

BOOK II

6/2/16
HBY TR

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

**SUPPLEMENTAL DATA REQUESTS – COST OF SERVICE
SUPPLEMENTAL DATA REQUESTS – RATE OF RETURN
SUPPLEMENTAL DATA REQUESTS – REVENUE REQUIREMENTS
INDEX OF ATTACHMENTS ON CD
CDs CONTAINING ATTACHMENTS**

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

SUPPLEMENTAL DATA REQUESTS – COST OF SERVICE

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Cost of Service
Delivered on January 19, 2016

SDR-COS-1

Request:

Please explain the Company's policy with regard to when customer advances and contributions in aid of construction must be made.

Response:

An advance or contribution in aid of construction is required from an Extension Applicant or Customer when insufficient revenues will be derived from the Extension Applicant or Customer to warrant the investment by the Company. Please see Rule 5, Extension Regulation, of the current UGI Gas Service Tariff - Pa. P.U.C. No. 5 and proposed UGI Gas Service Tariff - Pa. P.U.C. No. 6.

Prepared by or under the supervision of: Robert R. Stoyko

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
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SDR-COS-2

Request:

Please provide a detailed explanation describing how contributions in aid of construction and customer advances are reflected in the Company's cost of service study.

Response:

Contributions in aid of construction are reflected as a deduction to rate base and included in Exhibit D. UGI Gas does not have any customer advances and no claim is made for customer advances.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
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SDR-COS-3

Request:

Please provide a breakdown of contributions in aid of construction by customer class and plant account number for the most recent year available.

Response:

Contributions in aid of construction for the historical test year, twelve months ended September 30, 2015, by customer classification and plant account number are shown below:

Customer Class	Plant Account	Historical Test Year
Residential	107	\$144,521
	376	\$556,710
	380	\$1,321,059
	382	\$75,930
	384	\$4,360
	Subtotal	\$2,102,580
Commercial	107	\$3,266,207
	376	\$10,212,774
	380	\$258,074
	385	\$250,000
	Subtotal	\$13,987,055
Industrial	376	\$360,000
	Total	\$16,449,635

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
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SDR-COS-4

Request:

Please provide a breakdown of transmission and distribution mains investment by pipe diameter.

Response:

Please see Attachment SDR-COS-4.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities - Gas Division

Mains Size and Original Cost
Accounts 367 and 376
as of September 30, 2015

Account 367 - Transmission

None

Account 376 - Distribution

<u>Main Size (Inches)</u>	<u>Original Cost \$</u>
20	1,424,999
16	1,513,319
12	28,438,904
10	1,909,655
8	101,750,512
6	91,334,881
5	272,856
4	133,301,654
3.5	32
3	14,420,918
2.5	3,801
2	208,516,981
1.5	2,470
1.25	35,008,855
1	1,325,604
0.75	233,354
0.5	257,807
Total	<u><u>619,716,603</u></u>

Note: This does not include cathodic protection and other equipment that is included in this account. The cathodic protection is not categorized by main size.

UGI Utilities, Inc. - Gas Division
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SDR-COS-5

Request:

Please provide a breakdown of customer advances by customer class for the most recent year available.

Response:

UGI Gas did not receive any customer advances in Fiscal Year 2015.

Prepared by or under the supervision of: Paul R. Herbert

UGI Utilities, Inc. - Gas Division
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SDR-COS-6

Request:

Please provide a breakdown of services investment by service line diameter, and a breakdown of services by size and customer class.

Response:

Please see Attachment SDR-COS-6.

Prepared by or under the supervision of: Paul R. Herbert

UGI Utilities - Gas Division

Service Size and Original Cost
Account 380
As of September 30, 2015

Service Size	Customer Class				Total
	XD Firm	R/RT	N/NT	DS/LFD/Interruptible	
0.25	-	380,054	132,211	6,263	518,528
0.5	153	233,577,904	7,695,746	95,368	241,369,171
0.75	1,087	13,093,342	1,888,633	67,605	15,050,667
1	51,802	165,457,366	28,201,804	559,567	194,270,539
1.25	12,695	20,690,592	6,310,541	626,682	27,640,510
1.5	-	3,730	630	-	4,360
2	34,606	3,061,233	12,671,183	3,533,981	19,301,003
2.5	-	639	639	-	1,278
3	14,006	79,565	1,414,503	495,076	2,003,150
4	58,959	204,902	2,750,648	2,868,621	5,883,130
6	71,744	15,601	288,613	686,432	1,062,390
8	71,920	21,516	107,580	580,933	781,949
Total	316,972	436,586,444	61,462,731	9,520,528	507,886,675

UGI Utilities, Inc. - Gas Division
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SDR-COS-7

Request:

If available, please provide a breakdown of meter investment by meter size, and a breakdown of meters by size and customer class.

Response:

Please see Attachment SDR-COS-7.

Prepared by or under the supervision of: Paul R. Herbert

UGI Utilities - Gas Division

P. R. Herbert

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Meter Size and Original Cost

Account 381

As of September 30, 2015

Customer Class

Meter Size	R/RT	N/NT	DS	Interruptible	Total	
1.5M-125TC		32,149	899	270	33,318	
11C175		58,101	1,624	487	60,213	
11M125TC		3,017,983	84,381	25,322	3,127,686	
15C175		15,016	420	126	15,562	
16M-125		134,733	3,767	1,130	139,631	
16M125TC		336,456	9,407	2,823	348,686	
23M-125		26,090	729	219	27,038	
250B		5,803,468	162,262	48,694	6,014,423	
3M-125		83,130	2,324	697	86,152	
3M-125TC		691,177	19,325	5,799	716,301	
4IN-IRM3		24,381	682	205	25,267	
500B		2,757	77	23	2,857	
5B	56				56	
5M-125		2,840,375	79,415	23,832	2,943,622	
5M-125TC		843,042	23,571	7,073	873,686	
5TC	13,979,751				13,979,751	
7M-125		57,637	1,611	484	59,732	
7M-125TC		2,701,104	75,521	22,663	2,799,289	
AL1000TC		4,587,544	128,265	38,492	4,754,301	
AL1400TC		1,725,934	48,256	14,481	1,788,672	
AL2300TC		791,740	22,137	6,643	820,520	
AL425TC	917,639				917,639	
AL5000TC		409,447	11,448	3,435	424,330	
AL800TCA		649,453	18,158	5,449	673,061	
12 TURBO		46,630	1,304	391	48,325	
4 TURBO		188,548	5,272	1,582	195,402	
6 TURBO		531,178	14,851	4,457	550,486	
AL310-TC	744,301				744,301	
AL340TC	4,054				4,054	
SEN880TC		1,434,553	40,109	12,037	1,486,699	
SONIX		1,584,341	44,297	13,293	1,641,932	
Total		15,645,801	28,616,967	800,115	240,109	45,302,992

UGI Utilities - Gas Division

P. R. Herbert

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Meter Size and Original Cost

Account 385

As of September 30, 2015

Meter Size	Customer Class			Total
	N/NT	LFD	Interruptible	
AL800TCA	16,597	2,853	-	19,450
AL1000TC	82,644	11,012	246	93,902
AL1400TC	22,067	8,635	74	30,776
AL2300TC	196,113	127,367	1,066	324,546
AL800TCR	5,788	755	-	6,543
AL5000TC	208,084	317,161	-	525,245
250BTC	-	2,081	-	2,081
250B	1,931	-	-	1,931
500B	-	28,522	-	28,522
R3000TC	9,489	-	-	9,489
1.5M-125TC	8,575	-	-	8,575
3M-125	211	211	-	422
3M-125TC	66,087	21,700	-	87,787
5M-125TC	166,173	152,462	2,194	320,829
7M-125TC	112,919	144,455	2,035	259,409
11M125TC	78,259	229,471	-	307,730
16M-125	1,070	9,632	-	10,702
16M125TC	88,652	388,926	2,860	480,438
23M-125	1,703	20,430	-	22,133
38M-125	-	27,947	-	27,947
4 TURBO	134,991	691,831	-	826,822
6 TURBO	22,230	789,175	-	811,405
8 TURBO	-	926,776	-	926,776
12 TURBO	-	116,984	-	116,984
Total	1,223,583	4,018,386	8,475	5,250,444

UGI Utilities, Inc. - Gas Division
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SDR-COS-8

Request:

Please provide the Company's rate design models and cost of service study on an IBM PC-compatible computer disk in Lotus 1-2-3 or Quattro format. If the models consist of more than one file, please include information on all files on the disk and what they contain. If not available in Lotus 1-2-3 or Quattro format, please provide in ASCII format.

Response:

Please see Attachments SDR-COS-8.1, SDR-COS-8.2 and SDR-COS-8.3 contained on CD.

Prepared by or under the supervision of: Paul R. Herbert

UGI Utilities, Inc. - Gas Division
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SDR-COS-9

Request:

Please provide a copy of the Company's current customer extension policy. Provide a representative sample of the analyses conducted by the Company when deciding whether service to a new customer qualifies under the Company's customer extension policy.

Response:

The extension policy is contained in Rule 5, Extension Regulation, Pages 16-18(a), of the Company's Gas Service Tariff. Sections 5.3-5.5 on pages 16 and 17 describe the calculation methodology made to evaluate extensions.

Prepared by or under the supervision of: Robert R. Stoyko

UGI Utilities, Inc. - Gas Division
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SDR-COS-10

Request:

Please provide a detailed supply and requirement schedule for the Company's three most recent annual peak days and for design day. The schedules should include deliveries by source and requirements by rate schedule. Identify sources and requirements for transportation customers separately. Also include the Company's daily sendout sheet for each peak day and applicable weather data.

Response:

Please see Attachment SDR-COS-10.

Prepared by or under the supervision of: Paul J. Szykman

**UGI Utilities, Inc. - Gas Division
Peak Day Sendout By Rate Class**

	2012-2013 FEB 20 (MDTH)	2013-2014 FEB 27 (MDTH)	2014-2015 JAN 13 (MDTH)
RG	4.0	4.0	3.0
RH	175.8	208.7	189.0
CG	2.6	3.2	2.5
CH	63.4	84.2	79.8
IG	0.2	0.3	0.2
IH	5.7	7.2	5.8
PGC FIRM	251.7	307.6	280.3
RT (CHOICE)	17.2	21.2	24.5
NT (CHOICE)	45.3	43.9	48.3
BD/BDL	0.0	0.0	0.0
DS	34.2	46.6	34.8
LFD	42.1	50.6	53.8
XD-F/CDS-F	35.7	38.1	49.2
FIRM TRANSPORTATION	174.6	200.4	210.7
INTERRUPTIBLE	207.6	184.3	197.6
TOTAL	633.9	692.3	688.6

**UGI Utilities, Inc. - Gas Division
Temperature (°F) By System**

	FEB 20, 2013	FEB 27, 2014	JAN 13, 2015
Primary System	26	16	20
Secondary System	20	11	13

**UGI Utilities, Inc. - Gas Division
Dispatching Data (Dth)
February 20, 2013**

	ACTUAL FOR 20-Feb-13	ESTIMATION FOR 21-Feb-13
PRIMARY SYSTEM:		
SENDOUT	611,649	571,000
ESTIMATED NON-FIRM	64,678	63,577
AVERAGE TEMPERATURE	26	28
	SENDOUT	DEGREE DAYS
MONTH TO DATE CURRENT	10164075	694
MONTH TO DATE BUDGET	9,113,404	656
MONTH TO DATE LAST YEAR	9,650,599	578
SEASON TO DATE CURRENT	50,639,303	3,265
SEASON TO DATE BUDGET	48,323,436	3,269
SEASON TO DATE LAST YEAR	45,893,987	2,860
POWER PLANT	130,472	
MONTH TO DATE CURRENT	2,072,909	
MONTH TO DATE NORMAL	1,428,580	
MONTH TO DATE LAST YEAR	3,029,340	
SEASON TO DATE CURRENT	12,959,661	
SEASON TO DATE NORMAL	10,628,578	
SEASON TO DATE LAST YEAR	12720893	
SECONDARY SYSTEM:		
BLAKESLEE	14,619	14,000
HOBBIIE	7,591	7,000
COGEN PLANT	0	0
SECONDARY SYSTEM SENDOUT:	22,210	21,000
AVERAGE TEMPERATURE	20	22
	SENDOUT	DEGREE DAYS
MONTH TO DATE CURRENT	362512	786
MONTH TO DATE BUDGET	328,468	750
MONTH TO DATE LAST YEAR	279,993	661
SEASON TO DATE CURRENT	1,675,108	3,690
SEASON TO DATE BUDGET	1,584,183	3,790
SEASON TO DATE LAST YEAR	1,380,359	3,227

**UGI Utilities, Inc. - Gas Division
Dispatching Data (Dth)
February 27, 2014**

	ACTUAL FOR 27-Feb-14	ESTIMATION FOR 28-Feb-14
PRIMARY SYSTEM:		
SENDOUT	663,784	628,000
ESTIMATED NON-FIRM	70,181	62,223
 AVERAGE TEMPERATURE	 16	 11
	SENDOUT	DEGREE DAYS
MONTH TO DATE CURRENT	14,169,215	1,013
MONTH TO DATE BUDGET	12,924,531	860
MONTH TO DATE LAST YEAR	13,519,286	897
SEASON TO DATE CURRENT	55,510,175	3,971
SEASON TO DATE BUDGET	53,624,289	3,473
SEASON TO DATE LAST YEAR	53,994,514	3,468
 POWER PLANT	 119,604	
MONTH TO DATE CURRENT	2,595,534	
MONTH TO DATE NORMAL	1,928,571	
MONTH TO DATE LAST YEAR	2,899,766	
SEASON TO DATE CURRENT	10,248,277	
SEASON TO DATE NORMAL	11,128,571	
SEASON TO DATE LAST YEAR	13,786,518	
 SECONDARY SYSTEM:		
BLAKESLEE	18,359	20,000
HOBBIE	10,150	8,800
COGEN PLANT	0	0
SECONDARY SYSTEM SENDOUT:	28,509	28,800
AVERAGE TEMPERATURE	11	8
	SENDOUT	DEGREE DAYS
MONTH TO DATE CURRENT	598,318	1,106
MONTH TO DATE BUDGET	468,206	988
MONTH TO DATE LAST YEAR	478,450	854
SEASON TO DATE CURRENT	2,304,875	4,346
SEASON TO DATE BUDGET	1,944,346	4,028
SEASON TO DATE LAST YEAR	1,791,046	3,420

**UGI Utilities, Inc. - Gas Division
Dispatching Data (Dth)
January 13, 2015**

	ACTUAL FOR 13-Jan-15	ESTIMATION FOR 14-Jan-15
PRIMARY SYSTEM:		
SENDOUT	659,794	641,000
ESTIMATED NON-FIRM	67,980	65,778
AVERAGE TEMPERATURE	20	24
	SENDOUT	DEGREE DAYS
MONTH TO DATE CURRENT	7,431,280	519
MONTH TO DATE BUDGET	6,378,026	411
MONTH TO DATE LAST YEAR	6,504,731	503
SEASON TO DATE CURRENT	32,804,735	2,125
SEASON TO DATE BUDGET	33,115,573	1,971
SEASON TO DATE LAST YEAR	31,932,907	2,194
POWER PLANT	141,335	
MONTH TO DATE CURRENT	1,428,280	
MONTH TO DATE NORMAL	1,048,387	
MONTH TO DATE LAST YEAR	787,518	
SEASON TO DATE CURRENT	7,210,832	
SEASON TO DATE NORMAL	8,048,387	
SEASON TO DATE LAST YEAR	6,684,619	
SECONDARY SYSTEM:		
BLAKESLEE	18,141	20,000
HOBBIE	10,643	6,000
COGEN PLANT	0	0
SECONDARY SYSTEM SENDOUT:	28,784	26,000
AVERAGE TEMPERATURE	13	21
	SENDOUT	DEGREE DAYS
MONTH TO DATE CURRENT	315,409	567
MONTH TO DATE BUDGET	232,982	489
MONTH TO DATE LAST YEAR	278,530	535
SEASON TO DATE CURRENT	1,363,170	2,408
SEASON TO DATE BUDGET	1,202,731	2,317
SEASON TO DATE LAST YEAR	1,266,243	2,421

**UGI Utilities, Inc. - Gas Division
Peak Day Capacity Requirements and Supply Options
(Dth/D)**

Supplier/Pipeline	Upstream Pipeline	Rate Schedule	2015-2016 (Projected)
Columbia		SST / FSS	114,649
Columbia		FTS/FTS-1	75,650
Columbia	ANR	FTS/FTS-1	28,020
Columbia	ANR	FTS/FSS	5,000
Columbia Release from UGI PNG			1,300
Texas Eastern		FT-1	83,475
Texas Eastern		CDS	66,000
Texas Eastern	ANR	FT-1/FTS-1	10,000
Texas Eastern	ANR	FT-1/FSS	31,713
Texas Eastern	ANR	CDS/FTS-1	10,000
Texas Eastern	Dominion	FTS-5/GSSII	6,667
Texas Eastern	Dominion	FTS-7/GSS	5,880
Transco		FT	14,153
Transco		FTF/FT	22,770
Transco		SS-2	7,245
Transco		GSS	1,744
Transco		PS-FT	1,346
Transco Sentinel Release			(7,000)
Transco from UGI PNG		Delivered Supply	7,000
UGI Energy Services		Delivered Supply	10,000
UGI Energy Services		Peaking Services	152,394
TBD		Delivered Supply	56,993
Subtotal			704,999
Third Party Capacity - Large Customers			60,973
Total Firm Capacity			765,972

PGC-1 Requirements	476,682
CHOICE Requirements	123,932
Subtotal	600,614
Firm Transportation Requirements	165,358
Total Requirements	765,972

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SDR-COS-11

Request:

Please provide copies of the Company's daily sendout sheets for November through March of the most recent heating season.

Response:

Please see Attachment SDR-COS-11 for a summary of daily sendouts for November through March.

Prepared by or under the supervision of: Paul J. Szykman

**UGI Utilities, Inc. - Gas Division
Daily Sendout (Dth)**

Nov 2014 Sendout	Dec 2014 Sendout	Jan 2015 Sendout	Feb 2015 Sendout	Mar 2015 Sendout
11/1/2014 335,300	12/1/2014 422,446	1/1/2015 503,457	2/1/2015 470,634	3/1/2015 579,702
11/2/2014 365,397	12/2/2014 514,343	1/2/2015 507,809	2/2/2015 621,498	3/2/2015 614,161
11/3/2014 316,047	12/3/2014 489,974	1/3/2015 482,467	2/3/2015 656,866	3/3/2015 603,363
11/4/2014 274,820	12/4/2014 529,505	1/4/2015 467,556	2/4/2015 534,370	3/4/2015 532,310
11/5/2014 302,813	12/5/2014 490,952	1/5/2015 646,874	2/5/2015 679,532	3/5/2015 604,412
11/6/2014 313,763	12/6/2014 446,248	1/6/2015 668,315	2/6/2015 660,122	3/6/2015 598,720
11/7/2014 373,375	12/7/2014 525,730	1/7/2015 659,227	2/7/2015 493,218	3/7/2015 521,628
11/8/2014 333,066	12/8/2014 588,872	1/8/2015 639,490	2/8/2015 507,766	3/8/2015 471,084
11/9/2014 355,790	12/9/2014 523,604	1/9/2015 658,645	2/9/2015 612,562	3/9/2015 464,359
11/10/2014 341,973	12/10/2014 562,443	1/10/2015 672,495	2/10/2015 602,242	3/10/2015 466,158
11/11/2014 299,138	12/11/2014 574,684	1/11/2015 544,321	2/11/2015 565,990	3/11/2015 419,816
11/12/2014 348,421	12/12/2014 534,213	1/12/2015 607,455	2/12/2015 586,015	3/12/2015 477,445
11/13/2014 432,941	12/13/2014 493,577	1/13/2015 688,578	2/13/2015 589,040	3/13/2015 432,204
11/14/2014 415,664	12/14/2014 469,850	1/14/2015 650,959	2/14/2015 559,578	3/14/2015 376,312
11/15/2014 344,653	12/15/2014 507,531	1/15/2015 600,893	2/15/2015 653,759	3/15/2015 460,485
11/16/2014 355,113	12/16/2014 462,682	1/16/2015 625,854	2/16/2015 617,603	3/16/2015 364,540
11/17/2014 423,252	12/17/2014 513,368	1/17/2015 589,413	2/17/2015 560,123	3/17/2015 417,878
11/18/2014 549,490	12/18/2014 555,197	1/18/2015 542,133	2/18/2015 595,593	3/18/2015 493,670
11/19/2014 501,684	12/19/2014 538,323	1/19/2015 530,299	2/19/2015 657,175	3/19/2015 469,537
11/20/2014 489,378	12/20/2014 531,889	1/20/2015 565,291	2/20/2015 624,322	3/20/2015 493,201
11/21/2014 514,083	12/21/2014 566,093	1/21/2015 611,847	2/21/2015 523,614	3/21/2015 374,252
11/22/2014 389,971	12/22/2014 514,637	1/22/2015 591,933	2/22/2015 432,802	3/22/2015 466,881
11/23/2014 281,855	12/23/2014 392,591	1/23/2015 519,412	2/23/2015 585,386	3/23/2015 493,234
11/24/2014 226,907	12/24/2014 297,830	1/24/2015 513,733	2/24/2015 565,854	3/24/2015 511,033
11/25/2014 317,209	12/25/2014 356,662	1/25/2015 549,801	2/25/2015 533,854	3/25/2015 448,833
11/26/2014 388,353	12/26/2014 408,980	1/26/2015 659,844	2/26/2015 558,247	3/26/2015 351,038
11/27/2014 378,150	12/27/2014 349,629	1/27/2015 676,900	2/27/2015 519,332	3/27/2015 394,940
11/28/2014 463,616	12/28/2014 405,571	1/28/2015 633,437	2/28/2015 496,228	3/28/2015 421,340
11/29/2014 439,859	12/29/2014 481,325	1/29/2015 599,976		3/29/2015 356,988
11/30/2014 419,624	12/30/2014 561,400	1/30/2015 625,488		3/30/2015 334,780
	12/31/2014 560,852	1/31/2015 607,357		3/31/2015 373,435

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SDR-COS-12

Request:

Please provide a copy of the load duration curve used by the Company for capacity planning purposes. Please also identify the numerical data points shown for each day on the curve.

Response:

Please reference Attachment 14-2 of UGI Gas' 1307(f) Purchased Gas Cost pre-filing which was filed on May 1, 2015, and is being provided in electronic format as Attachment III-E-30.

Prepared by or under the supervision of: Paul J. Szykman

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Cost of Service
Delivered on January 19, 2016

SDR-COS-13

Request:

Please provide the following for the Company's ten largest transportation customers during peak month of the most recent heating season:

- a. actual consumption
- b. volume delivered to the Company on their behalf, if applicable
- c. daily nomination

Response:

Please see Attachment SDR-COS-13.

Prepared by or under the supervision of: Robert R. Stoyko

UGI Utilities, Inc. - Gas Division
Ten Largest Transportation Customers During Peak Month

	Customer A		Customer B		Customer C		Customer D		Customer E	
	a.	b. & c.	a.	b. & c.	a.	b. & c.	a.	b. & c.	a.	b. & c.
	Total Consumption	Total Nomination/ Delivered	Total Consumption	Total Nomination/ Delivered	Total Consumption	Total Nomination/ Delivered	Total Consumption	Total Nomination/ Delivered	Total Consumption	Total Nomination/ Delivered
	(Mcf)	(Mcf)	(Mcf)	(Mcf)	(Mcf)	(Mcf)	(Mcf)	(Mcf)	(Mcf)	(Mcf)
1/1/2015	110499.0	109441.2	9542.0	9161.3	5282.7	9023.4	4967.7	6202.3	5870.0	7223.3
1/2/2015	107305.0	109144.8	9532.0	9161.3	5827.4	9023.4	6377.8	6440.8	4810.0	7223.3
1/3/2015	113728.0	113452.9	9512.0	9161.3	6220.9	8523.0	6307.7	6440.8	1620.0	5792.0
1/4/2015	116298.0	101537.4	9495.0	9161.3	9247.0	9023.4	6217.7	6440.8	3600.0	5792.0
1/5/2015	131250.0	123405.2	9469.0	9161.3	11216.3	10000.3	7077.8	6440.8	8090.0	5792.0
1/6/2015	113586.0	124796.9	9541.0	9431.3	10593.2	10000.3	6357.7	6440.8	8030.0	6679.4
1/7/2015	48111.0	47138.0	9593.0	9431.3	10378.3	10000.3	6747.7	6440.8	1450.0	2000.0
1/8/2015	50717.0	53282.8	9564.0	9161.3	9962.0	10000.3	7227.8	7156.5	1580.0	2643.1
1/9/2015	115149.0	109884.4	9533.0	9431.3	9220.5	9023.4	6727.7	6434.2	5930.0	5761.5
1/10/2015	106998.0	94887.3	9496.0	9431.3	8066.1	8523.0	6037.8	7156.5	5950.0	4771.0
1/11/2015	90521.0	94842.6	9466.0	9431.3	9821.4	9023.4	5827.7	7156.5	7780.0	6202.3
1/12/2015	139807.0	130538.4	9450.0	9431.3	10559.0	10000.3	6847.7	7906.5	8370.0	8110.7
1/13/2015	136402.0	132438.3	9466.0	9431.3	10902.9	10000.3	6037.8	7156.5	8170.0	7617.4
1/14/2015	128184.0	130624.9	9506.0	9431.3	10857.4	10000.3	7187.7	7156.5	8270.0	7633.6
1/15/2015	121127.0	124251.7	9489.0	9161.3	10626.8	10000.3	6957.7	7156.5	9490.0	6679.4
1/16/2015	132258.0	125767.7	9473.0	9431.3	8727.6	10000.3	6827.8	7156.5	5070.0	5725.2
1/17/2015	123273.0	119717.2	9478.0	9431.3	7338.3	9023.4	5807.7	7156.5	2560.0	5725.2
1/18/2015	113254.0	114263.4	9514.0	9431.3	8982.7	10000.3	5767.7	7156.5	5390.0	5725.2
1/19/2015	111999.0	117822.2	9506.0	9431.3	9913.6	10000.3	6137.8	7156.5	7940.0	5725.2
1/20/2015	118218.0	122067.0	9550.0	9431.3	10315.8	10000.3	5327.7	7156.5	9090.0	5725.2
1/21/2015	130889.0	134852.3	9492.0	9161.3	10425.9	10000.3	6387.7	7156.5	9920.0	7633.6
1/22/2015	147031.0	146964.0	9443.0	9161.3	9895.8	10000.3	6027.8	7156.5	9720.0	7156.5
1/23/2015	117840.0	126273.1	9429.0	9161.3	8412.4	10000.3	5597.7	7156.5	8130.0	6202.3
1/24/2015	123024.0	127038.9	9395.0	9431.3	7002.9	8523.0	5817.8	5725.2	5640.0	5725.2
1/25/2015	125222.0	128755.1	9291.0	9431.3	9483.7	10000.3	5777.7	5725.2	4760.0	5725.2
1/26/2015	137415.0	141699.7	9333.0	9431.3	10829.5	10000.3	6017.7	7156.5	8730.0	8110.7
1/27/2015	134072.0	140368.3	9309.0	9431.3	11048.7	10000.3	5877.8	7156.5	8250.0	8587.8
1/28/2015	102947.0	103283.8	8596.0	9431.3	11283.1	10000.3	6027.7	7156.5	7730.0	8587.8
1/29/2015	105030.0	109004.9	7362.0	9431.3	9876.1	10000.3	5567.7	5725.2	7410.0	8110.7
1/30/2015	91125.0	94776.5	7058.0	9431.3	8548.3	10000.3	5447.8	5725.2	6980.0	7633.6
1/31/2015	104188.0	104535.5	7051.0	9431.3	7424.9	7523.3	5347.7	5486.6	4640.0	7633.6
TOTAL	3547467.0	3556856.4	285934.0	289670.3	288291.2	297239.0	190669.8	209235.7	200970.0	199654.0

UGI Utilities, Inc. - Gas Division
Ten Largest Transportation Customers During Peak Month

