

BOOK X

*6/2/16
Hoy DC*

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.)

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.

(C)

This page reserved for future use.

(C)

This page reserved for future use.

(C)

This page reserved for future use.

UGI UTILITIES, INC.

(C)

This page reserved for future use.

TABLE OF CONTENTS

Section A – Gas Service Tariff	Page Number
List of Changes Made by This Supplement	1
This Page Reserved for Future Use	2 – 5
Table of Contents	6 – 7
Description of Territory:	
West Region	8
East Region	8-9
Rules and Regulations:	
1. The Gas Service Tariff	10
2. Contract for Gas Service	10-11
3. Guarantee of Payment	12-14
4. Service – Supply Facilities	15
5. Extensions	16 – 18(a)
6. Customer’s Facilities	19
7. Customer’s Responsibility for Company’s Property	20
8. Meter Reading	20
9. Billing and Payment	21 – 24
10. Tests	25
This Page Reserved for Future Use	26
11. Termination or Discontinuance of Service	27-28
12. General	28
13. Purchased Gas Cost	29 – 37
13.A Merchant Function Charge	38
13.B Rider GPC – Gas Procurement Charge	38(a)
13.C Price to Compare	38(a)
14. State Tax Surcharge	39
14.A. Rider LISHP	40 – 40(a)
15. Emergency Service and Curtailment of Service	41 – 46
(C) 16. General Terms for Interconnection Coordination Services	47
(C) This Page Reserved for Future Use	48 – 52
17. General Terms for Delivery Service	53 – 62
18. Capacity Release of Interstate Pipelines	63
Rate R – General Service – Residential	64 – 65
Rate RT – General Service – Residential Transportation	66 – 67
Rate GL – Gas Light Service	68 – 69
Rate N – General Service – Non-Residential	70 – 71
Rate NT – General Service – Non-Residential Transportation	72 – 73
Rate GBM – Gas Beyond the Mains	74 - 75
This Pages Reserved for Future Use	76
Rate CIAC – General Service – Commercial and Industrial Air Conditioning	77 – 78
Rate CT – General Service – Commercial and Industrial Air Conditioning – Transportation	79 – 80
This Page Reserved for Future Use	81 – 83
Rate PV – Propane Vaporization Service	84 – 85
Rate SS – Storage Service	86 – 88
Rate DS – Delivery Service	89 – 90
This Page Reserved for Future Use	91
Rate NNS – No-Notice Service	92 – 93
Rate MBS – Monthly Balancing Service	94 – 95
This Page Reserved for Future Use	96
Rate IS – Interruptible Service – Small Volume	97 – 99

(C) Indicates Change

TABLE OF CONTENTS (Continued)

	Page Number
This Page Reserved for Future Use	100
Rate IL - Interruptible Service - Large Volume	101 - 103
This Page Reserved for Future Use	104
Rate CDS - Cogeneration Delivery Service	105 - 106
This Page Reserved for Future Use	107
Rate XD – Extended Large Volume Delivery Service	108 - 110
This Page Reserved for Future Use	111 - 113
Rate LFD – Large Firm Delivery Service	114 - 117
Rate R/S – Retail and Standby Rider	118 - 120
Rate BD – Business Development	121 - 124
This Rate Schedule Cancelled	125 - 127
Rate EC – Environmental Conversion Rider	128 – 129
<u>Section B – The Choice Supplier Tariff</u>	
Rules and Regulations	
1. The Choice Supplier Tariff	130
2. Choice Supplier Qualification	131 - 132
3. Customer List	132
4. Choice Supplier Obligations	133 - 134
This Page Reserved for Future Use	135
5. Operational Requirements	136
6. Billing and Payment	137 - 138
7. Nomination Procedure	139 - 140
8. Financial Security	141 - 142
9. Enrollment of Customers Into Rate Schedules RT, NT and CT	143
10. Standards of Conduct	144 - 147
Rate AG	148 - 152
Aggregation Agreement (Pro Forma)	153 - 164

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, Robesonia, 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); 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.
- (C) 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.
- (C) 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.
- (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. 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

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

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 unmetered 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:

(C) (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.

(C) (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.

(C) (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

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

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)

(C) 3. GUARANTEE OF PAYMENT (Continued)

(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

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

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

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

Issued: June 30, 2014

Effective for Service
Rendered on and after
July 1, 2014

UGI UTILITIES, INC.

(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.

(C) Indicates Change

Issued: June 30, 2014

Effective for Service
Rendered on and after
July 1, 2014

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 **Telemetry.** Where deemed necessary by the Company in its sole discretion, the Company will install, at the Customer's expense, *telemetry 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.

(C) Indicates Change

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

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

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

RULES AND REGULATIONS (Continued)**10. TESTS**

- (C) 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.
- 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.

(C) Indicates Change

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

(C)

This Page Reserved for Future Use

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.
- (C) 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

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

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.

(C) Indicates Change

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

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 (\$0.0001) 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.

(C) Indicates Change

Issued: November 30, 2011

Effective for Service
Rendered on and after
December 1, 2011

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:

$$(C) \quad GCA1 = \frac{(E1)}{S1}$$

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	\$/MCF
(D) Customers Shifting from PGC-1	- \$0.2224
(D) Customer Shifting from PGC-2	\$0.1952

(D) Indicates Decrease

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

(C)

This page reserved for future use.

