pennsylvania and shall be subject to all valid applicable State, Federal and local laws, rules, orders, and regulations. Nothing herein shall be construed as divesting or attempting to divest any regulatory body of any of its rights, jurisdiction, powers or authority conferred by law.

ARTICLE XI. NOTICES AND CORRESPONDENCE

Written notice and correspondence to Company shall be addressed as follows:

UGI Utilities, Inc.
2525 N. 12th Street, Suite 360
P.O. Box 12677
Reading, PA 19612-2677
Attention: Manager, Tariff & Supplier Administration
Email: EDI-GAS@UGI.COM

Written notices and correspondence to Choice Supplier shall be addressed as follows:

Name
Address

Attention: _____
Telephone:
Email:

Either party may change its address for receiving notices effective upon receipt, by written notice to the other party.

ARTICLE XII. MISCELLANEOUS

12.1 No modification of the terms and provisions of this Agreement shall be or become effective except by execution of written contracts or by modification of Company's Gas Service Tariff.

12.2 No waiver by any party of any one of more defaults by any other party of any provisions of this Agreement shall operate or be construed as a waiver of any subsequent or previous default or default, whether of a like or a different character.

12.3 In the event any tax or assessment is imposed, directly or indirectly, upon the gas tendered to, or received by Company for redelivery, Choice Supplier agrees to bear the amount of such tax or assessment. In the event that Company is required to pay such tax, Choice Supplier agrees to reimburse Company for such payment.

12.4 The subject heading of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

12.5 In the event of a conflict between the provisions of this Agreement and Company's Gas Service Tariff, the provisions of Company's Gas Service Tariff shall govern.

UGI UTILITIES, INC. - GAS DIVISION

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the day and year first above written.

ATTEST:

UGI UTILITIES, INC.

BY _____

ATTEST

CHOICE SUPPLIER

BY _____