	Customer F		Customer G		Customer H		Customer I		Customer J	
	a.	b. & c.	a.	b. & c.	a.	b. & c.	a.	b. & c.	a.	b. & c.
	Total Consumption (Mcf)	Total Nomination/ Delivered (Mcf)	Total Consumption (Mcf)	Total Nomination/ Delivered (Mcf)	Total Consumption (Mcf)	Total Nomination/ Delivered (Mcf)	Total Consumption (Mcf)	Total Nomination/ Delivered (Mcf)	Total Consumption (Mcf)	Total Nomination/ Delivered (Mcf)
1/1/2015	442.4	474.7	2750.0	3000.2	2680.0	2435.1	1078.0	1957.7	2186.1	1624.4
1/2/2015	517.0	474.7	3280.0	4500.3	2610.0	2435.1	1312.0	1957.7	2173.4	1909.3
1/3/2015	497.5	949.4	2650.0	3399.9	2530.0	6251.9	1315.0	1957.7	1897.0	1091.8
1/4/2015	3490.8	3797.7	3670.0	4600.0	2450.0	6251.9	1449.0	1957.7	1796.5	1091.8
1/5/2015	5445.2	4557.3	5000.0	4800.3	3550.0	6251.9	2214.0	1957.7	2566.2	1091.8
1/6/2015	4945.1	4747.1	4600.0	4800.3	3590.0	2435.1	2191.0	1957.7	2110.1	1091.8
1/7/2015	4557.8	4557.3	4710.0	4051.2	0.0	0.0	548.0	1957.7	199.2	2099.2
1/8/2015	3832.5	4272.4	4720.0	4051.2	3770.0	2434.2	2124.0	1652.0	2557.2	2289.0
1/9/2015	3060.2	4367.4	4560.0	4500.3	3990.0	2434.2	1899.0	1652.0	2661.6	2099.2
1/10/2015	5714.2	5221.8	3560.0	3399.9	4040.0	2911.3	1874.0	1652.0	2759.5	1091.8
1/11/2015	5748.5	4509.8	4330.0	4600.0	3260.0	2911.3	1840.0	1652.0	2155.7	1091.8
1/12/2015	4780.3	3797.7	4750.0	4800.3	3240.0	2911.3	2098.0	1652.0	2147.0	1091.8
1/13/2015	4699.3	4177.5	4750.0	4800.3	3920.0	2434.2	2166.0	1703.3	2622.7	1091.8
1/14/2015	4730.5	4747.1	4720.0	4800.3	3760.0	2434.2	2116.0	1703.3	2432.9	1091.8
1/15/2015	4458.3	4984.5	4840.0	4800.3	3240.0	2434.2	2042.0	2052.7	2312.6	1091.8
1/16/2015	3685.8	4842.0	4440.0	4500.3	3330.0	2434.2	2089.0	2052.7	2455.1	1091.8
1/17/2015	3721.1	4225.0	3410.0	3399.9	3160.0	4473.3	2025.0	2052.7	2341.9	2099.2
1/18/2015	5550.3	4035.1	4210.0	4600.0	2730.0	4474.2	1958.0	2052.7	1996.6	2099.2
1/19/2015	3769.9	4747.1	4570.0	4800.3	2710.0	4474.2	2004.0	2052.7	2001.6	2099.2
1/20/2015	4681.5	4889.5	4550.0	4610.4	2940.0	4474.2	2020.0	1910.2	1987.3	2099.2
1/21/2015	4889.0	5221.8	4560.0	4610.4	3310.0	2434.2	2016.0	1910.2	2246.5	2099.2
1/22/2015	3736.4	4652.2	4610.0	4610.4	2940.0	2434.2	2065.0	1910.2	2081.3	2099.2
1/23/2015	3535.9	3987.6	3990.0	4310.4	2730.0	2434.2	1763.0	1910.2	2029.3	2099.2
1/24/2015	5478.0	4747.1	2960.0	3399.9	2560.0	3197.5	1331.0	1910.2	1973.0	1624.4
1/25/2015	4931.6	4984.5	4320.0	4600.0	2340.0	3197.5	1470.0	1910.2	2083.5	1624.4
1/26/2015	4290.4	5221.8	4790.0	4050.3	3630.0	0.0	1805.0	1910.2	2401.6	2099.2
1/27/2015	5156.2	5079.4	4780.0	4050.3	3670.0	2434.2	1931.0	1980.5	2523.8	1091.8
1/28/2015	3612.5	3702.8	4790.0	4051.2	0.0	3042.9	1976.0	2592.9	2540.8	1091.8
1/29/2015	3965.7	3892.7	4730.0	4050.3	3300.0	3042.9	1962.0	1980.5	2295.4	1091.8
1/30/2015	5405.7	4272.4	4790.0	4120.5	3820.0	3042.9	1977.0	2165.6	2620.7	1091.8
1/31/2015	4458.5	4842.0	3800.0	3399.9	3400.0	3042.0	1728.0	1980.5	2444.6	1091.8
TOTAL	127788.1	128979.4	132190.0	132069.3	93200.0	95598.5	56386.0	59705.4	68600.7	47532.3

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Cost of Service
Delivered on January 19, 2016

SDR-COS-14

Request:

Please provide a summary identifying the salient features of each of the following. Salient features include contract party, effective term and applicable contract quantities (daily, annual, seasonal, etc.).

- a. All firm transportation agreements by type greater than one month in length. Indicate whether the capacity is available at the Company's citygate to meet design day requirements or is upstream capacity. Identify the downstream pipeline for each upstream arrangement.
- b. All firm storage, gathering and exchange agreements. Indicate if each agreement provides design day capacity at the citygate or requires separate transportation (identify) service to effectuate delivery. Include on-system storage and peak shaving facilities used by the Company and identify all ratcheting provisions applicable to the Company's contractual and on-system storage arrangements.

Response:

Please see Attachment SDR-COS-14-A for all firm transportation, storage, peaking, gathering, and exchange agreements.

Please see Attachment SDR-COS-14-B for ratchet provisions applicable to UGI Gas' storage agreements.

Prepared by or under the supervision of: Paul J. Szykman

UGI Utilities, Inc. - Gas Division
Contract Entitlements

Pipeline	Rate Schedule	Contract ID	Contract Type	Term Start	Term End	MDQ	SCQ	Capacity Flow	Downstream Pipe
ANR	FSS	114585	Storage	4/1/2009	3/31/2019	39,155	2,780,005	Upstream	TETCO/Columbia
ANR	FTS-1	114586	Transport	4/1/2009	3/31/2019	25,430		Upstream	Columbia
ANR	FTS-1	114588	Transport	4/1/2009	3/31/2019	10,621		Upstream	TETCO
ANR	FTS-1	114590	Transport	4/1/2009	3/31/2019	10,575		Upstream	TETCO
ANR	FTS-1	114591	Transport	4/1/2009	3/31/2019	8,600		Upstream	Columbia
ANR	FTS-1	114592	Transport	11/1/2009	3/31/2019	21,150		Upstream	TETCO
ANR	FTS-1	114593	Transport	11/1/2009	3/31/2019	12,440		Upstream	TETCO
ANR	FTS-1	114594	Transport	11/1/2009	3/31/2019	5,123		Upstream	Columbia
ANR	FTS-1	114595	Transport	4/1/2009	10/31/2018	14,019		Upstream	TETCO
Columbia	FSS	79028	Storage	11/1/2004	3/31/2017	116,890	6,252,936	Upstream	Columbia
Columbia	FTS	46284	Transport	11/1/1993	10/31/2023	50,412		City Gate	
Columbia	FTS	78653	Transport	5/15/2004	10/31/2029	42,000		City Gate	
Columbia	FTS	80021	Transport	11/1/2004	10/31/2025	21,500		City Gate	
Columbia	FTS	80095	Transport	11/1/2004	10/31/2019	18,020		City Gate	
Columbia	FTS	80835	Transport	11/1/2004	10/31/2023	3,738		City Gate	
Columbia	NTS	80837	Transport	11/1/2004	10/31/2019	15,000		City Gate	
Columbia	SST	79133	Transport	11/1/2004	3/31/2017	114,649		City Gate	
Dominion	GSS	300126	Storage	11/1/1998	3/31/2022	6,667	666,667	Upstream	TETCO
Dominion	GSS-TE	600038	Storage	10/1/1993	3/31/2019	6,000	941,176	Upstream	TETCO
Egan	FSS	310191	Storage	9/17/2001	3/31/2019	50,000	500,000	Upstream	TETCO
TETCO	CDS	800239	Transport	6/1/1993	10/31/2016	25,000		City Gate	
TETCO	CDS	800397	Transport	11/1/1993	10/31/2016	41,000		City Gate	
TETCO	CDS	820019	Transport	11/1/2000	10/31/2016	10,000		City Gate	
TETCO	Flex-X	800504	Transport	11/1/1995	10/31/2016	4,000		City Gate	
TETCO	FT-1	800240	Transport	6/1/1993	10/31/2016	25,000		City Gate	
TETCO	FT-1	800373	Transport	11/1/1994	10/31/2017	20,000		City Gate	
TETCO	FT-1	800394	Transport	11/1/1993	10/31/2016	32,475		City Gate	
TETCO	FT-1	800468	Transport	11/1/1995	10/31/2017	10,000		City Gate	
TETCO	FT-1	830067	Transport	12/31/1999	10/31/2017	10,000		City Gate	
TETCO	FT-1	910181	Transport	11/1/2004	10/31/2016	12,000		City Gate	
TETCO	FT-1	910417	Transport	11/1/2003	10/31/2016	11,713		City Gate	
TETCO	FTS-5	330910	Transport	6/1/1993	3/31/2018	6,667		City Gate	
TETCO	FTS-7	331721	Transport	11/1/1994	4/15/2018	5,880		City Gate	
TETCO	LLFT	870001	Transport	11/1/1993	3/31/2018	10,575		Upstream	TETCO
TETCO	LLFT	870004	Transport	11/1/1994	10/31/2016	10,468		Upstream	TETCO
TETCO	LLFT	870202	Transport	11/1/2003	10/31/2016	12,390		Upstream	TETCO
Transco	FT	1000504	Transport	8/1/1991	3/31/2019	1,346		City Gate	
Transco	FT	1002594	Transport	8/1/1991	3/31/2019	5,072		City Gate	
Transco	FT	1002595	Transport	4/10/1990	3/31/2019	2,081		City Gate	
Transco	FT	1013596	Transport	10/1/1996	3/31/2017	22,770		City Gate	
Transco	FT	9089608	Transport	11/1/2009	10/31/2029	7,000		City Gate	
Transco	GSS	1000749	Storage	7/1/1996	3/31/2023	1,744	102,129	City Gate	
Transco	SS2	1003973	Storage	7/25/1990	3/31/2017	7,245	796,950	City Gate	
UGI Penn Natural Gas		N/A	Delivered Supply	11/1/2015	10/31/2020	7,000		City Gate	
UGI Energy Services		N/A	Delivered Supply	11/1/2013	10/31/2018	10,000		City Gate	
UGI Energy Services		N/A	Peaking	5/1/2007	3/31/2023	25,000		City Gate	
UGI Energy Services		N/A	Peaking	11/1/2013	3/31/2016	34,500		City Gate	
UGI Energy Services		N/A	Peaking	11/1/2012	3/31/2017	40,000		City Gate	
UGI Energy Services		N/A	Peaking	11/1/2013	3/31/2016	6,012		City Gate	
UGI Energy Services		N/A	Peaking	11/1/2014	3/31/2016	25,185		City Gate	
UGI Energy Services		N/A	Peaking	11/1/2014	3/31/2018	21,697		City Gate	
UGI Energy Services		N/A	Peaking	11/1/2015	3/31/2016	56,993		City Gate	

UGI Utilities, Inc. - Gas Division
Storage Contracts

PIPELINE	PIPELINE RATE	SEASONAL CAPACITY (net)	INJECTION		INJECT SEASON	WITHDRAWAL		Contractual Number of Days	W/D SEASON	Tariff Reference	
			Dth/D	MISC		Dth/D	Operational # of Days				
ANR	FSS 114585	2,780,005	13,900		YEAR ROUND	39,155	71	NO RATCHETS	71	YEAR ROUND	contract appx contract appx sec. 2.d sec 3.5/sht 10
INJ RULES:		1) May be used at 140% , cyclability up to 3,935,307 dth									
WDL RULES:		1) May be used at 140% , cyclability up to 3,923,410 dth									
Seasonal Rules		1) Balance must be below 20% of MSQ by Mar 31 if contract is renewed for next year, it terminated must be zero									
Overrun Service		1) Excess injections and withdrawals may be requested with 100% load factor rate charge. Excess must be injected or withdrawn within 48 hours									

PIPELINE	PIPELINE RATE	SEASONAL CAPACITY (net)	Dth/D	MISC	INJECT SEASON	WITHDRAWAL		Contractual Number of Days	W/D SEASON	Tariff Reference	
						Dth/D	Operational # of Days				
COLUMBIA	FSS 135618	6,252,936	57,325	MDIQ = 1/25 of monthly maximum and Nov and Dec = 1/30 of monthly maximum MAXIMUM MONTHLY INJECTIONS - Apr=15%; May thru Aug = 20%; Sept = 13%; Oct=7%; Nov=5%; Dec thru Mar= 10%	YEAR ROUND	114,649 91,719 74,522 57,325 40,344 Total	38 7 8 10 1 64	MDWQ =100% if if gas in storage is >30% 80% MDWQ if gas in storage is <30% and >20% 65% MDWQ if gas in storage is <20% and >10% 50% MDWQ if gas in storage is <10% and >0% last withdrawal to empty field MAXIMUM MONTHLY WITHDRAWALS - NOV DEC JAN - 40% OF SCQ FEB - 30% OF SCQ MAR - 20% OF SCQ MINIMUM MONTHLY WITHDRAWALS - FEB - 10% OF SCQ MAR - 10% OF SCQ	55	YEAR ROUND	sec.4/ p.167 sec.4/ p.167 sec.3/ p.166 sec.4/ p.167 sec.3/ p.166 sec.3 d/ p.167 sec.3.d/ p.167 sec. 7a/ p.170 sec. 7b/ p.170 sec. 7c/ p.170 sec. 7d/ p.170 sec. 7e/ p.170 sec. 7f/ p.170 sec. 7g/ p.170 sec. 7h/ p.171
INJ RULES:		1) Subject to minimum and maximum daily and monthly injection limits. 2) Excess must be requested 24hrs in advance									
WDL RULES:		1) Subject to minimum and maximum daily and monthly withdrawals limits 2) Excess must be requested 24hrs in advance									
Seasonal Rules		1) Subject to seasonal maximum inventory levels: no more than 60% of SCQ on 6/30 and no more than 85% of SCQ on 8/31 2) Subject to seasonal maximum inventory levels: no more than 25% of SCQ on 4/1 and no more than 65% of SCQ on 2/1									
Overrun		1) DAILY PENALTY = Failure to comply with interruption notice, charge is \$5 for up to 103% of daily lowered volume.; \$10 if > 103% of daily lowered volume 2) DAILY PENALTY = Failure to comply with OFO, charge is \$5 for all dth in violation 3) DAILY PENALTY = If injections exceed 110% of MDIQ, charge is \$5 for all dth in excess of MDIQ 4) MONTHLY PENALTY = If injections exceed 105% of MMIQ, charge is \$5 for all dth in excess of 105% 5) MONTHLY PENALTY = If withdrawals exceed monthly limits, charge is \$5 for all dth in excess of limits 6) DAILY PENALTY = If injections or withdrawals exceed SCQ or results in a negative balance, charge is \$5 for all dth in excess of SCQ 7) DAILY PENALTY = If unauthorized withdrawals > 103% of MDWQ, charge is \$10 for all dth can be reduced if paying matching transportation penalties 8) Gas is forfeited to Pipeline if a) OI O violation; b) failure to withdrawal monthly minimum; c) failure to comply with April 1 limit 9) June 30 and August 31 FSS Inventory levels are not enforceable except if TCO issues an OFO for that period per Brian Adams 6/18/2006									

PIPELINE	PIPELINE RATE	SEASONAL CAPACITY (net)	Dth/D	MISC	INJECT SEASON	WITHDRAWAL		Contractual Number of Days	W/D SEASON	Tariff Reference	
						Dth/D	Operational # of Days				
DOMINION	GSS 600038 (VIA FTS-7)	941,176	5,229 4,398 4,398	Summer MDIQ = 1/180th of SCQ when SCQ balance is less than or = 1/2 of SCQ Summer MDIQ = 1/214th of SCQ when SCQ balance is >1/2 of SCQ Winter MDIQ = 1/214th of SCQ	YEAR ROUND	6,000 5,176 Total	156 1 157	No ratchets - see section 8.4 B Below : If customer's storage demand is equal to or less than 1/140 of customer's storage capacity than the reductions in daily entitlement specified in Sec 8.4 A shall not apply. UGI Storage Capacity = 941,176 / 140 = 6723. 6000-6723 = no last withdrawal to empty field	157	YEAR ROUND	rate sheet 35 sec. 8.6/p.358 sht 35/sec. 9.1 sec. 8.7/p.358 sec. 8.5/p.358 rate sheet 39 rate sheet 39 rate sheet 39
INJ RULES:		1) Tariff injection tolerance = 115% of MDIQ Apr 1 thru Jul 31; 107% in Aug; 102% in Sep and Oct 2) Excess injections may be requested, subject to excess charge									
WDL RULES:		1) Monthly limit : Dominion is required to deliver only 87.5% in any month 2) Excess withdrawals may be requested, subject to excess charge									
Seasonal Rules		1) Minimum turnover - By Apr 15, total withdrawals must be equal to or greater than the Nov 1 balance of preceeding year Season Withdrawal Obligation = (Starting Nov 1 Storage Balance) - (0.35 x Seasonal Capacity Quantity) 2) Monthly minimum balances: Dec and Jan=35%; Feb=15%. Failure to maintain minimum levels will reduce withdrawal by 10%									
Overrun		1) Daily Injection Overruns - if uncorrected over tolerance then subject to Unauthorized Overrun Charge 2) Storage Capacity Overruns - if not adjusted within 24hrs, then subject to Storage Gas Balance Unauthorized Overrun Charge 3) Daily Withdrawal Overruns - if uncorrected over entitlement then subject to Unauthorized Withdrawal Overrun Charge 4) Daily Withdrawal Overruns - if withdrawals exceed storage gas balance, then subject to \$25/dth per day until gas is replaced 5) Failure to comply with Minimum Turnover, then subject to a charge of 2 times the effective fuel retention % by deducting the dth from the gas balance.									

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Cost of Service
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SDR-COS-15

Request:

For the most recent annual period available, please identify the applicable monthly volumes and revenues under each rate schedule which were:

- a. Sold under a negotiated or market-based rate
- b. Transported under a negotiated or market based rate
- c. Transported at full margin transportation rates

Response:

Please see Attachment SDR-COS-15.

Prepared by or under the supervision of: David E. Lahoff

UGI Utilities, Inc. - Gas Division
Sales and Revenues for selected rate schedules

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
a.												
Sales (Mcf)												
Rate IS/IL	43	395	1,977	1,752	2,119	1,573	276	(151)	(23)	13	20	14
Revenue (\$)												
Rate IS/IL	\$ 50,361	\$ 4,695	\$ 36,875	\$ 50,224	\$ 173,957	\$ 21,471	\$ (583)	\$ (1,096)	\$ (175)	\$ 88	\$ 137	\$ 134
b.												
Sales (Mcf)												
Rate IS/IL-DSO	944,852	1,079,683	1,173,167	1,080,177	956,603	1,090,807	850,648	764,726	673,911	664,327	590,655	652,940
Rate XD	5,540,424	3,124,952	5,179,537	5,258,176	2,902,511	3,993,883	3,502,721	5,251,197	5,286,652	5,854,085	5,773,078	5,414,130
Rate CDS	8,241	9,651	9,247	9,055	8,676	9,393	9,070	9,382	8,412	8,874	8,846	8,793
Revenue (\$)												
Rate IS/IL-DSO	\$ 1,433,785	\$ 1,843,223	\$ 2,216,625	\$ 2,161,472	\$ 2,020,749	\$ 2,122,017	\$ 1,531,318	\$ 1,283,821	\$ 1,090,404	\$ 1,137,377	\$ 1,110,092	\$ 1,174,984
Rate XD	\$ 930,973	\$ 976,017	\$ 992,436	\$ 1,010,229	\$ 2,151,402	\$ 130,709	\$ 909,639	\$ 897,136	\$ 1,060,256	\$ 1,968,262	\$ 1,039,534	\$ 1,107,757
Rate CDS	\$ 6,942	\$ 7,351	\$ 7,024	\$ 7,122	\$ 6,890	\$ 7,004	\$ 6,873	\$ 6,601	\$ 6,604	\$ 6,846	\$ 6,835	\$ 6,801
c.												
Sales (Mcf)												
Rate RT	150,201	390,500	531,084	730,971	798,398	610,085	256,078	84,934	63,468	68,529	64,466	71,692
Rate NT	382,310	821,015	1,086,948	1,439,344	1,527,064	1,179,268	539,740	314,337	237,190	236,719	244,243	252,623
Rate DS	205,002	397,723	787,579	835,018	890,195	850,254	297,536	133,114	149,019	157,586	158,290	170,904
Rate LFD	835,550	1,038,095	1,102,819	1,332,330	1,302,010	1,204,832	913,398	784,367	712,775	723,561	736,567	725,368
Revenue (\$)												
Rate RT	\$ 874,839	\$ 1,592,412	\$ 1,973,796	\$ 2,510,081	\$ 2,703,330	\$ 2,261,294	\$ 1,230,521	\$ 724,043	\$ 614,500	\$ 634,448	\$ 651,794	\$ 636,226
Rate NT	\$ 1,505,824	\$ 2,991,218	\$ 3,878,556	\$ 5,029,573	\$ 5,276,323	\$ 4,230,395	\$ 2,048,893	\$ 1,261,994	\$ 1,003,883	\$ 1,010,733	\$ 1,053,326	\$ 1,075,039
Rate DS	\$ 978,732	\$ 1,673,810	\$ 2,930,918	\$ 3,033,833	\$ 3,156,713	\$ 3,012,890	\$ 1,239,183	\$ 714,012	\$ 768,702	\$ 785,323	\$ 796,695	\$ 835,944
Rate LFD	\$ 1,598,964	\$ 1,674,315	\$ 1,867,046	\$ 2,212,491	\$ 2,340,953	\$ 1,883,615	\$ 1,497,688	\$ 1,233,227	\$ 1,379,580	\$ 1,248,610	\$ 1,287,627	\$ 1,284,606

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SDR-COS-16

Request:

Please provide the following for each curtailment during the last three years:

- a. Dates of curtailment
- b. Type of curtailment (firm service, interruptible service, both)
- c. Whether curtailment was related to amount of capacity on the Company's system, other capacity or supply related
- d. Rate schedule that curtailed volumes would have been billed under
- e. Curtailed volumes by rate schedule
- f. Actual volumes moved by rate schedule

Response:

UGI Gas has had no curtailments of firm service during the last three years.

Prepared by or under the supervision of: David E. Lahoff

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
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SDR-COS-17

Request:

Please identify the Company's design day planning criteria and the probability of design day occurrence. Include any available documentation supporting the Company's claimed probability of occurrence.

Response:

The methodology currently utilized by UGI to develop peak day temperatures was approved as part of the 2007 PGC comprehensive settlement at Docket No.R-00072335. Since there is a direct relationship between demand and temperature, UGI begins the development of the projected firm peak demand by determining the projected peak day temperature for both its primary service territory as well as the Hazleton service territory. Consistent with the settlement agreement language, UGI's design day temperature for its primary area is derived by adding 2.0 degrees to the coldest 24 hour temperature observed in its primary service territory over the 30 year period (1985-2014) in UGI's hourly temperature database. The coldest 24-hour temperature recorded in this period was minus 5.6 degrees Fahrenheit, resulting in a design day temperature of minus 3.6 degrees Fahrenheit. The design day temperature for the Hazleton service territory is derived by adding 1.9 degrees to the coldest 24 hour temperature observed in its primary service territory over the 30 year period (1985-2014) in UGI's hourly temperature database. The coldest 24-hour temperature recorded in this period was minus 9.9 degrees Fahrenheit, resulting in a design day temperature of minus 8.0 degrees Fahrenheit. Also, consistent with the provisions of the settlement, UGI will utilize a wind speed factor in the design day methodology which is equivalent to a 2.0 degree Fahrenheit heating demand impact.

With the design day temperatures calculated, UGI then develops a firm sendout equation using a linear regression analysis. Historical daily firm sendout is regressed against historical daily mean temperatures for each of the historical winter heating seasons. The firm sendout is determined by subtracting the large transportation customer's sendout from the total measured sendout and then adding back the daily firm requirement (DFR) for the large firm customers on a peak day. The peak day temperature and the 2 degree Fahrenheit wind speed factor are then used in the historical firm equations to determine the historical firm peak day demand for each of the historical winters. Once UGI has a historical firm peak demand, UGI adjusts this number for known and projected changes in firm requirements. These changes can include actual or

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SDR-COS-17 (Continued)

projected increases or decreases in customer counts and actual or projected increases or decreases in customer's daily firm requirements.

Prepared by or under the supervision of: Paul J. Szykman

UGI Utilities, Inc. - Gas Division
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SDR-COS-18

Request:

For each customer class contained in the cost of service study, please provide monthly throughput by class.

Response:

Please see Attachment SDR-COS-18.

Prepared by or under the supervision of: David E. Lahoff

**UGI Utilities, Inc. - Gas Division
Sales by Cost of Service Study Classification (Mcf's)**

	OCT 2016	NOV 2016	DEC 2016	JAN 2017	FEB 2017	MAR 2017	APR 2017	MAY 2017	JUN 2017	JUL 2017	AUG 2017	SEP 2017
Service Classification:												
Rate R	1,282,379	2,349,544	3,674,486	4,500,643	3,784,106	2,828,922	1,545,344	779,870	464,903	458,244	450,679	625,030
Rate N	714,742	1,441,240	2,680,775	3,117,521	2,493,097	1,924,646	1,085,588	540,363	458,652	367,308	347,119	379,005
Rate DS	352,669	507,843	702,794	775,772	679,408	563,222	374,310	230,733	160,993	158,650	165,022	178,325
Rate LFD	892,939	1,051,767	1,229,951	1,289,940	1,202,462	1,079,024	936,959	825,461	745,728	726,850	758,805	805,346
Rate XD Firm	1,471,905	1,446,139	1,455,182	1,597,851	1,500,288	1,474,249	1,386,734	1,415,271	1,420,723	1,414,607	1,433,192	1,402,485
Rate XD-Interruptible	3,689,399	3,739,291	3,769,181	2,793,878	2,781,332	3,258,689	2,976,491	2,965,492	3,245,062	3,535,269	3,540,293	3,119,346
Rate IS/IL	848,649	965,934	1,154,139	1,192,237	1,105,426	1,061,794	924,011	768,207	703,731	756,031	671,053	711,468
Total	9,252,682	11,501,757	14,666,508	15,267,841	13,546,118	12,190,546	9,229,438	7,525,398	7,199,792	7,416,959	7,366,163	7,221,006

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SDR-COS-19

Request:

Please provide workpapers showing the development of each allocation factor reflected in the Company's cost of service study. Include a description of each allocation factor, all calculations performed to develop the allocators and all supporting documentation, studies or other information relied upon to determine the allocators.

Response:

Please see UGI Gas Exhibit D.

Prepared by or under the supervision of: Paul R. Herbert

UGI Utilities, Inc. - Gas Division
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SDR-COS-20

Request:

Please provide all workpapers, calculations and supporting documentation for the functionalization and classification performed for the Company's cost of service study.

Response:

Please see UGI Gas Exhibit D.

Prepared by or under the supervision of: Paul R. Herbert

UGI Utilities, Inc. - Gas Division
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SDR-COS-21

Request:

If not provided elsewhere, please provide a detailed proof of revenues at both present and proposed rates.

Response:

Please see UGI Gas Exhibit E.

Prepared by or under the supervision of: David E. Lahoff

SUPPLEMENTAL DATA REQUESTS – RATE OF RETURN

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-1

Request:

Please supply copies of the following documents for the Company and, if applicable, its parent:

- a. Most recent Annual Report to shareholders (including any statistical supplements);
- b. Most recent SEC Form 10K,
- c. All SEC Form 10Q reports issued within last year.