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
------------	---------	---------------

- (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 REGULATIONS

13.A Rider MFC - Merchant Function Charge

Applicability 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>Rate R / Ccf</u>	<u>Rate N / Mcf</u>	<u>Rate CIAC / Mcf</u>
<u>Price to Compare</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	\$ 0.00934	\$ 0.0154	\$ 0.0147
(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

Issued: November 25, 2015

Effective for Service
 Rendered on and after
 December 1, 2015

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.

Rate per Mcf

(I) 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

Issued: October 23, 2014

Effective for Service
Rendered on and after
December 22, 2014

(THIS PAGE RESERVED FOR FUTURE USE)

(THIS PAGE RESERVED FOR FUTURE USE)

UGI UTILITIES, INC.

(C)

This page reserved for future use.

UGI UTILITIES, INC.

(C)

This page reserved for future use.

UGI UTILITIES, INC.

(C)

This page reserved for future use.

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.

(C) Indicates Change

Issued: October 23, 2014

Effective for Service
Rendered on and after
December 22, 2014

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.

(C) Indicates Change

Issued: October 23, 2014

Effective for Service
Rendered on and after
December 22, 2014

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.

(C) Indicates Change

Issued: October 23, 2014

Effective for Service
Rendered on and after
December 22, 2014

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.

(C) Indicates Change

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

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

Issued: April 2, 2013

Effective for Service
Rendered on and after
April 3, 2013

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

UGI UTILITIES, INC.

(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

UGI UTILITIES, INC.

(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

Effective for Service
Rendered on and after
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)

This page reserved for future use.

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

Issued: April 2, 2013

Effective for Service
Rendered on and after
April 3, 2013

RATE CT
GENERAL SERVICE--COMMERCIAL
AND INDUSTRIAL AIR CONDITIONING - TRANSPORTATON

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

Issued: April 2, 2013

Effective for Service
Rendered on and after
April 3, 2013

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

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

UGI UTILITIES, INC.

(C)

This page reserved for future use.

UGI UTILITIES, INC.

(C)

This page reserved for future use.

UGI UTILITIES, INC.

(C)

This page reserved for future use.

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 I 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

UGI UTILITIES, INC.

(C)

This page reserved for future use.

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

UGI UTILITIES, INC.

(C)

This page reserved for future use.

UGI UTILITIES, INC.

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
Rendered on and after
December 1, 2015

UGI UTILITIES, INC.

(C)

This Page Reserved for Future Use.

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.

UGI UTILITIES, INC.

(C)

This Page Reserved for Future Use.

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.

UGI UTILITIES, INC.

(C)

This Page Reserved For Future Use.

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.

UGI UTILITIES, INC.

(C)

This Page Reserved for Future Use.

(C)

This Page Reserved for Future Use.

UGI UTILITIES, INC.

(C)

This Page Reserved for Future Use.

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) 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

Effective for Service
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.

UGI UTILITIES, INC.

RATE BD-L
BUSINESS DEVELOPMENT ~ LARGE

(C)

This Rate Schedule is Cancelled

Issued: August 14, 2000

Effective for Service
Rendered on and after
October 1, 2000

UGI UTILITIES, INC.

RATE BD-L
BUSINESS DEVELOPMENT – LARGE

(C) This Rate Schedule is Cancelled

Issued: August 14, 2000

Effective for Service
Rendered on and after
October 1, 2000

UGI UTILITIES, INC.

RATE BD-L
BUSINESS DEVELOPMENT – LARGE

(C)

This Rate Schedule is Cancelled

Issued: August 14, 2000

Effective for Service
Rendered on and after
October 1, 2000

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 N₂NT, 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:

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 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.

(C) Indicates Change

UGI Utilities, Inc.

This Page Reserved for Future Use

Issued: August 14, 2000

Effective for Service
Rendered on and After
October 1, 2000

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.

(C) Indicates Change

Issued: September 1, 2010

Effective for Service
Rendered on and after
September 2, 2010

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.

(C) Indicates Change

Issued: March 26, 2015

Effective for Service
Rendered on and after
May 25, 2015

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:

(C) Indicates Change

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

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.

(C) Indicates Change

Issued: November 25, 2015

Effective for Service
Rendered on and after
December 1, 2015

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.

(C) Indicates Change

Issued: November 27, 2013

Effective for Service
Rendered on and after
December 1, 2013

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.

(C) Indicates Change

Issued: November 29, 2012

Effective for Service
Rendered on and after
December 1, 2012

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.

(C) Indicates Change

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

UGI Utilities, Inc.

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

UGI Utilities, Inc.

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

Issued: January 31, 2011

Effective for Service
Rendered on and after
April 1, 2011

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.

UGI Utilities, Inc.

RATE AG (Continued)
AGGREGATION SERVICE

COMPLIANCE WITH COMMISSION REQUIREMENTS

Choice Supplier shall at all times comply with all applicable Commission requirements and regulations.

Issued: August 14, 2000

Effective for Service
Rendered on and After
October 1, 2000

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 _____