Response:

Please see the attached CD which contains the following:

Attachment SDR-ROR-1.1-1 and SDR-ROR-1.1-2 - Annual Report to Shareholders as 9/30/15 (excluding report on form 10-K).

Attachment SDR-ROR-1.2 - Prospectus Supplement from UGI Utilities Senior Notes Offering Dated 9/24/08.

Attachment SDR-ROR-1.3 - Prospectus Supplement from UGI Corporation Equity Offering dated 3/18/04.

Attachment SDR-ROR-1.4 - Annual Report on Form 10-K for UGI Corporation for the year ended 9/30/15.

Attachment SDR-ROR-1.5 - Report on Form 10-Q for UGI Corporation for the quarter year ended 6/30/15.

Attachment SDR-ROR-1.6 - Report on Form 10-Q for UGI Corporation for the quarter year ended 3/31/15.

Attachment SDR-ROR-1.7 - Report on Form 10-Q for UGI Corporation for the quarter year ended 12/31/14.

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SDR-ROR-1 (Continued)

Attachment SDR-ROR-1.8 - Annual Report on Form 10-K for UGI Utilities, Inc. for the year ended 9/30/15.

Attachment SDR-ROR-1.9 - Report on Form 10-Q for UGI Utilities, Inc. for the quarter year ended 6/30/15.

Attachment SDR-ROR-1.10 - Report on Form 10-Q for UGI Utilities, Inc. for the quarter year ended 3/31/15.

Attachment SDR-ROR-1.11 - Report on Form 10-Q for UGI Utilities, Inc. for the quarter year ended 12/31/14.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
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Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-2

Request:

Please supply copies of the Company's balance sheets for each month/quarter for the last two years.

Response:

Please see Attachment SDR-ROR-2.

Prepared by or under the supervision of: Ann P. Kelly

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

Attachment SDR-ROR-2
A. P. Kelly
Page 1 of 2

Line No	Description/(Account No)	December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015
UTILITY PLANT (101 - 106, 108)									
1	Gas Utility Plant	\$ 1,249,776	\$ 1,265,138	\$ 1,277,589	\$ 1,308,244	\$ 1,337,673	\$ 1,355,929	\$ 1,365,896	\$ 1,398,576
2	Other Utility Plant	-	-	-	-	-	-	-	-
3	Total Plant in Service	1,249,776	1,265,138	1,277,589	1,308,244	1,337,673	1,355,929	1,365,896	1,398,576
4	Construction Work In Progress (107)	4,085	5,431	12,084	15,944	14,338	19,510	25,210	21,168
5	Acquisition Adjustment (114)	-	-	-	-	-	-	-	-
6	Total Utility Plant	1,253,861	1,270,569	1,289,673	1,324,188	1,352,011	1,375,439	1,391,106	1,419,744
7	Accumulated Provision for Depreciation - Gas (108)	(397,149)	(401,448)	(404,124)	(405,115)	(408,851)	(414,117)	(415,472)	(418,857)
8	Accumulated Provision for Depreciation - Other (119)	(21,026)	(21,581)	(22,148)	(22,795)	(23,379)	(23,983)	(23,169)	(23,943)
9	Net Utility Plant	835,687	847,539	863,402	896,278	919,781	937,339	952,465	976,944
OTHER PROPERTY INVESTMENTS									
10	Non-utility Property (121)	31	31	31	31	93	93	93	93
11	Accumulated Depreciation on NUP (122)	-	-	-	-	-	-	-	-
12	Investment in Associated & Subsidiary Companies (123.1)	-	-	-	-	-	-	-	-
13	Other Investments (124)	-	-	-	-	-	-	-	-
14	Total Other Property and Investments	31	31	31	31	93	93	93	93
CURRENT AND ACCRUED ASSETS									
15	Cash and Other Temporary Investments (131-136)	1,069	2,517	9,277	2,789	6,682	4,634	1,617	2,843
16	Notes Receivable (141)	-	-	-	-	-	-	-	-
17	Customer Accounts Receivable (142)	60,153	97,651	51,073	30,751	62,182	98,790	47,190	28,262
18	Other Accounts Receivable (143)	5,357	3,148	2,719	2,193	3,058	3,730	1,489	7,370
19	Accum Provision for Uncollectible (144)	(2,044)	(5,586)	(6,173)	(2,605)	(2,473)	(5,727)	(6,060)	(3,158)
20	Accounts Receivable Associated Companies (146)	84,505	35,502	24,067	18,633	10,745	2,406	4,189	(51)
21	Plant Materials & Operating Supplies (154)	3,154	3,092	2,927	2,881	3,419	3,671	4,177	4,637
22	Gas Stored - Undistributed (163)	696	1,101	1,059	654	338	296	141	(426)
23	Gas Stored - Current (164.1)	32,452	4,559	23,081	40,011	34,589	3,147	11,650	23,368
24	Liquefied Natural Gas Stored (164.2)	-	-	-	-	-	-	-	-
25	Prepayments (165)	3,198	2,239	2,687	4,349	3,228	2,191	2,043	4,479
26	Accrued Utility Revenues (173)	31,597	23,213	722	6,014	24,705	18,982	2,483	4,295
27	Miscellaneous Current & Accrued Assets (171, 174, 175)	1,141	1,342	306	90	-	320	1,012	748
28	Total Current and Accrued Assets	221,277	168,778	111,744	105,760	146,472	132,441	69,932	72,367
DEFERRED DEBITS									
29	Unamortized Debt Expense (181)	2,183	2,079	2,392	2,288	2,170	2,505	1,231	1,171
30	Other Regulatory Assets (182.3)	131,120	131,468	131,382	145,654	143,048	141,256	140,159	163,630
31	Other Preliminary Survey & Investigation Charges (183.2)	431	682	801	354	648	555	661	1,025
32	Clearing Accounts (184)	529	394	816	(1,088)	332	571	835	(426)
33	Miscellaneous Deferred Debits (186)	3,020	3,245	3,408	3,877	4,140	4,232	4,683	3,858
34	Deferred Losses from Disposition of Utility Plant (187)	128	459	425	667	526	337	535	1,159
35	Unamortized Loss on Reacquired Debt (189)	119	102	85	68	51	34	17	-
36	Accumulated Deferred Income Taxes (190)	18,528	19,337	19,837	13,388	13,045	25,166	27,797	26,511
37	Unrecovered Purchase Gas Costs (191)	-	-	3,104	5,741	9,365	-	-	-
38	Total Deferred Debits	156,059	157,767	162,250	170,950	173,326	174,656	175,917	196,928
39	TOTAL ASSETS AND OTHER DEBITS	\$ 1,213,053	\$ 1,174,116	\$ 1,137,428	\$ 1,173,020	\$ 1,239,672	\$ 1,244,529	\$ 1,198,407	\$ 1,246,332

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

Line No	Description/(Account No)	December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015
PROPRIETARY CAPITAL									
40	Common Stock Issued (201)	56,655	55,749	53,084	51,146	49,479	53,034	54,707	51,878
41	Preferred Stock Issued (204)	-	-	-	-	-	-	-	-
42	Premium on Capital Stock (207)	442,068	435,528	414,777	399,828	386,805	415,103	428,325	406,270
43	Capital Stock Expense (214)	-	-	-	-	-	-	-	-
44	Retained Earnings (215, 215.2, 216)	(104,026)	(97,977)	(85,054)	(140,139)	(160,826)	(98,504)	(89,584)	(99,674)
45	Unappropriated Retained Earnings (216.1)	-	-	-	-	-	-	-	-
46	Accum Other Comprehensive Income (219)	(11,011)	(7,019)	(6,836)	(7,802)	(10,299)	(7,621)	(5,052)	(15,491)
47	Total Proprietary Capital	383,685	386,281	375,971	303,033	265,159	362,011	388,396	342,983
LONG TERM DEBT									
48	Bonds (221)	-	-	-	-	-	-	-	-
49	Advances from Associated Companies (223)	-	-	-	-	-	-	-	-
50	Other Long-Term Debt (224)	273,171	268,613	258,814	279,216	252,230	249,865	232,980	164,663
51	Unamortized Premium on LTD (225)	-	-	-	-	-	-	-	-
52	Unamortized Discount on LTD (226)	-	-	-	-	-	-	-	-
53	Total Long-term Debt	273,171	268,613	258,814	279,216	252,230	249,865	232,980	164,663
OTHER NON-CURRENT LIABILITIES									
54	Obligations under Capital Leases (227)	-	-	-	-	-	-	-	-
55	Accum. Prov for Injuries & Damages (228.2)	579	491	433	809	656	653	808	590
56	Accum. Prov for Pensions & Benefits (228.3)	43,591	39,583	37,398	58,192	57,438	56,053	54,668	79,823
57	Accum. Miscellaneous Operating Prov (228.4)	4,754	4,896	4,885	4,737	5,344	3,901	3,886	3,735
58	Asset Retirement Obligation (230)	69	69	69	69	69	69	69	69
59	Total Long-term Debt	48,993	45,039	42,785	63,807	63,507	60,675	59,430	84,217
CURRENT & ACCRUED LIABILITIES									
60	Notes Payable (231)	73,500	6,500	8,322	95,278	195,691	72,296	33,199	180,158
61	Accounts Payable (232)	39,803	48,644	31,459	41,532	45,450	38,502	30,056	43,079
62	Notes Payable to Assoc. Companies (233)	-	-	-	-	-	-	-	-
63	Accounts Payable to Assoc. Cos (234)	16,026	19,322	14,880	12,207	21,835	16,807	9,908	10,359
64	Customer Deposits (235)	14,591	14,889	15,046	14,819	15,641	15,860	14,841	14,517
65	Taxes Accrued (236)	10,681	30,489	26,580	3,770	13,499	45,359	39,313	(4,187)
66	Interest Accrued (237)	8,031	6,894	9,469	6,662	9,450	6,718	9,253	6,309
67	Accrued Interest on Other Liabilities (237)	-	-	-	-	-	-	-	-
68	Tax Collections Payable (241)	1,093	670	762	152	437	689	710	144
69	Misc Current & Accrued Liabilities (242)	29,351	29,899	35,244	27,027	26,169	26,560	26,059	28,815
70	Derivative Instrument Liabilities (244)	-	-	-	1,067	4,276	2,222	1,012	1,851
71	Oth Reg Liab-Hedges-S/T-Non-Trading (245)	-	-	-	-	-	-	-	5,766
72	Total Current & Accrued Liabilities	193,077	157,306	141,762	202,513	332,449	225,015	164,352	286,811
OTHER DEFERRED CREDITS									
73	Customer Advances for Construction (252)	-	-	-	-	-	-	-	-
74	Other Deferred Credits (253)	15,922	16,252	16,372	16,145	16,553	16,604	16,972	17,572
75	Other Regulatory Liabilities (254)	7,556	8,711	6,284	8,723	7,439	24,795	27,773	23,290
76	Deferred ITC (255)	4,144	4,064	3,985	3,905	3,825	3,746	3,666	3,587
77	Accumulated Deferred Income Taxes (282)	290,178	292,695	295,213	303,045	305,563	308,081	310,598	328,627
78	Accumulated Deferred Income Taxes (283)	(3,673)	(4,846)	(3,759)	(7,368)	(7,054)	(6,263)	(5,761)	(5,418)
79	Total Other Deferred Credits	314,127	316,877	318,095	324,450	326,327	346,963	353,249	367,659
80	TOTAL LIABILITIES & OTHER CREDITS	\$ 1,213,053	\$ 1,174,116	\$ 1,137,428	\$ 1,173,020	\$ 1,239,672	\$ 1,244,529	\$ 1,198,407	\$ 1,246,332

Please note investment in subsidiaries and the related income from subsidiaries has been eliminated.

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-3

Request:

Please provide the bond rating history for the Company and, if applicable, its parent from the major credit rating agencies for the last five years.

Response:

UGI Corp. (the "Parent") has no public credit ratings given that it has no public debt outstanding.

UGI Utilities, Inc. is currently rated by Moody's and Fitch. Currently, the Moody's long-term rating and senior unsecured debt rating are both A2 / stable outlook. The long-term debt rating was upgraded from A3/stable to A3/positive on 11/8/13 and further upgraded from A3/positive to A2/stable on 1/31/14.

Currently, the Fitch long-term issuer default rating and senior unsecured debt rating are A- and A respectively both with stable outlooks. These ratings have not changed in the last 5 years.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-4

Request:

Please provide copies of all bond rating reports relating to the Company and, if applicable, its parent for the past two years.

Response:

Please see Attachment SDR-ROR-4-1 for Fitch Credit Opinion dated December 2014.

Please see Attachment SDR-ROR-4-2 for Moody's Credit Opinion dated December 2014.

Please see Attachment SDR-ROR-4-3 for Fitch Full Ratings Report dated May 2015.

Prepared by or under the supervision of: Ann P. Kelly

FitchRatings

**FITCH AFFIRMS UGI UTILITIES,
INC.'S IDR AT 'A-'; OUTLOOK STABLE**

Fitch Ratings-New York-08 December 2014: Fitch Ratings has affirmed the Issuer Default Rating (IDR) of UGI Utilities, Inc. (UGIU) at 'A-' and senior unsecured debt rating at 'A'. The Rating Outlook is Stable. The rating action affects approximately \$600 million of long-term debt.

UGIU serves approximately 660,000 natural gas and electric customers in Pennsylvania through its UGI Gas Division (UGIGas) and UGI Electric Division as well as through two subsidiaries, UGI Penn Natural Gas, Inc. (PNG) purchased in 2006 and UGI Central Penn Gas, Inc. (CNG) purchased in 2008. The service area covers a broad swath of eastern and central Pennsylvania and stretches into northern Maryland where UGI serves approximately several hundred natural gas customers.

Key Rating Drivers

- Strong financial profile;
- Earnings and cash flow generation sufficient to support increased capex;
- Traditional tariff structure;
- Parent and subsidiary linkage.

Strong Financial Profile

UGIU exhibits a strong financial profile rooted in a conservative capital structure and low leverage.

Key leverage measures including adjusted debt to EBITDAR and funds from operations (FFO)-Adjusted Leverage of, respectively, 2.4x and 2.7x at fiscal year-end Sept. 30, 2014 are projected by Fitch to weaken slightly to average under 3x and 3.4x over the next three-year forecast period. Leverage measures compare favorably to Fitch 'A' category Sector Credit Factor median guideline ratios of 3.25x and 3.50x.

The capital structure has been maintained as upstream dividends to UGI Corp. have been below historical levels for the last two years at under a 60% payout ratio. In Fitch's models, future restraint on dividends will be needed to support the capital structure, since capex is expected to remain elevated over the forecast period.

UGIU exhibits a low-risk business profile consisting of its regulated natural gas and electric distribution businesses. Over 95% of operating income is derived from the natural gas segment. Non-regulated activities consist of services related to its core business including heating equipment and appliance service repairs and service, heating equipment conversions, and off-system bulk natural gas sales.

Robust Earnings and Cash Flows

Earnings and cash flows have been traditionally strong at UGIU with cyclical and, more important, secular factors driving fiscal 2014 results. The record cold 2013/2014 heating season winter saw system throughput of natural gas increase by 8.7% to 208.8 bcf (billion cubic feet) in fiscal 2014 over fiscal 2013 as heating degree days increased 10%.

Continuing a long-term trend that Fitch expects to continue over the next three to five years, UGIU experienced strong new customer growth. Customer growth is driven by the favorable cost and environmental profile of natural gas as compared with other fossil fuels. UGIU added approximately 18,000 residential, commercial, and industrial customers in fiscal 2014 including residential and

commercial customers that have existing gas service but are converting their heating systems to natural gas. These customer conversions generate higher margins as it is relatively inexpensive to connect new customers to existing infrastructure.

Most new customers, however, do not have existing gas service, and while located within close proximity to existing mains, require a greater level of capital investment to connect. Fitch expects these new customer additions to continue based on the favorable natural gas profile as well as strong economic activity from drilling operations in the Marcellus Shale region, which is under significant portions of UGIU's service territory, to continue to stimulate economic activity and housing starts.

Capital spending continues to rise, driven by new customer additions, an infrastructure replacement program for aging pipe, and a recently approved program to expand the natural gas distribution system to under-served and un-served markets. This latter program, Growth Extension Tariff or 'GET Gas', commits UGIU to a five-year \$75 million investment budget. In total, capex expenditures which grew from \$114 million in fiscal 2012 to \$164 million in 2014, are expected to top \$200 million in fiscal 2015 and Fitch models for continued growth in 2016 and 2017. UGIU receives recovery under the GET Gas program, but for a substantial part of its remaining capital investment, under existing tariff mechanisms UGIU does not receive recovery of such investments.

Traditional Tariff Structure

The UGI Gas Division operates under a tariff structure originally approved by the Pennsylvania Public Utility Commission (PUC) in 1996. Although the UGI Gas Division does not have riders for aging infrastructure replacement or growth capex investments, earnings, cash flows, and the capital structure have been maintained through higher margins driven by strong customer growth and volume-driven higher margins. A new General Rate Case filing by UGI Gas is inevitable although continued customer growth can delay the timing of such a filing.

In general, Fitch considers Pennsylvania regulation to be supportive of UGIU's conservative business model. The company's exposure to commodity price volatility is mitigated by its ability to pass along the related costs to its customers. Fluctuations in natural gas costs are passed through to customers through a Purchased Gas Cost (PGC) tariff. Similarly, variations in electric generation and congestion costs are extenuated by a Default Service (DS) mechanism. The two smaller natural gas utilities, PNG and CNG, are eligible for pipe replacement recovery under Pennsylvania's Distribution System Infrastructure Charge (DSIC). All three utilities also receive timely recovery of investments under the GET Gas program.

Parent and Subsidiary Linkage

UGIU is a wholly-owned subsidiary of UGI Corp. a holding company with interests in a diversified portfolio of energy, power, and utility assets including , AmeriGas Partners, L.P. (APU) which is rated 'BB' (Issuer Default Rating) with a Stable Outlook by Fitch. UGI Corp. operates each one of its businesses separately and does not carry any parent-level debt. There are shared management, treasury, and investor relation functions shared between various entities. However, there are no significant business or operational ties between UGIU and UGI Corp and its other affiliates. Accordingly, Fitch rates UGIU independently of the UGI Corp's other business including APU.

Rating Sensitivities

Factors that individually or collectively could lead to a positive rating action:

-- Given the sizable multi-year capital investment program, positive rating actions are not likely at this time.

Factors that individually or collectively could lead to a negative rating action:

- A review by the PUC of the company's rate structure that leads to weaker cash flows;
- Increased leverage due to higher capex and/or higher dividend payments to parent UGI Corp than Fitch models reflect;
- Debt-to-EBITDAR sustained above 3.75 to 4.0x.

Fitch has affirmed the following ratings with a Stable Outlook:

UGIU

-- IDR at 'A'

-- Senior Unsecured Debt at 'A'

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Applicable Criteria and Related Research:

--'Corporate Rating Methodology: Including Short-term Ratings and Parent and Subsidiary Linkage' (May 28, 2014);

--'Rating U.S. Utilities, Power and Gas Companies (Sector Credit Factors)' (March 11, 2014)

Applicable Criteria and Related Research:

Rating U.S. Utilities, Power and Gas Companies (Sector Credit Factors)

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=735155

Corporate Rating Methodology - Including Short-Term Ratings and Parent and Subsidiary Linkage

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=749393

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MOODY'S

INVESTORS SERVICE

Credit Opinion: UGI Utilities, Inc.

Global Credit Research - 17 Dec 2014

Valley Forge, Pennsylvania, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Senior Unsecured	A2

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Key Indicators

[1]UGI Utilities, Inc.

	9/30/2014	9/30/2013	9/30/2012	9/30/2011	9/30/2010
CFO pre-WC + Interest / Interest	6.5x	5.6x	5.2x	5.2x	5.5x
CFO pre-WC / Debt	27.9%	27.4%	25.5%	26.5%	27.5%
CFO pre-WC - Dividends / Debt	19.0%	19.9%	17.0%	14.6%	19.0%
Debt / Capitalization	40.0%	39.0%	42.9%	43.7%	46.1%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Source: Moody's Financial Metrics

Note: For definitions of Moody's most common ratio terms please see the accompanying [User's Guide](#).

Opinion

Rating Drivers

- UGI Utilities' financial health remains strong, buoyed by attractive organic growth
- Low risk regulated utility business model in supportive regulatory jurisdiction
- Capex stays high to meet demand growth and system integrity standards

Corporate Profile

UGI Utilities, Inc. (Utilities) is a rate-regulated natural gas and electric utility serving about 600,000 gas customers throughout Pennsylvania (as well as several hundred customers in one county in Maryland) and over 60,000 electric customers in northeastern Pennsylvania. The company consists of four regulated entities: a gas utility division (UGI Gas), an electric utility division (UGI Electric) (together, the "legacy utilities") and two natural gas distribution company subsidiaries: UGI Penn Natural Gas (PNG) and UGI Central Penn Gas (CPG). The company is predominantly a local gas distribution company (LDC) with the natural gas segment accounting for about 95% of its operating income and assets.

Utilities is UGI Corporation's (UGI, not rated) largest subsidiary, representing an average of 30% of earnings. UGI is a holding company with significant investments in propane retailing and energy services that have a much higher business risk profile than Utilities. UGI's subsidiaries include its interest in propane distributor AmeriGas Partners, LP (Ba2 Corporate Family Rating, stable). Amerigas is projected to account for about 23% of the company's future earnings.

SUMMARY RATING RATIONALE

The rating for Utilities primarily reflects the company's low business risk profile, regulated revenues and stable cash flow generation. Virtually all of its operations fall under the jurisdiction of the Pennsylvania Public Utility Commission (PUC), which we view as providing a credit supportive framework for utilities operating within its footprint. The rating also considers its strong financial metrics that should continue over the intermediate-term thanks to organic growth opportunities in Utilities' service territory.

DETAILED RATING CONSIDERATIONS

UTILITIES' FINANCIAL HEALTH REMAINS STRONG, BUOYED BY ATTRACTIVE ORGANIC GROWTH

We expect Utilities' financial metrics will remain robust at 5.5x CFO pre-WC interest coverage and 20-25% CFO pre-WC to debt, underpinned by healthy customer growth. Utilities added a record 16,000 residential customers in 2014. This follows two years of already strong customer growth when the company added 15,000 and 12,000 new residential heating customers in 2013 and 2012, respectively. On a three year basis, customer additions equate to a 5% increase, somewhat of a unique phenomena given that its US regulated utility peers have been dealing with flat growth rates in recent years.

Utilities' growth trend is expected to continue as the company benefits from the improved economy in its service territory and executes on its multi-pronged organic growth initiatives that include: fuel-oil conversions, providing service to new home constructions, and the GET Gas program.

Current natural gas market fundamentals and our view that low natural gas prices will continue into the foreseeable future should allow Utilities to keep benefitting from customer conversions from oil and other fuels as a source for heating, to natural gas (accounting for about 80% of new customers in 2014). Utilities currently estimates that there are approximately 400,000 potential fuel switching customers in proximity to its main lines, representing significant growth potential for the coming years.

Another driver of growth is the company's location near the fast developing Marcellus Shale region of Pennsylvania. The area is seeing an economic resurgence that is spurring new construction build and an industrial renaissance, that in turn, are creating additional demand for Utilities' services.

Utilities' GET Gas program received PUC approval in February 2014. The company developed this pilot program to reach the under- and un-served areas within Utilities' footprint and expects it to add an incremental 10,000 customers over the life of the program. Under GET Gas, Utilities is allowed to invest up to \$15 million per year for five years to extend natural gas utility pipelines to provide service to these off-main customers. In exchange, these new customers agree to pay a monthly surcharge for 10-years to cover the cost of the extension.

In addition to customer growth, Utilities supplements its earnings through incremental margins from sales other than its core energy delivery services. These include interruptible delivery service (contracted sales to industrial customers with fuel-switching capabilities) and off-system sales (temporary sales of spare pipeline and storage capacity to marketers, the revenues from which is shared with its core delivery customers). These other sales, combined with customer growth, have been sufficient to more than offset the negative effects of weather variances, declining usage per customer, and expense inflation. As a result, the legacy UGI Gas utility has been able to operate successfully without filing a base rate case since 1995.

LOW BUSINESS RISK OPERATIONS WITH PREDICTABLE CASH FLOW PRODUCTION

Utilities' primarily gas distribution services have generated predictable revenues and stable operating cash flows without relying on decoupling or weather normalization mechanisms. Rather, the combination of customer growth and a close management of Utilities' operating expenses which the company modulates based on fluctuations in demand have generated consistently steady cash flow over the past five years.

Adding to the low business risk profile of the company is its relatively modern pipeline system. More specifically, the company operates the newest LDC network in Pennsylvania with 87% of its mains being manufactured with contemporary materials. As of September 30, 2014, Utilities only had 320 miles of cast iron mains (3% of system)

and 1,200 miles of steel pipes (10% of system) in operation that it plans on replacing by 2027 and 2043, respectively.

CAPEX REMAINS HIGH TO MEET GROWTH AND SYSTEM INTEGRITY STANDARDS

For the four years from 2008 to 2011, Utilities' capital expenditures average \$80 million per annum (below 2x depreciation). With the natural gas shale boom taking hold, a growing customer base, and accelerated spending needs to shore up system integrity, Utilities raised its capex spend to \$150 million and \$170 million for fiscal year 2013 and 2014, respectively, and forecasts investing \$200 million in 2015 (equivalent to 3.4x 2014 depreciation). The investments are split about one third customer growth and two thirds for safety and integrity projects.

Although Utilities' short-term debt will temporarily increase to fund its capital investment program, we do not foresee any material impact to the company's financial strength given the absence of any significant lag between the cash outflow to fund the investment and the ability to earn on the newly constructed assets. As such, Utilities should be able to maintain CFO pre-WC interest and debt coverage metrics that are commensurate with its rating.

Other Considerations

Utilities' rating is several notches above AmeriGas' Ba2 Corporate Family Rating. Each rating reflects the issuer's standalone credit quality. The wide rating differentia takes into consideration these affiliates' separateness in terms of legal organization and financing arrangements. The separateness of Utilities and Amerigas' identities are made more transparent by each being an SEC registrant and filing its own financial statements. Furthermore, AmeriGas has its own publicly traded equity security. The companies' businesses are distinct, with disparate risk profiles, and no operational integration.

UGI does not have a money pool arrangement that would cause Utilities' cash to be swept up by the parent and commingled with those of its riskier non-regulated affiliates. UGI neither has parent level debt nor an underperforming business line to put dividend pressure on Utilities. Utilities' dividends to the parent have been regular at a payout level averaging approximately 80% over the past four years, slightly above those of independent gas utilities.

In addition to these corporate practices by UGI, the PUC's oversight helps safeguard Utilities' credit quality from its affiliates'. The PUC requires regular financial reporting and pre-approvals of intercompany transactions and security offerings.

Liquidity Profile

Utilities' liquidity profile is inadequate because its revolver expires within one year. Nevertheless, we understand that Utilities is negotiating final terms of an amendment and extension of its existing \$300 million bank facility and expects to have the amended facility in place during the first quarter 2015. The existing credit agreement includes standard industry language around representations and warranties and does not require a general MAC representation after closing. Furthermore, the revolver contains a single financial covenant setting the maximum debt-to-capital ratio at 65% (as defined). Utilities was in compliance with the ratio at 30 September 2014. The company had \$12 million on its balance sheet as of 30 September 2014 and \$86 million drawn under its revolver.

For fiscal year ended 30 September 2014, Utilities generated about \$189 million in cash flow from operations, invested approximately \$164 million in capital expenditures, and paid dividends of \$77 million, resulting in \$53 million of negative free cash flows financed through short-term debt. The negative free cash flow is a direct result of increased sales growth, with Utilities relying on short-term debt to help finance an increase in accounts receivables, inventories, higher capex, and an upstream dividend policy. Going forward, Utilities is expected to be free cash flow negative, as the continuation of the accelerated pipeline replacement program and new customer additions will maintain cash outlays above historical levels.

The company has a number of maturities coming due over the near-term, including \$92 million of medium term notes maturing in 2015, \$175 million of senior notes due in 2016, and another \$40 million of medium term notes due in 2017.

Rating Outlook

Utilities' stable outlook reflects our expectation that the company will maintain CFO pre-WC to debt near 25% and CFO pre-WC to interest coverage in the 5.0x to 6.0x range. The outlook further assumes that the company will continue to maintain a constructive relationship with the PUC, and successfully execute on its aggressive growth plan which will be funded using a conservative corporate financing approach which will maintain UGI's debt to cap

near current levels.

What Could Change the Rating - Up

Utilities' rating could be upgraded if the company saw a sustained improvement in its financial metrics excluding the temporary effects of bonus depreciation, such that CFO pre-WC/debt exceeds 25% and retained cash flow to debt exceeds 20%, for an extended period of time.

What Could Change the Rating - Down

A downgrade would be considered if there is any significant decline in the support offered by the PUC, or if the company's financial performance deteriorates over times including CFO pre-WC interest coverage below 4.0x and CFO pre-WC to debt below 20% for an extended period.

Rating Factors

UGI Utilities, Inc.

Regulated Electric and Gas Utilities Industry Grid [1][2]	Current FY 9/30/2014		[3]Moody's 12-18 Month Forward ViewAs of 12/15/2014	
Factor 1 : Regulatory Framework (25%)	Measure	Score	Measure	Score
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	5.7x	A	5x - 6x	A
b) CFO pre-WC / Debt (3 Year Avg)	26.9%	A	23% - 27%	A
c) CFO pre-WC - Dividends / Debt (3 Year Avg)	18.6%	A	17% - 21%	A
d) Debt / Capitalization (3 Year Avg)	40.6%	A	40% - 45%	A
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		A2
HoldCo Structural Subordination Notching				
a) Indicated Rating from Grid		A2		A2
b) Actual Rating Assigned		A2		A2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 09/30/2014; Source: Moody's Financial Metrics [3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

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UGI Utilities, Inc.

Subsidiary of UGI Corporation
Full Rating Report

Ratings

Long-Term IDR A-
Senior Unsecured A

IDR – Issuer Default Rating.

Rating Outlook

Long-Term IDR Stable

Financial Summary

UGI Utilities, Inc.

	2014	2013
Adjusted Revenue	1,086	941
Operating EBITDAR	308	267
Cash Flow from Operations	189	170
Total Adjusted Debt	728	678
Total Capitalization	1,568	1,452
Capex/Depreciation (%)	2.8	2.7
FFO Fixed-Charge Coverage (x)	6.0	5.4
FFO-Adjusted Leverage (x)	2.7	2.8
Total Adjusted Debt/EBITDAR	2.4	2.5

Related Research

Fitch Affirms UGI Utilities, Inc.'s IDR at 'A-'; Outlook Stable (December 2014)

Analysts

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Key Rating Drivers

Low-Risk Operations: UGI Utilities (UGIU) exhibits a low-risk business profile consisting of its regulated natural gas and electric distribution businesses. Over 90% of operating income is derived from the natural gas segment. Non-regulated activities consist of services related to its core business, including heating equipment and appliance repairs and service, heating equipment conversions and off-system bulk natural gas sales. Weather can be the largest variable affecting earnings, as UGIU does not have weather normalization or decoupling mechanisms in its tariffs.

Relatively Supportive Regulation: In general, Fitch Ratings considers Pennsylvania regulation to be relatively supportive. Fluctuations in natural gas costs are passed through to customers via a purchased gas cost (PGC) tariff. Similarly, variations in electric generation and congestion costs are extenuated by a default service (DS) mechanism. Two smaller natural gas utilities are eligible for pipe replacement recovery under Pennsylvania's Distribution System Infrastructure Charge (DSIC). All three utilities also receive timely recovery of investments under the Growth Extension Tariff (GET).

Credit Metrics Declining: UGIU exhibits a strong financial profile rooted in a conservative capital structure and low leverage. Total adjusted debt/EBITDAR and FFO-adjusted leverage were 2.4x and 2.7x, respectively, at fiscal year-end Sept. 30, 2014, and 2.7x and 3.0x, respectively, for the LTM ending Dec. 31, 2014. These metrics are projected to weaken slightly to average under 3.0x and 3.4x, respectively, over the next three years while remaining in line with UGIU's rating level.

Strong Service Area Demographics: UGIU is experiencing strong customer growth across its three natural gas utilities due to conversions to natural gas from heating oil, as well as its western franchise's proximity to Marcellus Shale, which sees strong drilling-related activities. Fitch expects annual customer growth rates between 2% and 3% in the next three to five years.

Capex Spending Rising: UGIU's capital spending continues to rise, driven by new customer additions, infrastructure replacement, and a recently approved program to expand the natural gas distribution system to underserved and unserved markets. Capex grew to \$164 million in fiscal 2014 from \$114 million in fiscal 2012, and is expected to top \$200 million in 2015, \$85 million of which is to replace natural gas mains and execute system enhancement projects. UGIU receives recovery under the GET Gas program, but it does not recover a substantial part of the remaining capital investments under existing mechanisms.

Rating Sensitivities

Positive Rating Action: Given the sizable multi-year capital investment program, positive rating actions are not likely at this time.

Negative Rating Action: A downgrade could be caused by the following: a Pennsylvania Public Utility Commission (PUC) rate structure review that leads to weaker cash flows, increased leverage due to higher capex and/or higher dividend payments to parent UGI Corp. than Fitch models reflect, and debt/EBITDAR sustained above 3.75x–4.0x.

Financial Overview

Liquidity and Debt Structure

Liquidity is supported by internally generated cash flows and a \$300-million revolving credit facility that is set to expire in March 2016. The expiration date may be extended to March 2020, subject to approval of the Pennsylvania PUC. UGIU intends to seek such approval. Peak bank loan borrowings generally occur early in the winter heating season when UGIU's investment in working capital is greatest.

Long-term debt outstanding as of Dec. 31, 2014, was \$642 million, consisting of \$450 million of senior notes and \$192 million of medium-term notes. All of the debt is unsecured. UGIU's maturity profile is manageable. Maturing debt in fiscal 2015 includes \$20 million of medium-term notes. In fiscal 2016, \$72 million of medium-term notes and \$175 million of senior notes will be due. The coupons on these notes range from 5.16% to 7.37%. Fitch expects these notes to be refinanced at a substantially lower interest rate.

Leverage (debt/operating EBITDA) continues to remain less than 3.0x. Accelerated pipe replacement may pressure leverage, although UGIU maintains substantial flexibility in managing leverage with strong cash flows and retained earnings.

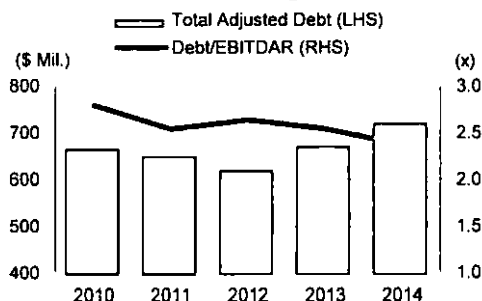
Debt Maturities and Liquidity

(\$ Mil., As of Dec. 31, 2014)

2015	20
2016	247
2017	20
2018	20
Thereafter	335
Cash and Cash Equivalents	14
Undrawn Committed Facilities	144

Source: Company data, Fitch.

Total Debt and Leverage



Source: Company data, Fitch.

Related Criteria

Corporate Rating Methodology — Including Short-Term Ratings and Parent and Subsidiary Linkage (May 2014)

Rating U.S. Utilities, Power and Gas Companies (Sector Credit Factors) (March 2014)

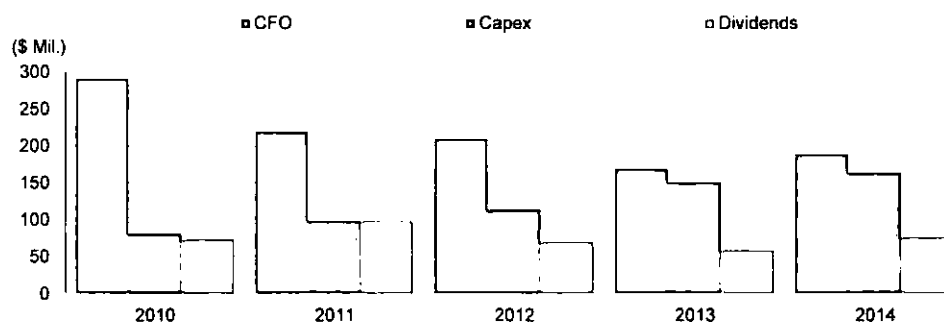
Recovery Ratings and Notching Criteria for Utilities (November 2013)

Parent and Subsidiary Rating Linkage — Fitch's Approach to Rating Entities within a Corporate Group Structure (August 2013)

Cash Flow Analysis

Cash flows are expected to face downward pressure in the next two years due to higher capex and a two-year period where UGIU agreed not to seek recovery of an accelerated pipe replacement program. Historically, UGIU has sent a significant portion of its net income upstream to its parent, UGI Corp. This trend has generated a common dividend payout ratio that averaged more than 85% prior to 2013. The nominal payout ratio was elevated by bonus depreciation, but utility-retained cash flows have not changed in recent periods. Beginning in 2013, as UGIU started investing more rapidly in pipe replacement, its payout ratio declined to a current rate of approximately 60%, which provides cash flow to support the accelerated pipe replacement program.

CFO and Cash Use



Source: Company data, Fitch.

Peer and Sector Analysis

Peer Group

Issuer	Country
A-	
NSTAR Gas Company	United States
Southwest Gas Corporation	United States
Wisconsin Gas Co. LLC	United States

Peer Group Analysis

(\$ Mil.)	UGI Utilities, Inc.	NSTAR Gas Company	Southwest Gas Corporation	Wisconsin Gas Co. LLC
As of	09/30/14	09/30/14	09/30/14	09/30/14
IDR	A-	A-	A-	A-
Outlook	Rating Outlook Stable	Rating Outlook Stable	Rating Outlook Stable	Rating Outlook Stable

Fundamental Ratios (x)

Operating EBITDAR/ (Gross Interest Expense + Rents)	6.8	6.7	6.7	13.8
FFO Fixed-Charge Coverage (x)	6.0	6.0	6.8	9.8
Total Adjusted Debt/Operating EBITDAR	2.4	3.5	2.8	3.1
FFO/Total Adjusted Debt (%)	37.1	25.6	36.9	22.5
FFO-Adjusted Leverage (x)	2.7	3.9	2.7	4.4
Common Dividend Payout (%)	62.1	59.3	46.4	48.5
Internal Cash/Capex (%)	68.3	17.9	68.5	19.0
Capex/Depreciation (%)	278.0	222.9	163.2	322.7
Return on Equity (%)	15.2	9.3	9.9	10.3

Financial Information

Revenue	1,086	463	2,031	873
Revenue Growth (%)	15.4	6.0	6.8	37.9
EBITDA	301	93	520	166
Operating EBITDA Margin (%)	14.1	—	18.5	16.3
FCF	(52)	(64)	(127)	(115)
Total Adjusted Debt with Equity Credit	728	328	1,459	520
Cash and Cash Equivalents	12	1	39	—
Funds Flow From Operations	225	70	460	105
Capex	(164)	(78)	(403)	(142)

IDR – Issuer Default Rating.
Source: Company data, Fitch.

Issuer Rating History

Date	LT IDR (FC)	Outlook/ Watch
Dec. 8, 2014	A-	Stable
April 7, 2014	A-	Stable
Oct. 8, 2013	A-	Stable
Oct. 12, 2012	A-	Negative
Oct. 17, 2011	A-	Stable
Nov. 1, 2010	A-	Stable
Sept. 30, 2009	A-	Stable
June 17, 2008	A-	Stable
Sept. 6, 2006	A-	Stable

LT IDR – Long-term Issuer Default Rating. FC – Foreign currency.
Source: Fitch.

Key Rating Issues

Strong Financial Profile

UGIU's financial profile is supported by a conservative capital structure and low leverage. Key leverage measures, including total adjusted debt/EBITDAR and FFO-adjusted leverage of 2.4x and 2.7x, respectively, at fiscal year-end Sept. 30, 2014, are projected by Fitch to weaken slightly to average less than 3.0x and 3.4x, respectively, over the next three years. Leverage measures compare favorably to Fitch's 'A' category for Sector Credit Factor, which has median guideline ratios of 3.25x and 3.50x, respectively. The capital structure has been maintained, as upstream dividends to UGI Corp. have remained below historical levels for the last two years at an approximate 60% payout ratio. In Fitch's models, future restraint on dividends will be needed to support the capital structure, since capex is expected to remain elevated over the three-year forecast period.

Robust Earnings and Cash Flows

Earnings and cash flows have been traditionally strong at UGIU, with cyclical and, more importantly, secular factors driving fiscal 2014 results. Record cold weather during the 2013–2014 heating season saw system throughput of natural gas reach 208.8 billion cubic feet, an increase of 8.7% in fiscal 2014 over fiscal 2013, as heating degree days increased 10%. In the first quarter of fiscal 2015, throughput was approximately even due to warmer weather offset by higher volumes in firm delivery service and customer growth. In the second quarter of fiscal 2015, UGIU generated the strongest quarterly operating income in its history due to cold weather in the East and Midwest and robust customer growth.

Continuing a long-term trend that Fitch expects to continue over the next three to five years, UGIU experienced strong new customer growth. Customer growth is driven by the favorable cost and environmental profile of natural gas as compared with other fossil fuels. UGIU added approximately 18,000 residential, commercial and industrial customers in fiscal 2014 and 11,000 customers so far in fiscal 2015, including residential and commercial customers that have existing gas service but are converting their heating systems to natural gas. These customer conversions generate higher margins, as it is relatively inexpensive to connect new customers to existing infrastructure.

Most new customers, however, do not have existing gas service, and while located within close proximity to existing mains, require a greater level of capital investment to connect. Fitch expects these new customer additions to continue based on the favorable natural gas profile. Fitch also expects strong economic activity from drilling operations in the Marcellus Shale region, which is under significant portions of UGIU's service territory, to continue to stimulate economic activity and the housing market.

Rising Capex

Capital spending continues to rise, driven by new customer additions, an infrastructure replacement program for aging pipes and the GET Gas program to expand the natural gas distribution system to underserved and unserved markets. GET Gas commits UGIU to a five-year, \$75-million investment budget. Total capex, which grew to \$164 million in 2014 from \$114 million in fiscal 2012, is expected to top \$200 million in fiscal 2015, and Fitch forecasts continued growth in 2016 and 2017. UGIU receives recovery under the GET Gas program, but for a substantial part of its remaining capital investment, UGIU does not receive recovery of such investments under existing tariff mechanisms.

Traditional Tariff Structure

The UGI Gas division of UGIU operates under a tariff structure originally approved by the Pennsylvania PUC in 1996. UGI Gas does not have riders for aging infrastructure replacement or growth capex investments, but earnings, cash flows and the capital structure have been maintained through higher margins driven by strong customer growth and volume-driven higher margins. A new general rate case filing by UGI Gas is inevitable, though continued customer growth can delay the timing of such a filing.

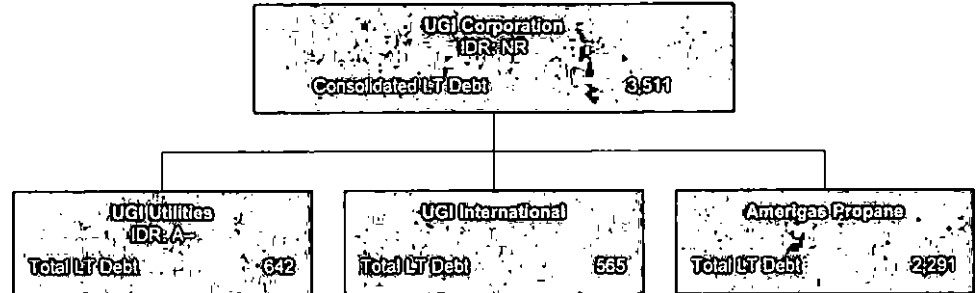
In general, Fitch considers Pennsylvania regulation to be reasonably supportive of UGIU's conservative business model. The company's exposure to commodity price volatility is mitigated by its ability to pass along the related costs to its customers. Fluctuations in natural gas costs are passed through to customers via a PGC tariff. Similarly, variations in electric generation and congestion costs are extenuated by a DS mechanism. The two smaller natural gas utilities, PNG and CNG, are eligible for pipe replacement recovery under Pennsylvania's DSIC. All three utilities also receive timely recovery of investments under the GET Gas program.

Parent and Subsidiary Linkage

UGIU is a wholly owned subsidiary of UGI Corp., a holding company with interests in a diversified portfolio of energy, power and utility assets including AmeriGas Partners, L.P. (APU, Issuer Default Rating BB/Stable Outlook). UGI Corp. operates each one of its businesses separately and does not carry any parent-level debt. There are shared management, treasury, and investor relations functions shared between various entities. However, there are no significant business or operational ties between UGIU and UGI Corp. and its other affiliates. Accordingly, Fitch rates UGIU independently of UGI Corp.'s other business, including APU.

Organizational Structure

Organizational and Debt Structure — UGI Utilities Inc. (\$ Mil., Fiscal YE Sept. 30, 2014)



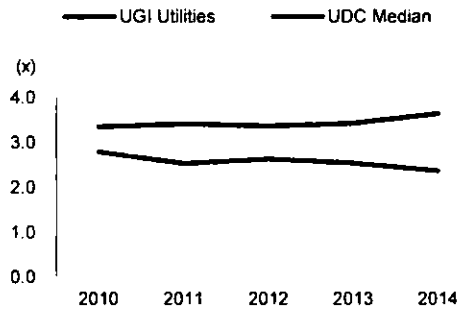
IDR – Issuer Default Rating, LT – Long term, NR – Not rated.
 Source: Company reports, Fitch analysis.

Definitions

- **Total Adjusted Debt/Op. EBITDAR:** Total balance sheet adjusted for equity credit and off-balance-sheet debt divided by operating EBITDAR.
- **FFO Fixed Charge Coverage:** FFO plus gross interest minus interest received plus preferred dividends plus rental payments divided by gross interest plus preferred dividends plus rental payments.
- **FFO Adjusted Leverage:** Gross debt plus lease adjustment minus equity credit for hybrid instruments plus preferred stock divided by FFO plus gross interest paid plus preferred dividends plus rental expense.

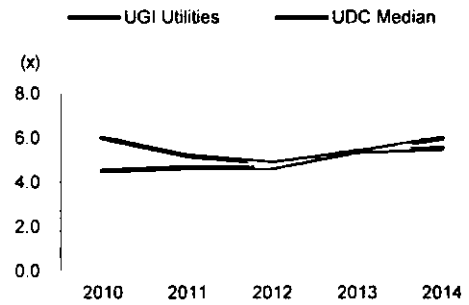
Key Metrics

Total Adjusted Debt/Op. EBITDAR



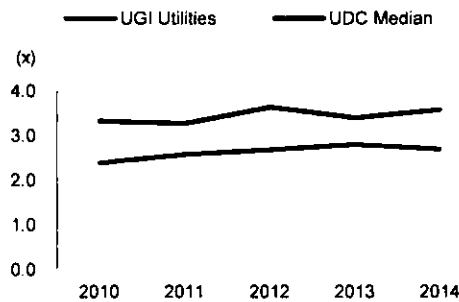
Source: Company data, Fitch.

FFO Fixed Charge Coverage



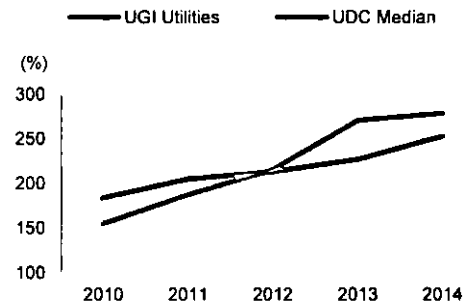
Source: Company data, Fitch.

FFO Adjusted Leverage



Source: Company data, Fitch.

Capex/Depreciation



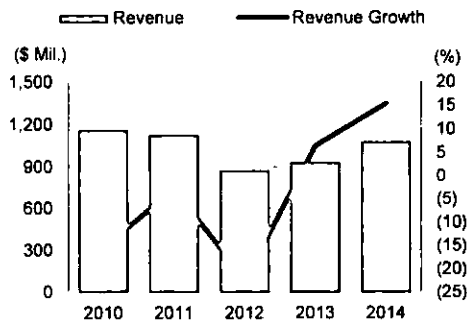
Source: Company data, Fitch.

Company Profile

UGIU is a subsidiary of UGI Corp. with natural gas and electric utility distribution operations in Pennsylvania. Its gas operation consists of UGI Gas Utility, PNG, and CPG. These businesses provide service to approximately 615,000 customers in central and eastern Pennsylvania and several hundred customers in Maryland. The electric utility, UGI Utilities, serves roughly 62,000 customers in eastern Pennsylvania.

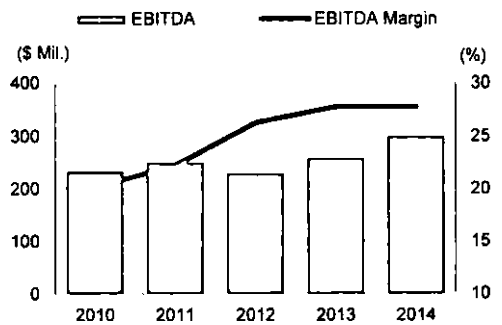
Business Trends

Revenue Dynamics



Source: Company data, Fitch.

EBITDA Dynamics



Source: Company data, Fitch.

Financial Summary — UGI Utilities, Inc.

(IDR: A-/Rating Outlook Stable)

(\$ Mil., As of Sept. 30, 2014)	2011	2012	2013	2014
Fundamental Ratios				
Operating EBITDAR/(Gross Interest Expense + Rents) (x)	5.3	5.0	5.9	6.8
FFO Fixed-Charge Coverage (x)	5.2	4.9	5.4	6.0
Total Adjusted Debt/Operating EBITDAR (x)	2.5	2.6	2.5	2.4
FFO/Total Adjusted Debt (%)	38.8	37.3	35.7	37.1
FFO-Adjusted Leverage (x)	2.6	2.7	2.8	2.7
Common Dividend Payout (%)	94.3	80.7	57.8	62.1
Internal Cash/Capex (%)	122.2	121.9	73.5	68.3
Capex/Depreciation (%)	186.8	215.1	269.6	278.0
Return on Equity (%)	14.5	12.2	13.4	15.2
Profitability				
Revenues	1,137	884	941	1,086
Revenue Growth (%)	(2.8)	(22.3)	6.4	15.4
Net Revenues	458	424	475	523
Operating and Maintenance Expense	188	175	197	205
Operating EBITDA	253	232	261	301
Operating EBITDAR	259	238	267	308
Depreciation and Amortization Expense	53	53	56	59
Operating EBIT	200	179	205	242
Gross Interest Expense	43	42	39	38
Net Income for Common	105	88	102	124
Operating Maintenance Expense % of Net Revenues	41.0	41.3	41.5	39.2
Operating EBIT % of Net Revenues	43.7	42.2	43.2	46.3
Cash Flow				
Cash Flow from Operations	220	210	170	189
Change in Working Capital	14	24	(27)	(36)
Funds from Operations	206	186	197	225
Dividends	(99)	(71)	(59)	(77)
Capex	(99)	(114)	(151)	(164)
FCF	22	25	(40)	(52)
Net Other Investment Cash Flow	(3)	(1)	(8)	(9)
Net Change in Debt	(17)	(31)	50	68
Net Equity Proceeds	—	—	—	—
Capital Structure				
Short-Term Debt	—	9	18	86
Total Long-Term Debt	640	600	642	642
Total Debt with Equity Credit	640	609	660	728
Total Adjusted Debt with Equity Credit	657	627	678	728
Total Hybrid Equity and Minority Interest	—	—	—	—
Total Common Shareholder's Equity	719	729	792	840
Total Capital	1,359	1,338	1,452	1,568
Total Debt/Total Capital (%)	47.1	45.5	45.5	46.4
Total Hybrid Equity and Minority Interest/Total Capital (%)	—	—	—	—
Common Equity/Total Capital (%)	52.9	54.5	54.5	53.6

IDR – Issuer Default Rating.
Source: Company data, Fitch.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

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UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-5

Request:

Please provide a work paper showing the derivation of the Company's current AFUDC rate.

Response:

See response to II-A-11.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-6

Request:

Please supply copies of all presentations by the Company's and, if applicable, its parent's management to securities analysts during the past 2 years. This would include presentations of financial projections.

Response:

Please see Attachments SDR-ROR-6-1 through SDR-ROR-6-11 contained on CD.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-7

Request:

Please provide a listing of all securities issuances for the Company and, if applicable, its parent projected for the next two years. The response should identify for each projected issuance the date, dollar amount, type of security, and effective cost rate.

Response:

Please see Direct Testimony of Paul R. Moul, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-8

Request:

Please identify all of the Company's and, if applicable, its parent's publicly underwritten common stock issuances written in the last five years. Identify which such issuances were related to mergers or acquisitions, and which were undertaken to fund facility investments in utility plant and equipment.

Response:

UGI Corporation (the "Parent") has not issued any publicly underwritten common stock in the last five years. UGI Corporation does issue common stock annually in relation to Long Term Incentive plans, but these are not publicly underwritten. UGI Utilities, Inc. does not have access to the public equity markets.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-9

Request:

Please identify any plan by the Company to refinance high cost long-term debt or preferred stock.

Response:

Please see Direct Testimony of Paul R. Moul, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-10

Request:

Please provide copies of all securities analysts' reports relating to the Company and/or its parent issued within the past 2 years.

Response:

Please see Attachments SDR-ROR-10-1 through SDR-ROR-10-57 contained on CD.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-11

Request:

If applicable, please supply a listing of all common equity infusions from the parent to the Company over the past five years. In each case, identify date and dollar amount.

Response:

There have been no common equity infusions from UGI Corporation to UGI Utilities, Inc. or any of UGI Utilities, Inc. subsidiaries over the past five years.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-12

Request:

If applicable, please identify the Company's common dividend payments to its parent for each of the last five years.

Response:

The following schedule represents common dividend payments from UGI Utilities, Inc. to UGI Corporation for each of the last five years.

	(000's)
2011	\$ 99,490
2012	\$ 70,615
2013	\$ 58,975
2014	\$ 77,395
2015	\$ 65,600

The following schedule represents the portion of common dividend payments (from above) that were attributed by UGI Utilities, Inc. – Gas Division for the same five years.

	(000's)
2011	\$ 72,429
2012	\$ 51,053
2013	\$ 55,466
2014	\$ 65,717
2015	\$ 56,476

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
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SDR-ROR-13

Request:

Please provide the latest year-by-year financial projections for the Company for the next five years. Also, please indicate the date these projections were prepared; whether approved by management; and whether the projections have been submitted to bond rating agencies. (Information should be treated in a confidential manner.)

Response:

UGI Gas prepares an annual Budget and three-year Plan. The Budget and Plan was approved in September 2015. These projections will be included in consolidated UGI Utilities, Inc. financial projections to be presented to bond rating agencies.

Please refer to Attachment SDR-ROR-13 for a schedule of financial projections for Fiscal Years 2016 and 2017.

The projections for fiscal years 2018 and 2019 are confidential and will be made available to parties upon request and the entry of an acceptable Protective Order.

Prepared by or under the supervision of: Ann P. Kelly

UGI UTILITIES, INC. - GAS DIVISION
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2016-2017
(thousands of dollars)

	12 Months <u>09/30/16</u>	12 Months <u>09/30/17</u>
Operating Revenues:		
Revenues from Sales of Gas	\$ 388,037	\$ 390,985
Other Operating Revenues	<u>7,736</u>	<u>7,736</u>
Total Operating Revenues	395,773	398,721
Operating Expenses:		
Total Operating Expenses	<u>287,633</u>	<u>294,670</u>
Operating Income	108,140	104,051
Other Income	<u>2,681</u>	<u>1,284</u>
Earnings Before Interest and Taxes	110,821	105,335
Interest Expense	<u>17,166</u>	<u>22,992</u>
Earnings Before Taxes	93,655	82,343
Income Taxes	<u>37,181</u>	<u>32,690</u>
Net Income	<u>\$ 56,474</u>	<u>\$ 49,653</u>

UGI Utilities, Inc. - Gas Division
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SDR-ROR-14

Request:

Please provide the Company's five-year construction budget.

Response:

The Company prepares a budget for the upcoming fiscal year and a plan for the three future years. The actual capital budgets for the fiscal years ending September 30, 2014 through September 30, 2015 and the projected capital budgets for the fiscal years ending September 30, 2016 through September 30, 2019, are provided on Attachment SDR-ROR-14.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Capital Spending by Budget Group
For the Years Ending September 30, 2014 through 2019

Group	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
01O - Misc-Plant Equipment	\$ 2,545,105	\$ 2,411,366	\$ 231,000	\$ 218,919	\$ 159,811	\$ 173,075
01R - Remediation	493,532	1,138,577	988,000	936,328	683,519	740,251
02O - Building/Building Improvements/Land acquisition	1,032,707	541,961	2,222,700	2,106,453	1,537,711	1,665,341
03O - Furniture and Office Equipment	303,611	371,495	229,500	217,497	158,773	171,951
04O - Fleet Capital and Related Equipment	-	213,573	400,000	379,080	276,728	299,697
07O - Operations Tool Blanket	538,921	661,229	1,262,395	1,196,372	873,351	945,840
09O - Regulator Station Enhancements/Replacements	1,813,220	1,511,689	6,305,671	5,975,884	2,000,000	2,000,000
11O - Corrosion Related Projects	220,454	220,141	1,000,000	947,700	691,821	749,242
12O - Distribution System Reliability Projects	1,436,860	3,961,269	15,482,648	17,280,943	1,608,171	2,001,410
13O - Gas Supply Projects	2,930,137	6,085,912	4,000,000	3,790,800	2,767,284	2,996,969
14S - IS Information Services	2,610,032	2,206,148	6,495,000	6,155,312	4,493,377	4,866,328
40G - New Business-Mains	8,981,729	8,775,287	6,469,224	6,130,884	4,475,545	4,847,015
41M - Main Replacement- Leaks	5,221,671	6,737,280	3,764,594	3,567,706	3,800,000	3,800,000
42M - Replacement - Pressure	1,288,805	1,013,490	-	-	-	-
43M - Main Replacement- Relocation	5,428,985	2,622,686	11,406,300	11,127,230	8,122,878	8,797,077
44M - Main Replacement- Bare Steel	2,337,167	2,488,584	5,065,965	4,801,015	7,000,000	7,000,000
45M - Main Replacement- Cast Iron	14,182,606	18,319,958	14,493,915	13,310,366	14,500,000	14,500,000
49R - Cost of Removal-Mains	353,876	321,868	170,000	161,109	117,610	127,371
50G - New Business-Services	19,794,912	21,636,879	21,678,869	20,545,064	14,997,897	16,242,722
51G - New Business-Meters	1,942,382	1,556,874	1,900,000	1,800,630	1,314,460	1,423,560
51M - Maintenance Meters/ERTs	1,434,979	1,263,644	1,600,000	1,516,320	1,106,914	1,198,787
51M1 - Maintenance AMR ERTs	127,258	961	-	-	-	-
51R - Cost of Removal-Meters	11,418	5,611	10,000	9,477	6,918	7,492
52G - New Business-Meter Installation	1,435,401	1,902,484	3,009,995	2,852,572	2,082,378	2,255,215
52M - Blanket Meter Installations	664,223	743,520	200,000	189,540	138,364	149,848
52R - Cost of Removal-Regulators	27,481	4,696	5,000	4,739	3,459	3,746
53G - New Business-House Regulators	-	-	-	-	-	-
53M - Regulator Equipment	-	(89)	10,000	9,477	6,918	7,492
53M1 - Mercury Regulator Removal	114,078	704,006	750,000	710,775	518,866	561,932
54G - New Business-House Reg Install	5,383	121	-	-	-	-
54M - Maintenance-House Reg Install	466,108	435,075	325,000	308,003	224,842	243,504
55M - Meter Set Rebuild- Customer Specific	3,500	1,575	20,000	18,954	13,836	14,985
56R - Cost of Removal-Other	(223,945)	(98,416)	100,000	94,770	69,182	74,924

UGI Utilities, Inc. - Gas Division
Capital Spending by Budget Group
For the Years Ending September 30, 2014 through 2019

Group	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
57M - Replacement Services associated with main	-	23,028,913	29,360,000	27,824,472	23,028,913	27,261,851
58M - Replacement services not associated with main	21,400,189	3,800,000	3,790,000	3,591,783	3,800,000	3,800,000
59R - Cost of Removal-Services	4,742,664	4,568,870	2,750,000	2,606,175	1,902,508	2,060,416
94G - New Business-M & R Station Equipment	18,357	29,686	-	-	-	-
	<u>103,683,809</u>	<u>119,186,924</u>	<u>145,495,776</u>	<u>140,386,347</u>	<u>102,482,033</u>	<u>110,988,042</u>
Building*	-	-	5,000,000	10,000,000	7,000,000	-
CIS/Work Order Management System*	-	-	43,624,997	46,375,003	15,000,000	5,000,000
Total Capital Expenditures	\$ 103,683,809	\$ 119,186,924	\$ 194,120,773	\$ 196,761,350	\$ 124,482,033	\$ 115,988,042

*These capital expenditures represent common assets for all divisions of UGI Utilities, Inc. that are recorded on the books of UGI Gas until placed in service. Once placed in service, these assets are allocated to all divisions.

UGI Utilities, Inc. - Gas Division
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SDR-ROR-15

Request:

Please identify the Company's and, if applicable, its parent's capital structure targets (percentages of capital types). Provide the complete basis for the capital structure targets.

Response:

Please see Direct Testimony of Paul R. Moul in UGI Gas Statement No. 3 and Exhibit B for capital structure targets.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-16

Request:

For each month, of the most recent 24 months, please supply the Company's

- a. short-term debt balance;
- b. short-term debt interest rate;
- c. balance of construction work in progress; and
- d. balance of construction work in progress which is eligible for AFUDC accrual.

Response:

Please refer to Attachment SDR-ROR-16 for the requested information.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Select Financial Data
For the period of October 31, 2013 through September 30, 2015

Year	Month	Short Term Debt Balance	Short Term Debt Interest Rate	Construction Work in Progress Balance	CWIP Eligible for AFUDC Balance
2013	October	\$ 31,500	1.172%	\$ 7,177	\$ 6,218
2013	November	\$ 74,000	1.169%	\$ 6,869	\$ 5,193
2013	December	\$ 73,500	1.169%	\$ 4,085	\$ 3,411
2014	January	\$ 65,000	1.162%	\$ 4,834	\$ 4,359
2014	February	\$ 32,000	1.041%	\$ 5,255	\$ 3,996
2014	March	\$ 6,500	1.030%	\$ 5,431	\$ 4,554
2014	April	\$ -	-	\$ 8,414	\$ 6,904
2014	May	\$ -	-	\$ 10,407	\$ 8,364
2014	June	\$ -	-	\$ 12,084	\$ 10,845
2014	July	\$ 33,000	1.031%	\$ 14,907	\$ 12,271
2014	August	\$ 39,500	1.033%	\$ 18,721	\$ 12,085
2014	September	\$ 86,300	1.032%	\$ 15,944	\$ 10,297
2014	October	\$ 95,000	1.034%	\$ 17,513	\$ 10,429
2014	November	\$ 137,000	1.034%	\$ 20,608	\$ 13,446
2014	December	\$ 153,500	1.035%	\$ 14,338	\$ 8,343
2015	January	\$ 144,800	1.045%	\$ 14,883	\$ 8,847
2015	February	\$ 78,000	1.048%	\$ 15,733	\$ 9,343
2015	March	\$ 30,500	1.053%	\$ 19,510	\$ 9,912
2015	April	\$ -	-	\$ 21,978	\$ 12,792
2015	May	\$ -	-	\$ 22,310	\$ 12,201
2015	June	\$ 2,700	1.062%	\$ 25,210	\$ 13,500
2015	July	\$ 25,200	1.063%	\$ 28,446	\$ 16,568
2015	August	\$ 25,000	1.074%	\$ 30,406	\$ 19,125
2015	September	\$ 71,700	1.075%	\$ 21,168	\$ 13,048

UGI Utilities, Inc. - Gas Division
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Responses to Standard Data Requests - Rate of Return
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SDR-ROR-17

Request:

If applicable, please provide the currently authorized returns on equity for each of the parent's utility subsidiaries of the same industry type as the Company. In each case identify the approximate date when the current return on equity was approved by the state commission.

Response:

UGI Utilities, Inc. - Gas Division's most recent filing was approved on August 31, 1995 with no definitive Rate of Return.

UGI Central Penn Gas, Inc.'s most recent filing was approved on August 19, 2011 with no definitive Rate of Return.

UGI Penn Natural Gas, Inc.'s most recent filing was approved on August 28, 2009 with no definitive Rate of Return.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
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Responses to Standard Data Requests - Rate of Return
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SDR-ROR-18

Request:

Has the Utility reacquired or repurchased any debt within the last five years? If so, provide a summary of each gain or loss on reacquired debt, the date on which the utility commenced amortization of such a gain or loss, the regulatory commission decision addressing the treatment of such gain or loss on reacquired debt, if any, on interest expense.

Response:

UGI Gas has not reacquired or repurchased any debt within the last five years.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
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SDR-ROR-19

Request:

Fully identify all debt (other than instruments traded in public markets) owed to all shareholders, corporate officers, or members of the board of directors, its affiliates, parent company, or subsidiaries.

Response:

The Company does not owe any debt to shareholders, corporate officers, directors of the board, affiliates, parent company, or subsidiaries.

Please refer to the response to III-A-9 for a description of all trade payables due to affiliated and parent companies.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-20

Request:

Provide a summary statement of all stock dividends, splits, or par value changes during the two (2) year calendar period preceding the rate case filing.

Response:

UGI Utilities, Inc. does not have publicly traded common stock and has not issued stock as a dividend to UGI Corporation, its 100% common equity owner. There were no stock splits or par value changes in the previous 2 calendar years.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-21

Request:

If a claim of the filing utility is based on utilization of the capital structure or capital costs of the parent company and system--consolidated, the reasons for this claim must be fully stated and supported.

Response:

The Company is utilizing its own capital structure and cost of debt for this proceeding. It is doing so because it raises its debt capital directly from investors.

Prepared by or under the supervision of: Paul R. Moul

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-22

Request:

To the extent not provided in SDR III-A.13, supply projected capital requirements and sources of the filing utility, its parent and system--consolidated--for the test year and each of three (3) comparable future years.

Response:

Please refer to SDR II-A-5, which discloses projected capital expenditures.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Rate of Return
Delivered on January 19, 2016

SDR-ROR-23

Request:

To the extent not provided elsewhere, supply financial data of Company and/or parent for the last five (5) years.

- a. Times interest earned ratio — pre and post tax basis.
- b. Preferred stock dividend coverage ratio — post tax basis.
- c. Times fixed charges earned ratio — pre tax basis.
- d. Dividend payout ratio.
- e. AFUDC as a percent of earnings available for common equity.
- f. Construction work in progress as a percent of net utility plant.
- g. Effective income tax rate.
- h. Internal cash generations as a percent of total capital requirements.

Response:

Please refer to Attachment SDR-ROR-23 for the requested information.

Prepared by or under the supervision of: Ann P. Kelly

**UGI Utilities, Inc. - Gas Division
Select Financial Data**

UGI Utilities, Inc. - Consolidated

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
a Times Interest Earned Ratio - pre tax	4.95	4.37	5.35	6.40	5.88
Times Interest Earned Ratio - post tax	3.46	3.07	3.60	4.23	3.94
b Preferred Stock Dividend Coverage ratio	N/A	N/A	N/A	N/A	N/A
c Times Fixed Charges Earned Ratio	4.78	4.21	5.1	6.05	5.52
d Dividend Payout Ratio	50%	80%	58%	62%	54%
e AFUDC as a % of Net Utility Plant	0.006%	0.001%	0.045%	0.023%	0.027%
f CWIP as a % of Net Utility Plant	0.79%	0.50%	1.55%	1.96%	2.32%
g Effective income Tax rate	37.64%	38.52%	40.30%	40.31%	39.64%
h Internal Cash Generation as a % of Total Capital Requirements	108.6%	100.5%	91.1%	89.7%	80.6%

SUPPLEMENTAL DATA REQUESTS – REVENUE REQUIREMENTS

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-1

Request:

Please provide a copy of the Company's detailed quarterly balance sheet and monthly income statements for the historic test year through the most recent month available.

Response:

See Attachment SDR-RR-1 for monthly income statements from October 31, 2014 through November 31, 2015. See Attachment SDR-ROR-2 for the quarterly balance sheets.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
 Quarterly Statements of Income
 (\$ in Thousands)

Attachment SDR-RR-1
 A. P. Kelly
 Page 1 of 2

Acct. No	Title of Account	October 31, 2014	November 30, 2014	December 31, 2014	January 31, 2015	February 28, 2015	March 31, 2015	April 30, 2015	May 31, 2015	June 30, 2015
400	OPERATING REVENUES	21,903	51,294	61,229	94,903	100,117	63,504	28,924	16,209	15,759
401/402	OPERATING EXPENSES									
	Operating Expenses and Maintenance Expenses									
	Purchased Gas Costs	7,771	25,710	30,813	55,976	59,149	32,629	11,507	4,239	4,150
	Gas Storage Expenses	(5)	252	168	(43)	1	10	36	16	38
	Transmission Expenses	-	-	-	-	-	-	-	-	-
	Distribution Expenses	2,642	2,872	2,748	2,788	3,311	3,432	2,819	3,141	2,967
	Customer Accounts Expenses	934	1,300	1,785	2,257	2,451	1,947	1,601	1,238	932
	Customer Service and Informational Expenses	186	147	137	114	121	165	156	164	153
	Sales Expenses	70	57	109	131	59	89	69	79	89
	Administrative and General Expenses	3,406	3,271	3,378	4,828	3,905	5,114	4,361	3,415	3,966
	Total Operation and Maintenance Expenses	15,003	33,609	39,139	66,052	68,998	43,387	20,550	12,292	12,295
403-405	Energy Related Business									
	Depreciation and Amortization Expenses	2,554	2,569	2,604	2,628	2,629	2,625	2,672	2,684	2,667
407.3	Regulatory Debts	-	-	-	-	-	-	-	-	-
408.1	Taxes Other Than Income Taxes	361	407	570	710	475	432	409	492	404
416	Merchandising, jobbing and contract work expense	-	-	-	-	-	-	-	-	-
	Total Operating Expenses Prior to Federal and State Income Taxes	17,919	36,586	42,313	69,390	72,102	46,443	23,631	15,468	15,366
	Operating Income Prior to Federal and State Income Taxes	3,984	14,708	18,917	25,512	28,014	17,061	5,293	741	393
	INCOME TAXES									
409	Federal Income Taxes	1,056	4,000	5,492	11,593	12,403	6,078	2,377	(152)	(927)
409	State Income Taxes	346	1,215	768	2,882	3,033	2,166	772	84	(824)
410-411	Deferred Income Taxes - Federal	236	721	888	(3,188)	(3,170)	(887)	(763)	393	898
410-411	Deferred Income Taxes - State	(177)	(23)	30	(1,262)	(1,256)	(532)	(493)	(127)	34
411	Investment Tax Credit Adjustment	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)
	Total Federal and State Income Taxes	1,434	5,887	7,152	9,998	10,984	6,799	1,867	172	(845)
	Operating Income after Federal and State Income Taxes	2,549	8,821	11,764	15,514	17,031	10,262	3,427	570	1,239
	OTHER INCOME DEDUCTIONS									
409.2	Nonoperating Income Taxes	(667)	(447)	(578)	(390)	(437)	100	(439)	(430)	(425)
418	Nonoperating Rental Income	-	-	-	-	-	-	-	-	-
418.1	Equity in Earnings of Subsidiaries	-	-	-	-	-	-	-	-	-
419	Misc Interest and Dividend Income	(16)	(73)	(30)	(68)	(47)	7	64	64	148
421	Miscellaneous Nonoperating Expenses	(391)	(168)	(115)	(424)	(186)	(2,248)	(136)	(222)	(203)
426	Miscellaneous Income Deductions	915	47	183	85	23	378	27	74	28
	Total Other Income Deductions	(159)	(641)	(539)	(797)	(647)	(1,763)	(483)	(514)	(452)
	Income Before Interest Charges	2,709	9,462	12,304	16,311	17,678	12,025	3,910	1,083	1,691
	INTEREST CHARGES									
427	Interest on Long-Term Debt	1,500	1,500	1,518	1,532	1,488	1,495	1,419	1,391	1,357
428	Amortization of Debt Discount and Expense	25	25	26	26	25	95	24	23	23
430	Other Interest Expense - Affiliated Companies	-	-	-	-	-	-	-	-	-
431	Other Interest Charges	68	83	103	48	41	66	1	12	18
432	Allowance For Borrowed Funds Used During Construction	(9)	(12)	(7)	(8)	(8)	(9)	(11)	(11)	(12)
	Net Interest Charges	1,584	1,596	1,639	1,598	1,546	1,647	1,433	1,416	1,386
	NET INCOME	1,125	7,866	10,664	14,713	16,132	10,378	2,477	(333)	305

Please note operating revenues include PGC interest

Acct. No	Title of Account	July 31, 2015	August 31, 2015	September 30, 2015	October 31, 2015	November 31, 2015
400	OPERATING REVENUES	14,883	14,235	15,590	23,444	31,770
	OPERATING EXPENSES					
401/402	Operating Expenses and Maintenance Expenses					
	Purchased Gas Costs	3,087	3,018	4,309	7,556	11,979
	Gas Storage Expenses	3	49	13	2	(2)
	Transmission Expenses	-	-	-	-	-
	Distribution Expenses	2,469	2,657	3,073	2,625	2,672
	Customer Accounts Expenses	710	1,095	1,707	965	1,109
	Customer Service and Informational Expenses	110	109	176	121	119
	Sales Expenses	55	57	115	70	57
	Administrative and General Expenses	3,649	3,536	4,047	3,322	3,429
	Total Operation and Maintenance Expenses	10,083	10,521	13,439	14,660	19,362
	Energy Related Business					
403-405	Depreciation and Amortization Expenses	2,615	2,762	2,849	2,810	2,827
407.3	Regulatory Debits	-	-	-	-	-
408.1	Taxes Other Than Income Taxes	432	403	351	415	490
416	Merchandising, jobbing and contract work expense	-	-	-	-	-
	Total Operating Expenses Prior to Federal and State Income Taxes	13,130	13,686	16,639	17,884	22,679
	Operating Income Prior to Federal and State Income Taxes	1,753	549	(1,049)	5,559	9,091
	INCOME TAXES					
409	Federal Income Taxes	114	(1,557)	(29,152)	2,300	1,545
409	State Income Taxes	142	(348)	(5,341)	624	301
410-411	Deferred Income Taxes - Federal	435	1,743	21,273	(523)	1,357
410-411	Deferred Income Taxes - State	(113)	301	1,948	(308)	288
411	Investment Tax Credit Adjustment	(27)	(27)	(27)	(27)	(27)
	Total Federal and State Income Taxes	551	112	(11,298)	2,068	3,465
	Operating Income after Federal and State Income Taxes	1,202	436	10,249	3,492	5,626
	OTHER INCOME DEDUCTIONS					
409.2	Nonoperating Income Taxes	(422)	(410)	906	(446)	(430)
418	Nonoperating Rental Income	-	-	-	-	-
418.1	Equity in Earnings of Subsidiaries	-	-	-	-	-
419	Misc Interest and Dividend Income	137	120	108	96	53
421	Miscellaneous Nonoperating Expenses	(250)	(310)	(147)	(296)	(386)
426	Miscellaneous Income Deductions	35	43	23	148	156
	Total Other Income Deductions	(499)	(556)	889	(498)	(606)
	Income Before Interest Charges	1,701	993	9,359	3,989	6,232
	INTEREST CHARGES					
427	Interest on Long-Term Debt	1,370	1,390	1,407	1,420	1,461
428	Amortization of Debt Discount and Expense	23	23	24	(12)	17
430	Other Interest Expense - Affiliated Companies	-	-	-	-	-
431	Other Interest Charges	12	26	29	60	71
432	Allowance For Borrowed Funds Used During Construction	(14)	(17)	(11)	(13)	(20)
	Net Interest Charges	1,391	1,423	1,447	1,456	1,529
	NET INCOME	310	(430)	7,912	2,534	4,703

Please note operating revenues include PGC interest

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SDR-RR-2

Request:

Please provide the actual number of customers by rate schedule as of December 31 for the last five years.

Response:

Please see Attachment SDR-RR-2.

Prepared by or under the supervision of: David E. Lahoff

UGI Utilities, Inc. - Gas Division
Number of Customers Year End at December 31

<u>Customer Class</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Residential General	35,982	33,987	30,661	27,877	25,796
Residential Gas Lights	21	20	20	18	18
Residential Heat	259,422	254,847	255,305	256,788	262,625
Commercial and Industrial Air Conditioning	20	18	14	16	17
Commercial General	2,899	2,720	2,440	2,421	2,363
Commercial Gas Lights	6	6	6	6	6
Commercial Heat	22,487	21,892	21,180	22,284	23,221
Industrial General	93	89	76	76	73
Industrial Heat	580	542	502	504	507
Interruptible Service - Retail	24	12	7	7	4
Business Development	0	0	0	0	0
Retail and Standby	7	3	2	1	1
Sub-Total Retail	321,541	314,136	310,213	309,998	314,631
Residential Transportation	10,943	22,255	32,704	41,593	44,487
Non-Residential Transportation	7,763	9,060	10,729	10,316	10,076
Delivery Service	381	365	489	640	695
Extended Large Volume Delivery Service	48	48	51	52	51
Large Firm Delivery Service	185	196	218	234	248
Interruptible Service - Transportation	454	438	362	349	301
Cogeneration Delivery Service	0	0	0	1	2
Sub-Total Transportation	19,774	32,362	44,553	53,185	55,860
Grand Total	341,315	346,498	354,766	363,183	370,491

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SDR-RR-3

Request:

Please provide the average number of customers by rate schedule for the last five years.

Response:

Please see Attachment SDR-RR-3.

Prepared by or under the supervision of: David E. Lahoff

UGI Utilities, Inc. - Gas Division
Yearly Average Number of Customers for Period Ending September 30

<u>Customer Class</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Residential General	35,429	32,890	29,858	27,160	25,106
Residential Gas Lights	21	20	19	18	18
Residential Heat	258,818	253,289	255,306	258,359	262,356
Commercial and Industrial Air Conditioning	19	16	15	17	17
Commercial General	2,875	2,608	2,446	2,430	2,358
Commercial Gas Lights	6	6	6	6	6
Commercial Heat	22,392	21,289	21,527	22,520	23,350
Industrial General	90	83	76	75	71
Industrial Heat	573	516	503	502	491
Interruptible Service - Retail	21	9	7	7	5
Business Development	0	0	0	0	0
Retail and Standby	2	2	1	1	1
Sub-Total Retail	320,246	310,728	309,764	311,095	313,779
Residential Transportation	11,690	25,657	34,050	40,738	45,815
Non-Residential Transportation	7,853	9,852	10,415	10,084	10,152
Delivery Service	376	384	531	656	705
Extended Large Volume Delivery Service	48	49	51	52	53
Large Firm Delivery Service	186	202	221	239	248
Interruptible Service - Transportation	453	407	357	340	299
Cogeneration Delivery Service	0	0	0	1	2
Sub-Total Transportation	20,606	36,551	45,625	52,110	57,274
Grand Total	340,852	347,279	355,389	363,205	371,053

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SDR-RR-4

Request:

Please provide the actual number of customers by rate schedule at the end of each month from the commencement of the historic test year through the most recent month available and update as additional data become available.

Response:

Please see Attachment SDR-RR-4.

Prepared by or under the supervision of: David E. Lahoff

UGI Utilities, Inc. - Gas Division
Number of Customers - Monthly

<u>Customer Class</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>
Residential General	26,305	26,287	25,796	25,331	25,181	25,051	24,930	24,685	24,483	24,444	24,418	24,365	24,442	24,402
Residential Gas Lights	18	18	18	18	18	18	18	18	18	18	18	18	18	18
Residential Heat	259,531	261,335	262,625	263,478	264,246	264,898	264,413	262,782	260,762	260,908	261,231	262,059	264,074	266,082
Commercial and Industrial Air Conditioning	17	17	17	17	17	17	17	17	17	17	17	17	17	16
Commercial General	2,415	2,394	2,363	2,366	2,371	2,370	2,355	2,341	2,334	2,329	2,323	2,331	2,311	2,297
Commercial Gas Lights	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Commercial Heat	22,920	23,164	23,221	23,459	23,615	23,642	23,627	23,379	23,260	23,180	23,270	23,457	23,515	23,647
Industrial General	73	73	73	72	71	69	69	69	69	70	70	70	71	71
Industrial Heat	495	504	507	505	506	505	498	487	478	474	469	467	465	466
Interruptible Service - Retail	5	5	4	4	4	4	4	5	5	5	5	6	5	6
Business Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail and Standby	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Sub-Total Retail	311,786	313,804	314,631	315,257	316,036	316,581	315,938	313,790	311,433	311,452	311,828	312,797	314,925	317,012
Residential Transportation	42,361	43,726	44,487	45,641	45,908	46,018	45,511	46,605	47,688	47,442	47,205	47,187	47,668	48,001
Non-Residential Transportation	9,875	9,955	10,076	10,085	10,065	10,075	10,079	10,208	10,287	10,361	10,381	10,372	10,518	10,605
Delivery Service	694	698	695	696	701	705	706	708	711	714	717	720	722	743
Extended Large Volume Delivery Service	50	51	51	53	53	53	53	53	55	55	55	57	55	55
Large Firm Delivery Service	248	246	248	248	248	248	248	248	247	248	248	248	248	233
Interruptible Service - Transportation	314	313	301	300	298	297	297	298	296	292	293	292	291	290
Cogeneration Delivery Service	3	2	2	2	2	2	2	2	2	2	2	2	2	2
Sub-Total Transportation	53,545	54,991	55,860	57,025	57,275	57,398	56,896	58,122	59,286	59,114	58,901	58,878	59,504	59,929
Grand Total	365,331	368,795	370,491	372,282	373,311	373,979	372,834	371,912	370,719	370,566	370,729	371,675	374,429	376,941

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SDR-RR-5

Request:

If past weather normalized sales or sales trends are used in models or otherwise relied on in reaching sales projections, please provide actual and normalized throughput by rate schedule as of December 31 for the last three years. Where applicable, separately identify sales and transportation throughput.

Response:

Please see SDR-RR-11 for description of the UGI Gas regression model used for forecasting sales, including supporting data.

Prepared by or under the supervision of: David E. Lahoff

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SDR-RR-6

Request:

If past weather normalized sales or sales trends are used in models or otherwise relied on in reaching sales projections, please provide actual and normalized throughput by month by rate schedule from the beginning of the historic test year and the future test year through the most recent month available and update as additional data become available. Separately identify sales and transportation throughput and provide the work papers which develop normalized sales.

Response:

Please see response to SDR-RR-5.

Prepared by or under the supervision of: David E. Lahoff

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SDR-RR-7

Request:

Please provide the work paper developing the Company's FTY load growth adjustment.

Response:

Please see the Direct Testimony of David E. Lahoff, UGI Gas Statement No. 6.

Prepared by or under the supervision of: David E. Lahoff

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SDR-RR-8

Request:

Please provide a complete copy of the computer output generated by the Company's statistical analysis package for all residential, commercial, public authority and industrial econometric models of gas demand estimated by the Company, but not presented in the filing.

Response:

None.

Prepared by or under the supervision of: David E. Lahoff

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SDR-RR-9

Request:

Identify the historical data source(s) for each dependent and independent variable utilized to develop the econometric models of gas demands for each forecasted customer group.

Response:

Econometric models are utilized for developing gas demand forecasts for core market rate schedules. The following variables are utilized:

- (1) Monthly Sales – Monthly sales is a dependent variable in the econometric model. These sales are expressed in the form of use per customer which are developed from reported monthly sales and customer counts.
- (2) Monthly Customers – Customers is an independent variable. Reported end of month customer counts are used in conjunction with monthly sales to develop use per customer.
- (3) Monthly Heating Degree Days – Actual monthly Heating Degree Days (“HDD”) is an independent variable. HDD are calculated on a 65 degree Fahrenheit temperature base using the daily average temperature of a Gas Day and then summed by month to arrive at the Monthly Heating Degree Days. Each Gas Day is based upon the North American Standards Board definition of a Gas Day which encompasses the 24 hour period from 10:00 am to 10:00 am. The recording locations for temperature weather data used to calculate HDD are the NOAA recording stations at Allentown, PA (KABE), Reading, PA (KRDG), Lancaster, PA (KLNS), and Harrisburg, PA (KMDT). The UGI Utilities system HDD for a Gas Day is determined by taking the average of the HDD for Allentown, PA, Reading, PA, Lancaster, PA, and Harrisburg, PA on that Gas Day.
- (4) Lagged Monthly Heating Degree Days – Monthly Heating Degree Days lagged by one month.
- (5) Time Trend – Time Trend is an independent variable. This variable captures trends in customer usage which include both known and unknown factors such as structural conservation related to more efficient building envelop construction, regular cycle appliance change-outs to more efficient units, upgrades to more efficient units, installation of energy conservation measures such as set-back thermostats and manual

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SDR-RR-9 (Continued)

consumer behavior changes such as lowering thermostat settings in response to higher energy prices. This numeric variable represents the passage of time by assigning each monthly time period a sequential numeric value.

Prepared by or under the supervision of: David E. Lahoff

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SDR-RR-10

Request:

Identify the source(s) and supporting documentation for the FTY value of each independent variable which required forecasting in the Company's gas demand models.

Response:

- (1) Monthly Customers – Monthly customer counts utilized are produced by a Marketing forecast for the Future Test Year. Attachment SDR-RR-11 provides the supporting data.
- (2) Monthly Heating Degree Days – Normal Monthly Heating Degree Days (“HDD”) are utilized for forecasting the FTY. UGI Utilities utilizes 15 year Normal HDD which are based on officially recorded daily temperatures (on a Gas Day basis) over the period January 1, 2000 to December 31, 2014. These Normal HDD are recalculated every 5 years with the most recent 15 years of HDD data. HDD are calculated using temperature data from NOAA recording stations in the following cities within the UGI Utilities service territory: Allentown, PA (KABE), Reading, PA (KRDG), Lancaster, PA (KLNS), and Harrisburg, PA (KMDT). The UGI Utilities system HDD for a Gas Day is determined by taking the average of the HDD for Allentown, PA, Reading, PA, Lancaster, PA, and Harrisburg, PA on that Gas Day.
- (3) Lagged Monthly Heating Degree Days – Lagged Monthly Heating Degree Days are equal to the Monthly Heating Degree Days and are representative of the prior month’s Heating Degree Days. Please see the Direct Testimony of David E. Lahoff, UGI Gas Statement No. 6, UGI Exhibit DEL-1.
- (4) Time Trend – The Time Trend variable is sequenced by adding 1/12 (0.0833) each month through the regression period and forecast into the Future Test Year period based on a continuation of that same sequence for each month forecasted. (e.g., 1.0, 1.0833, 1.1667, etc.).

Prepared by or under the supervision of: David E. Lahoff

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SDR-RR-11

Request:

Please provide in hard copy and on a computer diskette in Lotus 1-2-3, QuattroPro or other spreadsheet format, the dependent and independent variable databases relied upon to produce the Company's gas demand models. For variables based on averages, include the observations which comprise the average (e.g., gas prices).

Response:

Please see Attachments SDR-RR-11(a)-(f), which have also been provided in electronic (Excel) format on the attached CD. Please also see the Direct Testimony of David E. Lahoff, UGI Gas Statement No. 6 for a description of the model.

Prepared by or under the supervision of: David E. Lahoff

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC RG Incl RT
Jan-95	966	1081	841	966	0.4083	Jan-95	2.30
Feb-95	1026	916	966	1,026	0.4167	Feb-95	2.03
Mar-95	655	717	1,026	655	0.4250	Mar-95	1.97
Apr-95	452	378	655	452	0.4333	Apr-95	1.69
May-95	164	139	452	164	0.4417	May-95	1.48
Jun-95	7	16	164	7	0.4500	Jun-95	1.24
Jul-95	0	0	7	0	0.4583	Jul-95	1.14
Aug-95	0	4	0	0	0.4667	Aug-95	1.05
Sep-95	86	65	0	86	0.4750	Sep-95	1.06
Oct-95	247	335	86	247	0.4833	Oct-95	1.24
Nov-95	785	617	247	785	0.4917	Nov-95	1.43
Dec-95	1116	946	785	1,116	0.5000	Dec-95	1.92
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	1.90
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	2.26
Mar-96	880	717	1,053	880	0.5250	Mar-96	2.44
Apr-96	437	378	880	437	0.5333	Apr-96	1.93
May-96	229	139	437	229	0.5417	May-96	1.52
Jun-96	6	16	229	6	0.5500	Jun-96	1.34
Jul-96	1	0	6	1	0.5583	Jul-96	1.13
Aug-96	2	4	1	2	0.5667	Aug-96	1.09
Sep-96	78	65	2	78	0.5750	Sep-96	1.17
Oct-96	348	335	78	348	0.5833	Oct-96	1.40
Nov-96	781	617	348	781	0.5917	Nov-96	1.67
Dec-96	868	946	781	868	0.6000	Dec-96	1.93
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	2.31
Feb-97	773	916	1,108	773	0.6167	Feb-97	2.05
Mar-97	731	717	773	731	0.6250	Mar-97	1.74
Apr-97	456	378	731	456	0.6333	Apr-97	1.52
May-97	219	139	456	219	0.6417	May-97	1.53
Jun-97	43	16	219	43	0.6500	Jun-97	1.24
Jul-97	3	0	43	3	0.6583	Jul-97	1.12
Aug-97	3	4	3	3	0.6667	Aug-97	1.04
Sep-97	81	65	3	81	0.6750	Sep-97	1.12
Oct-97	354	335	81	354	0.6833	Oct-97	1.43
Nov-97	714	617	354	714	0.6917	Nov-97	1.60
Dec-97	928	946	714	928	0.7000	Dec-97	1.93
Jan-98	831	1081	928	831	0.7083	Jan-98	2.06
Feb-98	707	916	831	707	0.7167	Feb-98	1.72
Mar-98	681	717	707	681	0.7250	Mar-98	1.77
Apr-98	349	378	681	349	0.7333	Apr-98	1.50
May-98	87	139	349	87	0.7417	May-98	1.43
Jun-98	37	16	87	37	0.7500	Jun-98	1.17
Jul-98	1	0	37	1	0.7583	Jul-98	1.06
Aug-98	3	4	1	3	0.7667	Aug-98	1.06
Sep-98	45	65	3	45	0.7750	Sep-98	1.10
Oct-98	320	335	45	320	0.7833	Oct-98	1.31
Nov-98	608	617	320	608	0.7917	Nov-98	1.57
Dec-98	800	946	608	800	0.8000	Dec-98	1.78
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	2.05
Feb-99	839	916	1,050	839	0.8167	Feb-99	1.83
Mar-99	792	717	839	792	0.8250	Mar-99	1.94
Apr-99	421	378	792	421	0.8333	Apr-99	1.68
May-99	123	139	421	123	0.8417	May-99	1.41
Jun-99	17	16	123	17	0.8500	Jun-99	1.15
Jul-99	0	0	17	0	0.8583	Jul-99	1.02
Aug-99	6	4	0	6	0.8667	Aug-99	0.91
Sep-99	68	65	6	68	0.8750	Sep-99	0.95

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC RG Incl RT
Oct-99	396	335	68	396	0.8833	Oct-99	1.33
Nov-99	536	617	396	536	0.8917	Nov-99	1.54
Dec-99	896	946	536	896	0.9000	Dec-99	1.87
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	2.05
Feb-00	920	946	1,119	920	0.9167	Feb-00	2.07
Mar-00	594	717	920	594	0.9250	Mar-00	1.94
Apr-00	429	378	594	429	0.9333	Apr-00	1.60
May-00	124	139	429	124	0.9417	May-00	1.35
Jun-00	28	16	124	28	0.9500	Jun-00	1.16
Jul-00	2	0	28	2	0.9583	Jul-00	1.10
Aug-00	9	4	2	9	0.9667	Aug-00	1.03
Sep-00	147	65	9	147	0.9750	Sep-00	1.13
Oct-00	351	335	147	351	0.9833	Oct-00	1.38
Nov-00	700	617	351	700	0.9917	Nov-00	1.54
Dec-00	1189	946	700	1,189	1.0000	Dec-00	1.99
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	2.34
Feb-01	882	916	1,119	882	1.0167	Feb-01	2.07
Mar-01	844	717	882	844	1.0250	Mar-01	1.76
Apr-01	406	378	844	406	1.0333	Apr-01	1.66
May-01	142	139	406	142	1.0417	May-01	1.42
Jun-01	16	16	142	16	1.0500	Jun-01	1.12
Jul-01	5	0	16	5	1.0583	Jul-01	1.06
Aug-01	0	4	5	0	1.0667	Aug-01	0.98
Sep-01	105	65	0	105	1.0750	Sep-01	1.04
Oct-01	336	335	105	336	1.0833	Oct-01	1.28
Nov-01	486	617	336	486	1.0917	Nov-01	1.55
Dec-01	810	946	486	810	1.1000	Dec-01	1.79
Jan-02	893	1081	810	893	1.1083	Jan-02	1.95
Feb-02	783	916	893	783	1.1167	Feb-02	1.73
Mar-02	700	717	783	700	1.1250	Mar-02	1.75
Apr-02	375	378	700	375	1.1333	Apr-02	1.48
May-02	200	139	375	200	1.1417	May-02	1.33
Jun-02	13	16	200	13	1.1500	Jun-02	1.14
Jul-02	0	0	13	0	1.1583	Jul-02	1.00
Aug-02	5	4	0	5	1.1667	Aug-02	0.94
Sep-02	36	65	5	36	1.1750	Sep-02	0.98
Oct-02	420	335	36	420	1.1833	Oct-02	1.24
Nov-02	682	617	420	682	1.1917	Nov-02	1.46
Dec-02	1046	946	682	1,046	1.2000	Dec-02	1.91
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	2.19
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	2.05
Mar-03	774	717	1,062	774	1.2250	Mar-03	2.00
Apr-03	446	378	774	446	1.2333	Apr-03	1.62
May-03	225	139	446	225	1.2417	May-03	1.40
Jun-03	58	16	225	58	1.2500	Jun-03	1.22
Jul-03	0	0	58	0	1.2583	Jul-03	1.13
Aug-03	0	4	0	0	1.2667	Aug-03	0.96
Sep-03	47	65	0	47	1.2750	Sep-03	1.02
Oct-03	408	335	47	408	1.2833	Oct-03	1.29
Nov-03	530	617	408	530	1.2917	Nov-03	1.59
Dec-03	954	946	530	954	1.3000	Dec-03	1.87
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	2.17
Feb-04	944	946	1,278	944	1.3167	Feb-04	2.09
Mar-04	685	717	944	685	1.3250	Mar-04	1.85
Apr-04	390	378	685	390	1.3333	Apr-04	1.51
May-04	71	139	390	71	1.3417	May-04	1.42
Jun-04	28	16	71	28	1.3500	Jun-04	1.03

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC RG Incl RT
Jul-04	0	0	28	0	1.3583	Jul-04	0.98
Aug-04	10	4	0	10	1.3667	Aug-04	1.00
Sep-04	34	65	10	34	1.3750	Sep-04	1.08
Oct-04	364	335	34	364	1.3833	Oct-04	1.30
Nov-04	567	617	364	567	1.3917	Nov-04	1.56
Dec-04	946	946	567	946	1.4000	Dec-04	1.82
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	2.12
Feb-05	889	916	1,127	889	1.4167	Feb-05	1.91
Mar-05	868	717	889	868	1.4250	Mar-05	1.96
Apr-05	340	378	868	340	1.4333	Apr-05	1.68
May-05	231	139	340	231	1.4417	May-05	1.30
Jun-05	6	16	231	6	1.4500	Jun-05	1.07
Jul-05	0	0	6	0	1.4583	Jul-05	1.04
Aug-05	0	4	0	0	1.4667	Aug-05	0.89
Sep-05	27	65	0	27	1.4750	Sep-05	0.92
Oct-05	304	335	27	304	1.4833	Oct-05	1.16
Nov-05	579	617	304	579	1.4917	Nov-05	1.46
Dec-05	1064	946	579	1,064	1.5000	Dec-05	1.88
Jan-06	847	1081	1,064	847	1.5083	Jan-06	2.20
Feb-06	902	916	847	902	1.5167	Feb-06	1.94
Mar-06	692	717	902	692	1.5250	Mar-06	1.80
Apr-06	341	378	692	341	1.5333	Apr-06	1.54
May-06	154	139	341	154	1.5417	May-06	1.33
Jun-06	22	16	154	22	1.5500	Jun-06	1.04
Jul-06	0	0	22	0	1.5583	Jul-06	0.98
Aug-06	1	4	0	1	1.5667	Aug-06	0.90
Sep-06	89	65	1	89	1.5750	Sep-06	0.95
Oct-06	375	335	89	375	1.5833	Oct-06	1.28
Nov-06	512	617	375	512	1.5917	Nov-06	1.53
Dec-06	779	946	512	779	1.6000	Dec-06	1.83
Jan-07	938	1081	779	938	1.6083	Jan-07	1.92
Feb-07	1117	916	938	1,117	1.6167	Feb-07	1.80
Mar-07	755	717	1,117	755	1.6250	Mar-07	2.13
Apr-07	495	378	755	495	1.6333	Apr-07	1.70
May-07	110	139	495	110	1.6417	May-07	1.33
Jun-07	12	16	110	12	1.6500	Jun-07	1.00
Jul-07	4	0	12	4	1.6583	Jul-07	0.90
Aug-07	16	4	4	16	1.6667	Aug-07	0.89
Sep-07	50	65	16	50	1.6750	Sep-07	1.00
Oct-07	192	335	50	192	1.6833	Oct-07	1.17
Nov-07	703	617	192	703	1.6917	Nov-07	1.38
Dec-07	956	946	703	956	1.7000	Dec-07	2.02
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	2.33
Feb-08	947	946	1,000	947	1.7167	Feb-08	1.96
Mar-08	737	717	947	737	1.7250	Mar-08	1.89
Apr-08	335	378	737	335	1.7333	Apr-08	1.46
May-08	226	139	335	226	1.7417	May-08	1.28
Jun-08	7	16	226	7	1.7500	Jun-08	1.07
Jul-08	0	0	7	0	1.7583	Jul-08	0.94
Aug-08	4	4	0	4	1.7667	Aug-08	0.96
Sep-08	54	65	4	54	1.7750	Sep-08	1.03
Oct-08	418	335	54	418	1.7833	Oct-08	1.26
Nov-08	680	617	418	680	1.7917	Nov-08	1.75
Dec-08	963	946	680	963	1.8000	Dec-08	2.17
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	2.20
Feb-09	880	916	1,225	880	1.8167	Feb-09	1.99
Mar-09	735	717	880	735	1.8250	Mar-09	1.83

	Actual DD	Normal DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar					RG Incl RT
Apr-09	388	378	735	388	1.8333	Apr-09	1.51
May-09	140	139	388	140	1.8417	May-09	1.26
Jun-09	25	16	140	25	1.8500	Jun-09	1.06
Jul-09	0	0	25	0	1.8583	Jul-09	1.04
Aug-09	6	4	0	6	1.8667	Aug-09	1.00
Sep-09	78	65	6	78	1.8750	Sep-09	1.02
Oct-09	381	335	78	381	1.8833	Oct-09	1.35
Nov-09	526	617	381	526	1.8917	Nov-09	1.63
Dec-09	995	946	526	995	1.9000	Dec-09	1.88
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	2.28
Feb-10	965	916	1,082	965	1.9167	Feb-10	1.87
Mar-10	557	717	965	557	1.9250	Mar-10	1.84
Apr-10	288	378	557	288	1.9333	Apr-10	1.35
May-10	119	139	288	119	1.9417	May-10	1.26
Jun-10	7	16	119	7	1.9500	Jun-10	1.01
Jul-10	0	0	7	0	1.9583	Jul-10	0.90
Aug-10	0	4	0	0	1.9667	Aug-10	0.87
Sep-10	25	65	0	25	1.9750	Sep-10	0.99
Oct-10	331	335	25	331	1.9833	Oct-10	1.25
Nov-10	631	617	331	631	1.9917	Nov-10	1.57
Dec-10	1103	946	631	1,103	2.0000	Dec-10	2.17
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	2.32
Feb-11	893	916	1,192	893	2.0167	Feb-11	2.02
Mar-11	757	717	893	757	2.0250	Mar-11	1.79
Apr-11	354	378	757	354	2.0333	Apr-11	1.64
May-11	92	139	354	92	2.0417	May-11	1.25
Jun-11	2	16	92	2	2.0500	Jun-11	0.96
Jul-11	0	0	2	0	2.0583	Jul-11	0.91
Aug-11	2	4	0	2	2.0667	Aug-11	0.90
Sep-11	51	65	2	51	2.0750	Sep-11	1.01
Oct-11	355	335	51	355	2.0833	Oct-11	1.28
Nov-11	536	617	355	536	2.0917	Nov-11	1.73
Dec-11	795	946	536	795	2.1000	Dec-11	2.05
Jan-12	951	1081	795	951	2.1083	Jan-12	2.32
Feb-12	783	946	951	783	2.1167	Feb-12	1.93
Mar-12	451	717	783	451	2.1250	Mar-12	1.79
Apr-12	373	378	451	373	2.1333	Apr-12	1.32
May-12	51	139	373	51	2.1417	May-12	1.21
Jun-12	21	16	51	21	2.1500	Jun-12	0.96
Jul-12	0	0	21	0	2.1583	Jul-12	0.87
Aug-12	0	4	0	0	2.1667	Aug-12	0.91
Sep-12	77	65	0	77	2.1750	Sep-12	0.94
Oct-12	302	335	77	302	2.1833	Oct-12	1.30
Nov-12	754	617	302	754	2.1917	Nov-12	1.76
Dec-12	816	946	754	816	2.2000	Dec-12	2.39
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	2.54
Feb-13	924	916	1,001	924	2.2167	Feb-13	2.47
Mar-13	819	717	924	819	2.2250	Mar-13	2.26
Apr-13	383	378	819	383	2.2333	Apr-13	1.93
May-13	158	139	383	158	2.2417	May-13	1.23
Jun-13	4	16	158	4	2.2500	Jun-13	1.01
Jul-13	0	0	4	0	2.2583	Jul-13	0.88
Aug-13	2	4	0	2	2.2667	Aug-13	0.92
Sep-13	111	65	2	111	2.2750	Sep-13	1.00
Oct-13	300	335	111	300	2.2833	Oct-13	1.31
Nov-13	723	617	300	723	2.2917	Nov-13	1.92
Dec-13	968	946	723	968	2.3000	Dec-13	2.71

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC RG Incl RT
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	2.99
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	2.72
Mar-14	908	717	1,064	908	2.3250	Mar-14	2.52
Apr-14	430	378	908	430	2.3333	Apr-14	1.74
May-14	126	139	430	126	2.3417	May-14	1.35
Jun-14	4	16	126	4	2.3500	Jun-14	1.00
Jul-14	2	0	4	2	2.3583	Jul-14	0.90
Aug-14	2	4	2	2	2.3667	Aug-14	0.95
Sep-14	71	65	2	71	2.3750	Sep-14	0.97
Oct-14	267	335	71	267	2.3833	Oct-14	1.29
Nov-14	731	617	267	731	2.3917	Nov-14	1.99
Dec-14	875	946	731	875	2.4000	Dec-14	2.71
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	2.93
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	2.83
Mar-15	920	717	1,228	920	2.4250	Mar-15	2.82
Apr-15	360	378	920	360	2.4333	Apr-15	1.69
May-15	65	139	360	65	2.4417	May-15	1.16
Jun-15	27	16	65	27	2.4500	Jun-15	0.93
Jul-15	0	0	27	0	2.4583	Jul-15	0.92
Aug-15	0	4	0	0	2.4667	Aug-15	0.89
Sep-15	26	65	0	26	2.4750	Sep-15	0.91
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

Regression Results:	0.932310595 Constant
	0.000478808 HDD-1
	0.000722699 HDD
	0.041510104 Trend

	Normal Degree Days (HDD)	Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Jan-95	1081	946	0.4083	2.1835	
Feb-95	916	1081	0.4167	2.1292	
Mar-95	717	916	0.4250	1.9067	
Apr-95	378	717	0.4333	1.5668	
May-95	139	378	0.4417	1.2321	
Jun-95	16	139	0.4500	1.0291	
Jul-95	0	16	0.4583	0.9590	
Aug-95	4	0	0.4667	0.9546	
Sep-95	65	4	0.4750	1.0009	
Oct-95	335	65	0.4833	1.2256	
Nov-95	617	335	0.4917	1.5590	
Dec-95	946	617	0.5000	1.9322	17.6786
Jan-96	1081	946	0.5083	2.1876	17.6828
Feb-96	946	1081	0.5167	2.1550	17.7086
Mar-96	717	946	0.5250	1.9252	17.7271
Apr-96	378	717	0.5333	1.5709	17.7313
May-96	139	378	0.5417	1.2362	17.7354
Jun-96	16	139	0.5500	1.0333	17.7396
Jul-96	0	16	0.5583	0.9631	17.7437
Aug-96	4	0	0.5667	0.9587	17.7479
Sep-96	65	4	0.5750	1.0051	17.7520
Oct-96	335	65	0.5833	1.2298	17.7562
Nov-96	617	335	0.5917	1.5632	17.7603
Dec-96	946	617	0.6000	1.9363	17.7645
Jan-97	1081	946	0.6083	2.1918	17.7686
Feb-97	916	1081	0.6167	2.1375	17.7511
Mar-97	717	916	0.6250	1.9150	17.7409
Apr-97	378	717	0.6333	1.5751	17.7450
May-97	139	378	0.6417	1.2404	17.7492
Jun-97	16	139	0.6500	1.0374	17.7533
Jul-97	0	16	0.6583	0.9673	17.7575
Aug-97	4	0	0.6667	0.9629	17.7616
Sep-97	65	4	0.6750	1.0092	17.7658
Oct-97	335	65	0.6833	1.2339	17.7699
Nov-97	617	335	0.6917	1.5673	17.7741
Dec-97	946	617	0.7000	1.9405	17.7782
Jan-98	1081	946	0.7083	2.1959	17.7824
Feb-98	916	1081	0.7167	2.1416	17.7865
Mar-98	717	916	0.7250	1.9192	17.7907
Apr-98	378	717	0.7333	1.5792	17.7948
May-98	139	378	0.7417	1.2445	17.7990
Jun-98	16	139	0.7500	1.0416	17.8031
Jul-98	0	16	0.7583	0.9715	17.8073
Aug-98	4	0	0.7667	0.9670	17.8114
Sep-98	65	4	0.7750	1.0134	17.8156
Oct-98	335	65	0.7833	1.2381	17.8197
Nov-98	617	335	0.7917	1.5715	17.8239
Dec-98	946	617	0.8000	1.9448	17.8281
Jan-99	1081	946	0.8083	2.2001	17.8322
Feb-99	916	1081	0.8167	2.1458	17.8364
Mar-99	717	916	0.8250	1.9233	17.8405
Apr-99	378	717	0.8333	1.5834	17.8447
May-99	139	378	0.8417	1.2487	17.8488
Jun-99	16	139	0.8500	1.0457	17.8530
Jul-99	0	16	0.8583	0.9756	17.8571
Aug-99	4	0	0.8667	0.9712	17.8613
Sep-99	65	4	0.8750 FY99	1.0175	17.8654
Oct-99	335	65	0.8833	1.2422	17.8696
Nov-99	617	335	0.8917	1.5756	17.8737
Dec-99	946	617	0.9000	1.9488	17.8779
Jan-00	1081	946	0.9083	2.2042	17.8820
Feb-00	946	1081	0.9167	2.1716	17.9078
Mar-00	717	946	0.9250	1.9418	17.9264
Apr-00	378	717	0.9333	1.5875	17.9305
May-00	139	378	0.9417	1.2528	17.9347
Jun-00	16	139	0.9500	1.0499	17.9388
Jul-00	0	16	0.9583	0.9798	17.9430
Aug-00	4	0	0.9667	0.9753	17.9471
Sep-00	65	4	0.9750 FY00	1.0217	17.9513
Oct-00	335	65	0.9833	1.2464	17.9554
Nov-00	617	335	0.9917	1.5798	17.9596

Regression Results:	0.932310595 Constant
	0.000478808 HDD-1
	0.000722699 HDD
	0.041510104 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Dec-00	946	617	1.0000	1.9529	17.9637
Jan-01	1081	946	1.0083	2.2084	17.9679
Feb-01	916	1081	1.0167	2.1541	17.9503
Mar-01	717	916	1.0250	1.9316	17.9401
Apr-01	378	717	1.0333	1.5917	17.9443
May-01	139	378	1.0417	1.2570	17.9484
Jun-01	16	139	1.0500	1.0540	17.9526
Jul-01	0	16	1.0583	0.9839	17.9567
Aug-01	4	0	1.0667	0.9795	17.9609
Sep-01	65	4	1.0750 FY01	1.0258	17.9650
Oct-01	335	65	1.0833	1.2505	17.9692
Nov-01	617	335	1.0917	1.5839	17.9733
Dec-01	946	617	1.1000	1.9571	17.9775
Jan-02	1081	946	1.1083	2.2125	17.9816
Feb-02	916	1081	1.1167	2.1582	17.9858
Mar-02	717	916	1.1250	1.9358	17.9899
Apr-02	378	717	1.1333	1.5958	17.9941
May-02	139	378	1.1417	1.2611	17.9982
Jun-02	16	139	1.1500	1.0582	18.0024
Jul-02	0	16	1.1583	0.9881	18.0065
Aug-02	4	0	1.1667	0.9836	18.0107
Sep-02	65	4	1.1750 FY02	1.0300	18.0148
Oct-02	335	65	1.1833	1.2547	18.0190
Nov-02	617	335	1.1917	1.5881	18.0231
Dec-02	946	617	1.2000	1.9612	18.0273
Jan-03	1081	946	1.2083	2.2167	18.0314
Feb-03	916	1081	1.2167	2.1624	18.0356
Mar-03	717	916	1.2250	1.9399	18.0398
Apr-03	378	717	1.2333	1.6000	18.0439
May-03	139	378	1.2417	1.2653	18.0481
Jun-03	16	139	1.2500	1.0623	18.0522
Jul-03	0	16	1.2583	0.9922	18.0564
Aug-03	4	0	1.2667	0.9878	18.0605
Sep-03	65	4	1.2750 FY03	1.0341	18.0647
Oct-03	335	65	1.2833	1.2588	18.0688
Nov-03	617	335	1.2917	1.5922	18.0730
Dec-03	946	617	1.3000	1.9654	18.0771
Jan-04	1081	946	1.3083	2.2208	18.0813
Feb-04	946	1081	1.3167	2.1882	18.1071
Mar-04	717	946	1.3250	1.9584	18.1256
Apr-04	378	717	1.3333	1.6041	18.1298
May-04	139	378	1.3417	1.2694	18.1339
Jun-04	16	139	1.3500	1.0665	18.1381
Jul-04	0	16	1.3583	0.9964	18.1422
Aug-04	4	0	1.3667	0.9919	18.1464
Sep-04	65	4	1.3750 FY04	1.0383	18.1505
Oct-04	335	65	1.3833	1.2630	18.1547
Nov-04	617	335	1.3917	1.5964	18.1588
Dec-04	946	617	1.4000	1.9695	18.1630
Jan-05	1081	946	1.4083	2.2250	18.1671
Feb-05	916	1081	1.4167	2.1707	18.1496
Mar-05	717	916	1.4250	1.9482	18.1394
Apr-05	378	717	1.4333	1.6083	18.1435
May-05	139	378	1.4417	1.2736	18.1477
Jun-05	16	139	1.4500	1.0706	18.1518
Jul-05	0	16	1.4583	1.0005	18.1560
Aug-05	4	0	1.4667	0.9961	18.1601
Sep-05	65	4	1.4750 FY05	1.0424	18.1643
Oct-05	335	65	1.4833	1.2671	18.1684
Nov-05	617	335	1.4917	1.6005	18.1726
Dec-05	946	617	1.5000	1.9737	18.1767
Jan-06	1081	946	1.5083	2.2291	18.1809
Feb-06	916	1081	1.5167	2.1749	18.1850
Mar-06	717	916	1.5250	1.9524	18.1892
Apr-06	378	717	1.5333	1.6124	18.1933
May-06	139	378	1.5417	1.2777	18.1975
Jun-06	16	139	1.5500	1.0748	18.2016
Jul-06	0	16	1.5583	1.0047	18.2058
Aug-06	4	0	1.5667	1.0002	18.2099
Sep-06	65	4	1.5750 FY06	1.0466	18.2141
Oct-06	335	65	1.5833	1.2713	18.2182

Regression Results:	0.932310595 Constant
	0.000478808 HDD-1
	0.000722699 HDD
	0.041510104 Trend

	Normal Degree Days	Degree for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Nov-06	617	335	1.5917	1.6047	18.2224
Dec-06	946	617	1.6000	1.9778	18.2265
Jan-07	1081	946	1.6083	2.2333	18.2307
Feb-07	916	1081	1.6167	2.1790	18.2348
Mar-07	717	916	1.6250	1.9565	18.2390
Apr-07	378	717	1.6333	1.6166	18.2432
May-07	139	378	1.6417	1.2819	18.2473
Jun-07	16	139	1.6500	1.0789	18.2515
Jul-07	0	16	1.6583	1.0088	18.2556
Aug-07	4	0	1.6667	1.0044	18.2598
Sep-07	65	4	1.6750 FY 07	1.0507	18.2639
Oct-07	335	65	1.6833	1.2754	18.2681
Nov-07	617	335	1.6917	1.6088	18.2722
Dec-07	946	617	1.7000	1.9820	18.2764
Jan-08	1081	946	1.7083	2.2374	18.2805
Feb-08	946	1081	1.7167	2.2048	18.3063
Mar-08	717	946	1.7250	1.9750	18.3249
Apr-08	378	717	1.7333	1.6207	18.3290
May-08	139	378	1.7417	1.2861	18.3332
Jun-08	16	139	1.7500	1.0831	18.3373
Jul-08	0	16	1.7583	1.0130	18.3415
Aug-08	4	0	1.7667	1.0085	18.3456
Sep-08	65	4	1.7750 FY 08	1.0549	18.3498
Oct-08	335	65	1.7833	1.2796	18.3539
Nov-08	617	335	1.7917	1.6130	18.3581
Dec-08	946	617	1.8000	1.9961	18.3622
Jan-09	1081	946	1.8083	2.2416	18.3664
Feb-09	916	1081	1.8167	2.1873	18.3488
Mar-09	717	916	1.8250	1.9648	18.3386
Apr-09	378	717	1.8333	1.6249	18.3428
May-09	139	378	1.8417	1.2902	18.3469
Jun-09	16	139	1.8500	1.0872	18.3511
Jul-09	0	16	1.8583	1.0171	18.3552
Aug-09	4	0	1.8667	1.0127	18.3594
Sep-09	65	4	1.8750 FY 09	1.0590	18.3635
Oct-09	335	65	1.8833	1.2837	18.3677
Nov-09	617	335	1.8917	1.6171	18.3718
Dec-09	946	617	1.9000	1.9903	18.3760
Jan-10	1081	946	1.9083	2.2457	18.3801
Feb-10	916	1081	1.9167	2.1915	18.3843
Mar-10	717	916	1.9250	1.9690	18.3884
Apr-10	378	717	1.9333	1.6290	18.3926
May-10	139	378	1.9417	1.2944	18.3967
Jun-10	16	139	1.9500	1.0914	18.4009
Jul-10	0	16	1.9583	1.0213	18.4050
Aug-10	4	0	1.9667	1.0168	18.4092
Sep-10	65	4	1.9750 FY 10	1.0632	18.4133
Oct-10	335	65	1.9833	1.2879	18.4175
Nov-10	617	335	1.9917	1.6213	18.4216
Dec-10	946	617	2.0000	1.9944	18.4258
Jan-11	1081	946	2.0083	2.2499	18.4299
Feb-11	916	1081	2.0167	2.1956	18.4341
Mar-11	717	916	2.0250	1.9731	18.4382
Apr-11	378	717	2.0333	1.6332	18.4424
May-11	139	378	2.0417	1.2985	18.4466
Jun-11	16	139	2.0500	1.0955	18.4507
Jul-11	0	16	2.0583	1.0254	18.4549
Aug-11	4	0	2.0667	1.0210	18.4590
Sep-11	65	4	2.0750 FY 11	1.0673	18.4632
Oct-11	335	65	2.0833	1.2920	18.4673
Nov-11	617	335	2.0917	1.6254	18.4715
Dec-11	946	617	2.1000	1.9986	18.4756
Jan-12	1081	946	2.1083	2.2540	18.4798
Feb-12	946	1081	2.1167	2.2214	18.5056
Mar-12	717	946	2.1250	1.9916	18.5241
Apr-12	378	717	2.1333	1.6374	18.5283
May-12	139	378	2.1417	1.3027	18.5324
Jun-12	16	139	2.1500	1.0997	18.5366
Jul-12	0	16	2.1583	1.0296	18.5407
Aug-12	4	0	2.1667	1.0251	18.5449
Sep-12	65	4	2.1750 FY 12	1.0715	18.5490

Regression Results:	0.932310595 Constant
	0.000478808 HDD-1
	0.000722699 HDD
	0.041510104 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Oct-12	335	65	2.1833	1.2962	18.5532
Nov-12	617	335	2.1917	1.6296	18.5573
Dec-12	946	617	2.2000	2.0027	18.5615
Jan-13	1081	946	2.2083	2.2582	18.5656
Feb-13	916	1081	2.2167	2.2039	18.5481
Mar-13	717	916	2.2250	1.9814	18.5379
Apr-13	378	717	2.2333	1.6415	18.5420
May-13	139	378	2.2417	1.3068	18.5462
Jun-13	16	139	2.2500	1.1038	18.5503
Jul-13	0	16	2.2583	1.0337	18.5545
Aug-13	4	0	2.2667	1.0293	18.5586
Sep-13	65	4	2.2750 FY 13	1.0756	18.5628
Oct-13	335	65	2.2833	1.3003	18.5669
Nov-13	617	335	2.2917	1.6337	18.5711
Dec-13	946	617	2.3000	2.0069	18.5752
Jan-14	1081	946	2.3083	2.2623	18.5794
Feb-14	916	1081	2.3167	2.2081	18.5835
Mar-14	717	916	2.3250	1.9856	18.5877
Apr-14	378	717	2.3333	1.6457	18.5918
May-14	139	378	2.3417	1.3110	18.5960
Jun-14	16	139	2.3500	1.1080	18.6001
Jul-14	0	16	2.3583	1.0379	18.6043
Aug-14	4	0	2.3667	1.0334	18.6084
Sep-14	65	4	2.3750 FY 14	1.0798	18.6126
Oct-14	335	65	2.3833	1.3045	18.6167
Nov-14	617	335	2.3917	1.6379	18.6209
Dec-14	946	617	2.4000	2.0110	18.6250
Jan-15	1081	946	2.4083	2.2665	18.6292
Feb-15	916	1081	2.4167	2.2122	18.6333
Mar-15	717	916	2.4250	1.9897	18.6375
Apr-15	378	717	2.4333	1.6498	18.6416
May-15	139	378	2.4417	1.3151	18.6458
Jun-15	16	139	2.4500	1.1121	18.6500
Jul-15	0	16	2.4583	1.0420	18.6541
Aug-15	4	0	2.4667	1.0376	18.6583
Sep-15	65	4	2.4750 FY 15	1.0839	18.6624
Oct-15	335	65	2.4833	1.3086	18.6666
Nov-15	617	335	2.4917	1.6420	18.6707
Dec-15	946	617	2.5000	2.0152	18.6749
Jan-16	1081	946	2.5083	2.2706	18.6790
Feb-16	946	1081	2.5167	2.2380	18.7048
Mar-16	717	946	2.5250	2.0083	18.7234 Historic Test Year Annualized FY15
Apr-16	378	717	2.5333	1.6540	18.7275
May-16	139	378	2.5417	1.3193	18.7317
Jun-16	16	139	2.5500	1.1163	18.7358
Jul-16	0	16	2.5583	1.0462	18.7400
Aug-16	4	0	2.5667	1.0417	18.7441
Sep-16	65	4	2.5750 FY 16	1.0881	18.7483
Oct-16	335	65	2.5833	1.3128	18.7524
Nov-16	617	335	2.5917	1.6462	18.7566
Dec-16	946	617	2.6000	2.0193	18.7607
Jan-17	1081	946	2.6083	2.2748	18.7649
Feb-17	916	1081	2.6167	2.2205	18.7473
Mar-17	717	916	2.6250	1.9980	18.7371 Future Test Year Annualized FY 16
Apr-17	378	717	2.6333	1.6581	18.7413
May-17	139	378	2.6417	1.3234	18.7454
Jun-17	16	139	2.6500	1.1204	18.7496
Jul-17	0	16	2.6583	1.0503	18.7537
Aug-17	4	0	2.6667	1.0459	18.7579
Sep-17	65	4	2.6750 FY 17	1.0922	18.7620
Oct-17	335	65	2.6833	1.3169	18.7662
Nov-17	617	335	2.6917	1.6503	18.7703
Dec-17	946	617	2.7000	2.0235	18.7745
Jan-18	1081	946	2.7083	2.2789	18.7786
Feb-18	916	1081	2.7167	2.2247	18.7828
Mar-18	717	916	2.7250	2.0022	18.7869 Fully Projected Future Test Year Annualized FY 17

RG incl RT-UGIU
Regression based on Usage per Customer History 1/95-9/15

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.943645853
R Square	0.890467496
Adjusted R Square	0.889126281
Standard Error	0.162792423
Observations	249

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	52.78487691	17.59495897	663.926317	2.6115E-117
Residual	245	6.492836385	0.026501373		
Total	248	59.2777133			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.932310595	0.0296785	31.41366987	6.84697E-88	0.873853035	0.990768156	0.873853035	0.990768156
X Variable 1	0.000478808	4.66205E-05	10.27031777	8.22912E-21	0.00038698	0.000570636	0.00038698	0.000570636
X Variable 2	0.000722699	4.66141E-05	15.50388045	3.06629E-38	0.000630884	0.000814515	0.000630884	0.000814515
X Variable 3	0.041510104	0.017229443	2.409253944	0.016723713	0.007573374	0.075446834	0.007573374	0.075446834

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC RH Incl RT
Jan-95	966	1081	841	966	0.4083	Jan-95	15.86
Feb-95	1026	916	966	1,026	0.4167	Feb-95	17.68
Mar-95	655	717	1,026	655	0.4250	Mar-95	12.61
Apr-95	452	378	655	452	0.4333	Apr-95	8.76
May-95	164	139	452	164	0.4417	May-95	3.86
Jun-95	7	16	164	7	0.4500	Jun-95	1.70
Jul-95	0	0	7	0	0.4583	Jul-95	2.04
Aug-95	0	4	0	0	0.4667	Aug-95	2.07
Sep-95	86	65	0	86	0.4750	Sep-95	2.84
Oct-95	247	335	86	247	0.4833	Oct-95	4.79
Nov-95	785	617	247	785	0.4917	Nov-95	11.96
Dec-95	1116	946	785	1,116	0.5000	Dec-95	17.66
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	19.64
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	17.47
Mar-96	880	717	1,053	880	0.5250	Mar-96	16.75
Apr-96	437	378	880	437	0.5333	Apr-96	8.79
May-96	229	139	437	229	0.5417	May-96	5.48
Jun-96	6	16	229	6	0.5500	Jun-96	1.83
Jul-96	1	0	6	1	0.5583	Jul-96	2.01
Aug-96	2	4	1	2	0.5667	Aug-96	2.10
Sep-96	78	65	2	78	0.5750	Sep-96	2.87
Oct-96	348	335	78	348	0.5833	Oct-96	6.12
Nov-96	781	617	348	781	0.5917	Nov-96	12.45
Dec-96	868	946	781	868	0.6000	Dec-96	14.11
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	18.65
Feb-97	773	916	1,108	773	0.6167	Feb-97	14.13
Mar-97	731	717	773	731	0.6250	Mar-97	13.29
Apr-97	456	378	731	456	0.6333	Apr-97	8.41
May-97	219	139	456	219	0.6417	May-97	4.72
Jun-97	43	16	219	43	0.6500	Jun-97	1.89
Jul-97	3	0	43	3	0.6583	Jul-97	1.76
Aug-97	3	4	3	3	0.6667	Aug-97	1.92
Sep-97	81	65	3	81	0.6750	Sep-97	2.78
Oct-97	354	335	81	354	0.6833	Oct-97	6.28
Nov-97	714	617	354	714	0.6917	Nov-97	11.28
Dec-97	928	946	714	928	0.7000	Dec-97	14.53
Jan-98	831	1081	928	831	0.7083	Jan-98	13.88
Feb-98	707	916	831	707	0.7167	Feb-98	12.39
Mar-98	681	717	707	681	0.7250	Mar-98	11.92
Apr-98	349	378	681	349	0.7333	Apr-98	6.78
May-98	87	139	349	87	0.7417	May-98	2.82
Jun-98	37	16	87	37	0.7500	Jun-98	2.05
Jul-98	1	0	37	1	0.7583	Jul-98	1.86
Aug-98	3	4	1	3	0.7667	Aug-98	1.91
Sep-98	45	65	3	45	0.7750	Sep-98	2.26
Oct-98	320	335	45	320	0.7833	Oct-98	5.41
Nov-98	608	617	320	608	0.7917	Nov-98	9.02
Dec-98	800	946	608	800	0.8000	Dec-98	12.06
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	16.72
Feb-99	839	916	1,050	839	0.8167	Feb-99	14.16
Mar-99	792	717	839	792	0.8250	Mar-99	13.73
Apr-99	421	378	792	421	0.8333	Apr-99	7.79
May-99	123	139	421	123	0.8417	May-99	3.04
Jun-99	17	16	123	17	0.8500	Jun-99	1.71
Jul-99	0	0	17	0	0.8583	Jul-99	1.91
Aug-99	6	4	0	6	0.8667	Aug-99	1.74
Sep-99	68	65	6	68	0.8750	Sep-99	2.27

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	RH Incl RT
Oct-99	396	335	68	396	0.8833	Oct-99	6.39
Nov-99	536	617	396	536	0.8917	Nov-99	8.16
Dec-99	896	946	536	896	0.9000	Dec-99	13.66
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	17.57
Feb-00	920	946	1,119	920	0.9167	Feb-00	15.55
Mar-00	594	717	920	594	0.9250	Mar-00	10.42
Apr-00	429	378	594	429	0.9333	Apr-00	7.62
May-00	124	139	429	124	0.9417	May-00	3.22
Jun-00	28	16	124	28	0.9500	Jun-00	1.73
Jul-00	2	0	28	2	0.9583	Jul-00	1.67
Aug-00	9	4	2	9	0.9667	Aug-00	1.94
Sep-00	147	65	9	147	0.9750	Sep-00	3.45
Oct-00	351	335	147	351	0.9833	Oct-00	5.37
Nov-00	700	617	351	700	0.9917	Nov-00	9.96
Dec-00	1189	946	700	1,189	1.0000	Dec-00	17.49
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	17.48
Feb-01	882	916	1,119	882	1.0167	Feb-01	14.60
Mar-01	844	717	882	844	1.0250	Mar-01	13.53
Apr-01	406	378	844	406	1.0333	Apr-01	7.41
May-01	142	139	406	142	1.0417	May-01	3.15
Jun-01	16	16	142	16	1.0500	Jun-01	1.45
Jul-01	5	0	16	5	1.0583	Jul-01	1.69
Aug-01	0	4	5	0	1.0667	Aug-01	1.75
Sep-01	105	65	0	105	1.0750	Sep-01	2.82
Oct-01	336	335	105	336	1.0833	Oct-01	5.28
Nov-01	486	617	336	486	1.0917	Nov-01	6.83
Dec-01	810	946	486	810	1.1000	Dec-01	11.56
Jan-02	893	1081	810	893	1.1083	Jan-02	13.31
Feb-02	783	916	893	783	1.1167	Feb-02	12.48
Mar-02	700	717	783	700	1.1250	Mar-02	11.13
Apr-02	375	378	700	375	1.1333	Apr-02	6.67
May-02	200	139	375	200	1.1417	May-02	3.90
Jun-02	13	16	200	13	1.1500	Jun-02	1.46
Jul-02	0	0	13	0	1.1583	Jul-02	1.65
Aug-02	5	4	0	5	1.1667	Aug-02	1.67
Sep-02	36	65	5	36	1.1750	Sep-02	1.97
Oct-02	420	335	36	420	1.1833	Oct-02	6.35
Nov-02	682	617	420	682	1.1917	Nov-02	9.52
Dec-02	1046	946	682	1,046	1.2000	Dec-02	15.11
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	19.12
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	17.19
Mar-03	774	717	1,062	774	1.2250	Mar-03	13.23
Apr-03	446	378	774	446	1.2333	Apr-03	8.19
May-03	225	139	446	225	1.2417	May-03	4.34
Jun-03	58	16	225	58	1.2500	Jun-03	1.82
Jul-03	0	0	58	0	1.2583	Jul-03	1.61
Aug-03	0	4	0	0	1.2667	Aug-03	1.73
Sep-03	47	65	0	47	1.2750	Sep-03	2.05
Oct-03	408	335	47	408	1.2833	Oct-03	6.52
Nov-03	530	617	408	530	1.2917	Nov-03	7.75
Dec-03	954	946	530	954	1.3000	Dec-03	13.91
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	19.45
Feb-04	944	946	1,278	944	1.3167	Feb-04	15.29
Mar-04	685	717	944	685	1.3250	Mar-04	11.55
Apr-04	390	378	685	390	1.3333	Apr-04	6.82
May-04	71	139	390	71	1.3417	May-04	2.33
Jun-04	28	16	71	28	1.3500	Jun-04	1.67

	Actual DD	Normal DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar					RH Incl RT
Jul-04	0	0	28	0	1.3583	Jul-04	1.69
Aug-04	10	4	0	10	1.3667	Aug-04	1.73
Sep-04	34	65	10	34	1.3750	Sep-04	2.08
Oct-04	364	335	34	364	1.3833	Oct-04	6.00
Nov-04	567	617	364	567	1.3917	Nov-04	7.81
Dec-04	946	946	567	946	1.4000	Dec-04	12.95
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	16.35
Feb-05	889	916	1,127	889	1.4167	Feb-05	13.80
Mar-05	868	717	889	868	1.4250	Mar-05	13.62
Apr-05	340	378	868	340	1.4333	Apr-05	6.31
May-05	231	139	340	231	1.4417	May-05	4.13
Jun-05	6	16	231	6	1.4500	Jun-05	1.04
Jul-05	0	0	6	0	1.4583	Jul-05	1.46
Aug-05	0	4	0	0	1.4667	Aug-05	1.56
Sep-05	27	65	0	27	1.4750	Sep-05	1.78
Oct-05	304	335	27	304	1.4833	Oct-05	4.80
Nov-05	579	617	304	579	1.4917	Nov-05	7.52
Dec-05	1064	946	579	1,064	1.5000	Dec-05	15.67
Jan-06	847	1081	1,064	847	1.5083	Jan-06	11.79
Feb-06	902	916	847	902	1.5167	Feb-06	13.36
Mar-06	692	717	902	692	1.5250	Mar-06	9.74
Apr-06	341	378	692	341	1.5333	Apr-06	4.73
May-06	154	139	341	154	1.5417	May-06	2.81
Jun-06	22	16	154	22	1.5500	Jun-06	1.52
Jul-06	0	0	22	0	1.5583	Jul-06	1.39
Aug-06	1	4	0	1	1.5667	Aug-06	1.39
Sep-06	89	65	1	89	1.5750	Sep-06	2.18
Oct-06	375	335	89	375	1.5833	Oct-06	5.53
Nov-06	512	617	375	512	1.5917	Nov-06	6.43
Dec-06	779	946	512	779	1.6000	Dec-06	10.32
Jan-07	938	1081	779	938	1.6083	Jan-07	14.22
Feb-07	1117	916	938	1,117	1.6167	Feb-07	16.80
Mar-07	755	717	1,117	755	1.6250	Mar-07	10.14
Apr-07	495	378	755	495	1.6333	Apr-07	8.01
May-07	110	139	495	110	1.6417	May-07	2.13
Jun-07	12	16	110	12	1.6500	Jun-07	1.66
Jul-07	4	0	12	4	1.6583	Jul-07	1.39
Aug-07	16	4	4	16	1.6667	Aug-07	1.40
Sep-07	50	65	16	50	1.6750	Sep-07	1.68
Oct-07	192	335	50	192	1.6833	Oct-07	3.04
Nov-07	703	617	192	703	1.6917	Nov-07	9.71
Dec-07	956	946	703	956	1.7000	Dec-07	13.23
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	14.23
Feb-08	947	946	1,000	947	1.7167	Feb-08	13.32
Mar-08	737	717	947	737	1.7250	Mar-08	10.50
Apr-08	335	378	737	335	1.7333	Apr-08	4.37
May-08	226	139	335	226	1.7417	May-08	3.24
Jun-08	7	16	226	7	1.7500	Jun-08	1.46
Jul-08	0	0	7	0	1.7583	Jul-08	1.50
Aug-08	4	4	0	4	1.7667	Aug-08	1.43
Sep-08	54	65	4	54	1.7750	Sep-08	1.86
Oct-08	418	335	54	418	1.7833	Oct-08	5.21
Nov-08	680	617	418	680	1.7917	Nov-08	8.67
Dec-08	963	946	680	963	1.8000	Dec-08	12.98
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	18.07
Feb-09	880	916	1,225	880	1.8167	Feb-09	11.77
Mar-09	735	717	880	735	1.8250	Mar-09	10.27

	Actual DD	Normal DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar					RH Incl RT
Apr-09	388	378	735	388	1.8333	Apr-09	5.41
May-09	140	139	388	140	1.8417	May-09	2.39
Jun-09	25	16	140	25	1.8500	Jun-09	1.81
Jul-09	0	0	25	0	1.8583	Jul-09	1.45
Aug-09	6	4	0	6	1.8667	Aug-09	1.34
Sep-09	78	65	6	78	1.8750	Sep-09	1.90
Oct-09	381	335	78	381	1.8833	Oct-09	4.60
Nov-09	526	617	381	526	1.8917	Nov-09	6.08
Dec-09	995	946	526	995	1.9000	Dec-09	13.94
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	15.29
Feb-10	965	916	1,082	965	1.9167	Feb-10	13.65
Mar-10	557	717	965	557	1.9250	Mar-10	7.57
Apr-10	288	378	557	288	1.9333	Apr-10	3.79
May-10	119	139	288	119	1.9417	May-10	2.36
Jun-10	7	16	119	7	1.9500	Jun-10	1.67
Jul-10	0	0	7	0	1.9583	Jul-10	1.53
Aug-10	0	4	0	0	1.9667	Aug-10	1.44
Sep-10	25	65	0	25	1.9750	Sep-10	1.62
Oct-10	331	335	25	331	1.9833	Oct-10	3.56
Nov-10	631	617	331	631	1.9917	Nov-10	7.92
Dec-10	1103	946	631	1,103	2.0000	Dec-10	15.78
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	16.49
Feb-11	893	916	1,192	893	2.0167	Feb-11	12.23
Mar-11	757	717	893	757	2.0250	Mar-11	10.78
Apr-11	354	378	757	354	2.0333	Apr-11	4.83
May-11	92	139	354	92	2.0417	May-11	2.27
Jun-11	2	16	92	2	2.0500	Jun-11	1.57
Jul-11	0	0	2	0	2.0583	Jul-11	1.53
Aug-11	2	4	0	2	2.0667	Aug-11	1.42
Sep-11	51	65	2	51	2.0750	Sep-11	1.84
Oct-11	355	335	51	355	2.0833	Oct-11	4.47
Nov-11	536	617	355	536	2.0917	Nov-11	6.49
Dec-11	795	946	536	795	2.1000	Dec-11	10.57
Jan-12	951	1081	795	951	2.1083	Jan-12	13.84
Feb-12	783	946	951	783	2.1167	Feb-12	10.75
Mar-12	451	717	783	451	2.1250	Mar-12	5.75
Apr-12	373	378	451	373	2.1333	Apr-12	5.03
May-12	51	139	373	51	2.1417	May-12	1.68
Jun-12	21	16	51	21	2.1500	Jun-12	1.72
Jul-12	0	0	21	0	2.1583	Jul-12	1.04
Aug-12	0	4	0	0	2.1667	Aug-12	0.96
Sep-12	77	65	0	77	2.1750	Sep-12	1.59
Oct-12	302	335	77	302	2.1833	Oct-12	3.53
Nov-12	754	617	302	754	2.1917	Nov-12	10.15
Dec-12	816	946	754	816	2.2000	Dec-12	10.64
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	14.35
Feb-13	924	916	1,001	924	2.2167	Feb-13	12.76
Mar-13	819	717	924	819	2.2250	Mar-13	11.55
Apr-13	383	378	819	383	2.2333	Apr-13	4.30
May-13	158	139	383	158	2.2417	May-13	2.43
Jun-13	4	16	158	4	2.2500	Jun-13	1.51
Jul-13	0	0	4	0	2.2583	Jul-13	1.39
Aug-13	2	4	0	2	2.2667	Aug-13	1.36
Sep-13	111	65	2	111	2.2750	Sep-13	2.19
Oct-13	300	335	111	300	2.2833	Oct-13	3.82
Nov-13	723	617	300	723	2.2917	Nov-13	9.41
Dec-13	968	946	723	968	2.3000	Dec-13	12.92

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC RH Incl RT
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	18.32
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	14.47
Mar-14	908	717	1,064	908	2.3250	Mar-14	12.34
Apr-14	430	378	908	430	2.3333	Apr-14	5.47
May-14	126	139	430	126	2.3417	May-14	1.80
Jun-14	4	16	126	4	2.3500	Jun-14	1.41
Jul-14	2	0	4	2	2.3583	Jul-14	1.27
Aug-14	2	4	2	2	2.3667	Aug-14	1.10
Sep-14	71	65	2	71	2.3750	Sep-14	2.99
Oct-14	267	335	71	267	2.3833	Oct-14	2.95
Nov-14	731	617	267	731	2.3917	Nov-14	9.89
Dec-14	875	946	731	875	2.4000	Dec-14	11.50
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	17.20
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	17.41
Mar-15	920	717	1,228	920	2.4250	Mar-15	12.30
Apr-15	360	378	920	360	2.4333	Apr-15	5.01
May-15	65	139	360	65	2.4417	May-15	1.82
Jun-15	27	16	65	27	2.4500	Jun-15	1.80
Jul-15	0	0	27	0	2.4583	Jul-15	1.39
Aug-15	0	4	0	0	2.4667	Aug-15	1.38
Sep-15	26	65	0	26	2.4750	Sep-15	1.66
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

Regression Results:	2.658447 Constant
	0.000862 HDD-1
	0.012825 HDD
	-1.05578 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Jan-95	1081	946	0.4083	16.9065	
Feb-95	916	1081	0.4167	14.8979	
Mar-95	717	916	0.4250	12.1947	
Apr-95	378	717	0.4333	7.6667	
May-95	139	378	0.4417	4.3006	
Jun-95	16	139	0.4500	2.5083	
Jul-95	0	16	0.4583	2.1883	
Aug-95	4	0	0.4667	2.2170	
Sep-95	65	4	0.4750	2.9940	
Oct-95	335	65	0.4833	6.5006	
Nov-95	617	335	0.4917	10.3411	
Dec-95	946	617	0.5000	14.7948	97.5105
Jan-96	1081	946	0.5083	16.8009	97.4049
Feb-96	946	1081	0.5167	15.1770	97.6841
Mar-96	717	946	0.5250	12.1149	97.6044
Apr-96	378	717	0.5333	7.5611	97.4888
May-96	139	378	0.5417	4.1950	97.3932
Jun-96	16	139	0.5500	2.4027	97.2876
Jul-96	0	16	0.5583	2.0828	97.1821
Aug-96	4	0	0.5667	2.1115	97.0765
Sep-96	65	4	0.5750	2.8885	96.9709
Oct-96	335	65	0.5833	6.3950	96.8653
Nov-96	617	335	0.5917	10.2356	96.7597
Dec-96	946	617	0.6000	14.6892	96.6542
Jan-97	1081	946	0.6083	16.6953	96.5486
Feb-97	916	1081	0.6167	14.6867	96.0582
Mar-97	717	916	0.6250	11.9835	95.9268
Apr-97	378	717	0.6333	7.4555	95.8212
May-97	139	378	0.6417	4.0894	95.7157
Jun-97	16	139	0.6500	2.2972	95.6101
Jul-97	0	16	0.6583	1.9772	95.5045
Aug-97	4	0	0.6667	2.0059	95.3989
Sep-97	65	4	0.6750	2.7829	95.2934
Oct-97	335	65	0.6833	6.2894	95.1878
Nov-97	617	335	0.6917	10.1300	95.0822
Dec-97	946	617	0.7000	14.5836	94.9766
Jan-98	1081	946	0.7083	16.5897	94.8710
Feb-98	916	1081	0.7167	14.5811	94.7655
Mar-98	717	916	0.7250	11.8779	94.6599
Apr-98	378	717	0.7333	7.3499	94.5543
May-98	139	378	0.7417	3.9838	94.4487
Jun-98	16	139	0.7500	2.1916	94.3431
Jul-98	0	16	0.7583	1.8716	94.2376
Aug-98	4	0	0.7667	1.9003	94.1320
Sep-98	65	4	0.7750	2.6773	94.0264
Oct-98	335	65	0.7833	6.1838	93.9208
Nov-98	617	335	0.7917	10.0244	93.8153
Dec-98	946	617	0.8000	14.4781	93.7097
Jan-99	1081	946	0.8083	16.4842	93.6041
Feb-99	916	1081	0.8167	14.4755	93.4985
Mar-99	717	916	0.8250	11.7724	93.3929
Apr-99	378	717	0.8333	7.2444	93.2874
May-99	139	378	0.8417	3.8782	93.1818
Jun-99	16	139	0.8500	2.0860	93.0762
Jul-99	0	16	0.8583	1.7660	92.9706
Aug-99	4	0	0.8667	1.7947	92.8651
Sep-99	65	4	0.8750 FY99	2.5717	92.7595
Oct-99	335	65	0.8833	6.0783	92.6539
Nov-99	617	335	0.8917	9.9188	92.5483
Dec-99	946	617	0.9000	14.3725	92.4427
Jan-00	1081	946	0.9083	16.3786	92.3372
Feb-00	946	1081	0.9167	14.7547	92.2316
Mar-00	717	946	0.9250	11.6926	92.1260
Apr-00	378	717	0.9333	7.1388	92.0204
May-00	139	378	0.9417	3.7727	91.9148
Jun-00	16	139	0.9500	1.9804	91.8092
Jul-00	0	16	0.9583	1.6604	91.7036
Aug-00	4	0	0.9667	1.6892	91.5980
Sep-00	65	4	0.9750 FY00	2.4661	91.4924
Oct-00	335	65	0.9833	5.9727	91.3868
Nov-00	617	335	0.9917	9.8132	91.2812

Regression Results:	2.658447 Constant
	0.000862 HDD-1
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	-1.05578 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Dec-00	946	617	1.0000	14.2669	91.5864
Jan-01	1081	946	1.0083	16.2730	91.4808
Feb-01	916	1081	1.0167	14.2644	90.9905
Mar-01	717	916	1.0250	11.5612	90.8591
Apr-01	378	717	1.0333	7.0332	90.7535
May-01	139	378	1.0417	3.6871	90.6479
Jun-01	16	139	1.0500	1.8749	90.5423
Jul-01	0	16	1.0583	1.5549	90.4367
Aug-01	4	0	1.0667	1.5838	90.3312
Sep-01	65	4	1.0750 FY01	2.3606	90.2256
Oct-01	335	65	1.0833	5.8671	90.1200
Nov-01	617	335	1.0917	9.7077	90.0144
Dec-01	946	617	1.1000	14.1613	89.9089
Jan-02	1081	946	1.1083	16.1674	89.8033
Feb-02	916	1081	1.1167	14.1588	89.6977
Mar-02	717	916	1.1250	11.4558	89.5921
Apr-02	378	717	1.1333	6.9276	89.4865
May-02	139	378	1.1417	3.5615	89.3810
Jun-02	16	139	1.1500	1.7693	89.2754
Jul-02	0	16	1.1583	1.4493	89.1698
Aug-02	4	0	1.1667	1.4780	89.0642
Sep-02	65	4	1.1750 FY02	2.2550	88.9587
Oct-02	335	65	1.1833	5.7615	88.8531
Nov-02	617	335	1.1917	9.6021	88.7475
Dec-02	946	617	1.2000	14.0558	88.6419
Jan-03	1081	946	1.2083	16.0618	88.5363
Feb-03	916	1081	1.2167	14.0532	88.4308
Mar-03	717	916	1.2250	11.3500	88.3252
Apr-03	378	717	1.2333	6.8221	88.2196
May-03	139	378	1.2417	3.4559	88.1140
Jun-03	16	139	1.2500	1.6837	88.0084
Jul-03	0	16	1.2583	1.3437	87.9029
Aug-03	4	0	1.2667	1.3724	87.7973
Sep-03	65	4	1.2750 FY03	2.1494	87.6917
Oct-03	335	65	1.2833	5.6560	87.5861
Nov-03	617	335	1.2917	9.4965	87.4806
Dec-03	946	617	1.3000	13.9502	87.3750
Jan-04	1081	946	1.3083	15.9563	87.2694
Feb-04	946	1081	1.3167	14.3324	87.5486
Mar-04	717	946	1.3250	11.2703	87.4688
Apr-04	378	717	1.3333	6.7165	87.3633
May-04	139	378	1.3417	3.3504	87.2577
Jun-04	16	139	1.3500	1.5581	87.1521
Jul-04	0	16	1.3583	1.2381	87.0465
Aug-04	4	0	1.3667	1.2668	86.9410
Sep-04	65	4	1.3750 FY04	2.0438	86.8354
Oct-04	335	65	1.3833	5.5504	86.7298
Nov-04	617	335	1.3917	9.3909	86.6242
Dec-04	946	617	1.4000	13.8446	86.5186
Jan-05	1081	946	1.4083	15.8507	86.4131
Feb-05	916	1081	1.4167	13.8421	85.9227
Mar-05	717	916	1.4250	11.1389	85.7913
Apr-05	378	717	1.4333	6.6109	85.6857
May-05	139	378	1.4417	3.2448	85.5801
Jun-05	16	139	1.4500	1.4525	85.4746
Jul-05	0	16	1.4583	1.1326	85.3690
Aug-05	4	0	1.4667	1.1613	85.2634
Sep-05	65	4	1.4750 FY05	1.9382	85.1578
Oct-05	335	65	1.4833	5.4448	85.0523
Nov-05	617	335	1.4917	9.2853	84.9467
Dec-05	946	617	1.5000	13.7390	84.8411
Jan-06	1081	946	1.5083	15.7451	84.7355
Feb-06	916	1081	1.5167	13.7365	84.6299
Mar-06	717	916	1.5250	11.0333	84.5244
Apr-06	378	717	1.5333	6.5053	84.4188
May-06	139	378	1.5417	3.1392	84.3132
Jun-06	16	139	1.5500	1.3470	84.2076
Jul-06	0	16	1.5583	1.0270	84.1021
Aug-06	4	0	1.5667	1.0557	83.9965
Sep-06	65	4	1.5750 FY06	1.8327	83.8909
Oct-06	335	65	1.5833	5.3392	83.7853

Regression Results:	2.658447 Constant
	0.000862 HDD-1
	0.012825 HDD
	-1.05578 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Nov-06	617	335	1.5917	9.1798	83.6797
Dec-06	946	617	1.6000	13.6334	83.5742
Jan-07	1081	946	1.6083	15.6395	83.4686
Feb-07	916	1081	1.6167	13.6309	83.3630
Mar-07	717	916	1.6250	10.9277	83.2574
Apr-07	378	717	1.6333	6.3997	83.1518
May-07	139	378	1.6417	3.0336	83.0463
Jun-07	16	139	1.6500	1.2414	82.9407
Jul-07	0	16	1.6583	0.9214	82.8351
Aug-07	4	0	1.6667	0.9501	82.7295
Sep-07	65	4	1.6750 FY 07	1.7271	82.6240
Oct-07	335	65	1.6833	5.2336	82.5184
Nov-07	617	335	1.6917	9.0742	82.4128
Dec-07	946	617	1.7000	13.5279	82.3072
Jan-08	1081	946	1.7083	15.5340	82.2016
Feb-08	946	1081	1.7167	13.9101	82.4808
Mar-08	717	946	1.7250	10.8480	82.4011
Apr-08	378	717	1.7333	6.2842	82.2955
May-08	139	378	1.7417	2.9280	82.1899
Jun-08	16	139	1.7500	1.1358	82.0844
Jul-08	0	16	1.7583	0.8158	81.9788
Aug-08	4	0	1.7667	0.8445	81.8732
Sep-08	65	4	1.7750 FY 08	1.6215	81.7676
Oct-08	335	65	1.7833	5.1281	81.6620
Nov-08	617	335	1.7917	8.9686	81.5565
Dec-08	946	617	1.8000	13.4223	81.4509
Jan-09	1081	946	1.8083	15.4284	81.3453
Feb-09	916	1081	1.8167	13.4198	80.8550
Mar-09	717	916	1.8250	10.7166	80.7235
Apr-09	378	717	1.8333	6.1886	80.6180
May-09	139	378	1.8417	2.8225	80.5124
Jun-09	16	139	1.8500	1.0302	80.4068
Jul-09	0	16	1.8583	0.7102	80.3012
Aug-09	4	0	1.8667	0.7390	80.1957
Sep-09	65	4	1.8750 FY 09	1.5159	80.0901
Oct-09	335	65	1.8833	5.0225	79.9845
Nov-09	617	335	1.8917	8.8630	79.8789
Dec-09	946	617	1.9000	13.3167	79.7733
Jan-10	1081	946	1.9083	15.3228	79.6678
Feb-10	916	1081	1.9167	13.3142	79.5622
Mar-10	717	916	1.9250	10.6110	79.4566
Apr-10	378	717	1.9333	6.0830	79.3510
May-10	139	378	1.9417	2.7169	79.2455
Jun-10	16	139	1.9500	0.9246	79.1399
Jul-10	0	16	1.9583	0.6047	79.0343
Aug-10	4	0	1.9667	0.6334	78.9287
Sep-10	65	4	1.9750 FY 10	1.4104	78.8231
Oct-10	335	65	1.9833	4.9169	78.7176
Nov-10	617	335	1.9917	8.7575	78.6120
Dec-10	946	617	2.0000	13.2111	78.5064
Jan-11	1081	946	2.0083	15.2172	78.4008
Feb-11	916	1081	2.0167	13.2086	78.2952
Mar-11	717	916	2.0250	10.5054	78.1897
Apr-11	378	717	2.0333	5.9774	78.0841
May-11	139	378	2.0417	2.6113	77.9785
Jun-11	16	139	2.0500	0.8191	77.8729
Jul-11	0	16	2.0583	0.4991	77.7674
Aug-11	4	0	2.0667	0.5278	77.6618
Sep-11	65	4	2.0750 FY 11	1.3048	77.5562
Oct-11	335	65	2.0833	4.8113	77.4506
Nov-11	617	335	2.0917	8.6519	77.3450
Dec-11	946	617	2.1000	13.1055	77.2395
Jan-12	1081	946	2.1083	15.1116	77.1339
Feb-12	946	1081	2.1167	13.4878	77.4131
Mar-12	717	946	2.1250	10.4257	77.3333
Apr-12	378	717	2.1333	5.8718	77.2278
May-12	139	378	2.1417	2.5057	77.1222
Jun-12	16	139	2.1500	0.7135	77.0166
Jul-12	0	16	2.1583	0.3935	76.9110
Aug-12	4	0	2.1667	0.4222	76.8054
Sep-12	65	4	2.1750 FY 12	1.1992	76.6999

Regression Results:	2.658447 Constant
	0.000862 HDD-1
	0.012825 HDD
	-1.05578 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Oct-12	335	65	2.1833	4.7058	76.5943
Nov-12	617	335	2.1917	8.5463	76.4887
Dec-12	946	617	2.2000	13.0000	76.3631
Jan-13	1081	946	2.2083	15.0061	76.2776
Feb-13	916	1081	2.2167	12.9974	75.7872
Mar-13	717	916	2.2250	10.2943	75.6558
Apr-13	378	717	2.2333	5.7663	75.5502
May-13	139	378	2.2417	2.4001	75.4446
Jun-13	16	139	2.2500	0.6079	75.3391
Jul-13	0	16	2.2583	0.2879	75.2335
Aug-13	4	0	2.2667	0.3166	75.1279
Sep-13	65	4	2.2750 FY 13	1.0936	75.0223
Oct-13	335	65	2.2833	4.6002	74.9167
Nov-13	617	335	2.2917	8.4407	74.8112
Dec-13	946	617	2.3000	12.8944	74.7056
Jan-14	1081	946	2.3083	14.9005	74.6000
Feb-14	916	1081	2.3167	12.8919	74.4944
Mar-14	717	916	2.3250	10.1887	74.3889
Apr-14	378	717	2.3333	5.6607	74.2833
May-14	139	378	2.3417	2.2946	74.1777
Jun-14	16	139	2.3500	0.5023	74.0721
Jul-14	0	16	2.3583	0.1823	73.9665
Aug-14	4	0	2.3667	0.2111	73.8610
Sep-14	65	4	2.3750 FY 14	0.9880	73.7554
Oct-14	335	65	2.3833	4.4946	73.6498
Nov-14	617	335	2.3917	8.3351	73.5442
Dec-14	946	617	2.4000	12.7888	73.4386
Jan-15	1081	946	2.4083	14.7949	73.3331
Feb-15	916	1081	2.4167	12.7863	73.2275
Mar-15	717	916	2.4250	10.0831	73.1219
Apr-15	378	717	2.4333	5.5551	73.0163
May-15	139	378	2.4417	2.1890	72.9108
Jun-15	16	139	2.4500	0.3968	72.8052
Jul-15	0	16	2.4583	0.0768	72.6996
Aug-15	4	0	2.4667	0.1055	72.5940
Sep-15	65	4	2.4750 FY 15	0.8825	72.4884
Oct-15	335	65	2.4833	4.3890	72.3829
Nov-15	617	335	2.4917	8.2298	72.2773
Dec-15	946	617	2.5000	12.6832	72.1717
Jan-16	1081	946	2.5083	14.6893	72.0661
Feb-16	946	1081	2.5167	13.0655	72.3453
Mar-16	717	946	2.5250	10.0034	72.2656 Historic Test Year Annualized FY15
Apr-16	378	717	2.5333	5.4495	72.1600
May-16	139	378	2.5417	2.0834	72.0544
Jun-16	16	139	2.5500	0.2912	71.9488
Jul-16	0	16	2.5583	-0.0288	71.8433
Aug-16	4	0	2.5667	-0.0001	71.7377
Sep-16	65	4	2.5750 FY 16	0.7769	71.6321
Oct-16	335	65	2.5833	4.2834	71.5265
Nov-16	617	335	2.5917	8.1240	71.4210
Dec-16	946	617	2.6000	12.5777	71.3154
Jan-17	1081	946	2.6083	14.5838	71.2098
Feb-17	916	1081	2.6167	12.5751	70.7195
Mar-17	717	916	2.6250	9.8720	70.5880 Future Test Year Annualized FY 16
Apr-17	378	717	2.6333	5.3440	70.4825
May-17	139	378	2.6417	1.9778	70.3769
Jun-17	16	139	2.6500	0.1856	70.2713
Jul-17	0	16	2.6583	-0.1344	70.1657
Aug-17	4	0	2.6667	-0.1057	70.0601
Sep-17	65	4	2.6750 FY 17	0.6713	69.9546
Oct-17	335	65	2.6833	4.1779	69.8490
Nov-17	617	335	2.6917	8.0184	69.7434
Dec-17	946	617	2.7000	12.4721	69.6378
Jan-18	1081	946	2.7083	14.4782	69.5323
Feb-18	916	1081	2.7167	12.4696	69.4267
Mar-18	717	916	2.7250	9.7664	69.3211 Fully Projected Future Test Year Annualized FY 17

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.991712405
R Square	0.983493494
Adjusted R Square	0.983291374
Standard Error	0.714180046
Observations	249

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	7445.568405	2481.856135	4865.877588	5.715E-218
Residual	245	124.9630189	0.510053138		
Total	248	7570.531424			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	2.658446831	0.130201345	20.41796756	8.56204E-55	2.401990034	2.914903627	2.401990034	2.914903627
X Variable 1	0.000861696	0.000204527	4.213112082	3.54243E-05	0.00045884	0.001264551	0.00045884	0.001264551
X Variable 2	0.012825138	0.000204499	62.71499819	6.6368E-153	0.012422338	0.013227938	0.012422338	0.013227938
X Variable 3	-1.055782803	0.075586593	-13.9678581	5.23666E-33	-1.204665255	-0.90690035	-1.204665255	-0.90690035

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC CG Incl NT&DS
Jan-95	966	1081	841	966	0.4083	Jan-95	26.60
Feb-95	1026	916	966	1,026	0.4167	Feb-95	25.04
Mar-95	655	717	1,026	655	0.4250	Mar-95	25.56
Apr-95	452	378	655	452	0.4333	Apr-95	22.65
May-95	164	139	452	164	0.4417	May-95	20.66
Jun-95	7	16	164	7	0.4500	Jun-95	17.80
Jul-95	0	0	7	0	0.4583	Jul-95	17.36
Aug-95	0	4	0	0	0.4667	Aug-95	17.21
Sep-95	86	65	0	86	0.4750	Sep-95	18.08
Oct-95	247	335	86	247	0.4833	Oct-95	21.65
Nov-95	785	617	247	785	0.4917	Nov-95	22.58
Dec-95	1116	946	785	1,116	0.5000	Dec-95	27.48
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	28.87
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	26.62
Mar-96	880	717	1,053	880	0.5250	Mar-96	27.01
Apr-96	437	378	880	437	0.5333	Apr-96	22.63
May-96	229	139	437	229	0.5417	May-96	19.80
Jun-96	6	16	229	6	0.5500	Jun-96	19.63
Jul-96	1	0	6	1	0.5583	Jul-96	15.00
Aug-96	2	4	1	2	0.5667	Aug-96	17.92
Sep-96	78	65	2	78	0.5750	Sep-96	18.01
Oct-96	348	335	78	348	0.5833	Oct-96	23.45
Nov-96	781	617	348	781	0.5917	Nov-96	24.20
Dec-96	868	946	781	868	0.6000	Dec-96	26.87
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	27.12
Feb-97	773	916	1,108	773	0.6167	Feb-97	26.03
Mar-97	731	717	773	731	0.6250	Mar-97	25.29
Apr-97	456	378	731	456	0.6333	Apr-97	21.66
May-97	219	139	456	219	0.6417	May-97	21.31
Jun-97	43	16	219	43	0.6500	Jun-97	17.97
Jul-97	3	0	43	3	0.6583	Jul-97	17.13
Aug-97	3	4	3	3	0.6667	Aug-97	17.65
Sep-97	81	65	3	81	0.6750	Sep-97	18.55
Oct-97	354	335	81	354	0.6833	Oct-97	22.43
Nov-97	714	617	354	714	0.6917	Nov-97	24.30
Dec-97	928	946	714	928	0.7000	Dec-97	26.74
Jan-98	831	1081	928	831	0.7083	Jan-98	26.79
Feb-98	707	916	831	707	0.7167	Feb-98	24.47
Mar-98	681	717	707	681	0.7250	Mar-98	25.19
Apr-98	349	378	681	349	0.7333	Apr-98	21.29
May-98	87	139	349	87	0.7417	May-98	19.73
Jun-98	37	16	87	37	0.7500	Jun-98	17.03
Jul-98	1	0	37	1	0.7583	Jul-98	17.67
Aug-98	3	4	1	3	0.7667	Aug-98	17.26
Sep-98	45	65	3	45	0.7750	Sep-98	18.42
Oct-98	320	335	45	320	0.7833	Oct-98	21.82
Nov-98	608	617	320	608	0.7917	Nov-98	24.50
Dec-98	800	946	608	800	0.8000	Dec-98	24.42
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	29.18
Feb-99	839	916	1,050	839	0.8167	Feb-99	26.71
Mar-99	792	717	839	792	0.8250	Mar-99	26.31
Apr-99	421	378	792	421	0.8333	Apr-99	21.96
May-99	123	139	421	123	0.8417	May-99	20.02
Jun-99	17	16	123	17	0.8500	Jun-99	17.45
Jul-99	0	0	17	0	0.8583	Jul-99	16.35
Aug-99	6	4	0	6	0.8667	Aug-99	16.39
Sep-99	68	65	6	68	0.8750	Sep-99	17.99

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CG Incl NT&DS
Oct-99	396	335	68	396	0.8833	Oct-99	22.26
Nov-99	536	617	396	536	0.8917	Nov-99	22.16
Dec-99	896	946	536	896	0.9000	Dec-99	27.57
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	27.41
Feb-00	920	946	1,119	920	0.9167	Feb-00	28.45
Mar-00	594	717	920	594	0.9250	Mar-00	24.43
Apr-00	429	378	594	429	0.9333	Apr-00	21.89
May-00	124	139	429	124	0.9417	May-00	19.18
Jun-00	28	16	124	28	0.9500	Jun-00	18.05
Jul-00	2	0	28	2	0.9583	Jul-00	17.03
Aug-00	9	4	2	9	0.9667	Aug-00	17.98
Sep-00	147	65	9	147	0.9750	Sep-00	18.76
Oct-00	351	335	147	351	0.9833	Oct-00	22.85
Nov-00	700	617	351	700	0.9917	Nov-00	22.89
Dec-00	1189	946	700	1,189	1.0000	Dec-00	29.41
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	32.73
Feb-01	882	916	1,119	882	1.0167	Feb-01	24.84
Mar-01	844	717	882	844	1.0250	Mar-01	26.01
Apr-01	406	378	844	406	1.0333	Apr-01	22.89
May-01	142	139	406	142	1.0417	May-01	18.90
Jun-01	16	16	142	16	1.0500	Jun-01	17.37
Jul-01	5	0	16	5	1.0583	Jul-01	17.25
Aug-01	0	4	5	0	1.0667	Aug-01	17.01
Sep-01	105	65	0	105	1.0750	Sep-01	17.63
Oct-01	336	335	105	336	1.0833	Oct-01	22.12
Nov-01	486	617	336	486	1.0917	Nov-01	22.12
Dec-01	810	946	486	810	1.1000	Dec-01	25.27
Jan-02	893	1081	810	893	1.1083	Jan-02	25.90
Feb-02	783	916	893	783	1.1167	Feb-02	24.46
Mar-02	700	717	783	700	1.1250	Mar-02	24.48
Apr-02	375	378	700	375	1.1333	Apr-02	20.90
May-02	200	139	375	200	1.1417	May-02	19.19
Jun-02	13	16	200	13	1.1500	Jun-02	17.13
Jul-02	0	0	13	0	1.1583	Jul-02	17.47
Aug-02	5	4	0	5	1.1667	Aug-02	17.43
Sep-02	36	65	5	36	1.1750	Sep-02	17.73
Oct-02	420	335	36	420	1.1833	Oct-02	20.61
Nov-02	682	617	420	682	1.1917	Nov-02	23.43
Dec-02	1046	946	682	1,046	1.2000	Dec-02	29.35
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	29.60
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	31.09
Mar-03	774	717	1,062	774	1.2250	Mar-03	27.57
Apr-03	446	378	774	446	1.2333	Apr-03	22.15
May-03	225	139	446	225	1.2417	May-03	20.01
Jun-03	58	16	225	58	1.2500	Jun-03	18.95
Jul-03	0	0	58	0	1.2583	Jul-03	17.30
Aug-03	0	4	0	0	1.2667	Aug-03	17.09
Sep-03	47	65	0	47	1.2750	Sep-03	17.69
Oct-03	408	335	47	408	1.2833	Oct-03	22.36
Nov-03	530	617	408	530	1.2917	Nov-03	22.85
Dec-03	954	946	530	954	1.3000	Dec-03	27.06
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	29.41
Feb-04	944	946	1,278	944	1.3167	Feb-04	29.96
Mar-04	685	717	944	685	1.3250	Mar-04	24.64
Apr-04	390	378	685	390	1.3333	Apr-04	21.77
May-04	71	139	390	71	1.3417	May-04	19.20
Jun-04	28	16	71	28	1.3500	Jun-04	16.19

	Actual DD	Normal DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar					CG Incl NT&DS
Jul-04	0	0	28	0	1.3583	Jul-04	17.70
Aug-04	10	4	0	10	1.3667	Aug-04	17.56
Sep-04	34	65	10	34	1.3750	Sep-04	18.83
Oct-04	364	335	34	364	1.3833	Oct-04	21.75
Nov-04	567	617	364	567	1.3917	Nov-04	23.16
Dec-04	946	946	567	946	1.4000	Dec-04	26.61
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	31.15
Feb-05	889	916	1,127	889	1.4167	Feb-05	27.01
Mar-05	868	717	889	868	1.4250	Mar-05	28.98
Apr-05	340	378	868	340	1.4333	Apr-05	20.42
May-05	231	139	340	231	1.4417	May-05	20.78
Jun-05	6	16	231	6	1.4500	Jun-05	17.06
Jul-05	0	0	6	0	1.4583	Jul-05	16.58
Aug-05	0	4	0	0	1.4667	Aug-05	17.37
Sep-05	27	65	0	27	1.4750	Sep-05	16.66
Oct-05	304	335	27	304	1.4833	Oct-05	20.45
Nov-05	579	617	304	579	1.4917	Nov-05	22.82
Dec-05	1064	946	579	1,064	1.5000	Dec-05	28.10
Jan-06	847	1081	1,064	847	1.5083	Jan-06	29.49
Feb-06	902	916	847	902	1.5167	Feb-06	24.75
Mar-06	692	717	902	692	1.5250	Mar-06	27.61
Apr-06	341	378	692	341	1.5333	Apr-06	21.93
May-06	154	139	341	154	1.5417	May-06	19.27
Jun-06	22	16	154	22	1.5500	Jun-06	17.14
Jul-06	0	0	22	0	1.5583	Jul-06	17.19
Aug-06	1	4	0	1	1.5667	Aug-06	19.63
Sep-06	89	65	1	89	1.5750	Sep-06	15.86
Oct-06	375	335	89	375	1.5833	Oct-06	22.47
Nov-06	512	617	375	512	1.5917	Nov-06	27.52
Dec-06	779	946	512	779	1.6000	Dec-06	21.81
Jan-07	938	1081	779	938	1.6083	Jan-07	24.56
Feb-07	1117	916	938	1,117	1.6167	Feb-07	28.67
Mar-07	755	717	1,117	755	1.6250	Mar-07	29.82
Apr-07	495	378	755	495	1.6333	Apr-07	24.66
May-07	110	139	495	110	1.6417	May-07	21.57
Jun-07	12	16	110	12	1.6500	Jun-07	16.75
Jul-07	4	0	12	4	1.6583	Jul-07	19.95
Aug-07	16	4	4	16	1.6667	Aug-07	14.59
Sep-07	50	65	16	50	1.6750	Sep-07	18.68
Oct-07	192	335	50	192	1.6833	Oct-07	21.53
Nov-07	703	617	192	703	1.6917	Nov-07	21.79
Dec-07	956	946	703	956	1.7000	Dec-07	28.34
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	30.94
Feb-08	947	946	1,000	947	1.7167	Feb-08	27.69
Mar-08	737	717	947	737	1.7250	Mar-08	27.41
Apr-08	335	378	737	335	1.7333	Apr-08	22.32
May-08	226	139	335	226	1.7417	May-08	19.75
Jun-08	7	16	226	7	1.7500	Jun-08	19.03
Jul-08	0	0	7	0	1.7583	Jul-08	18.14
Aug-08	4	4	0	4	1.7667	Aug-08	17.96
Sep-08	54	65	4	54	1.7750	Sep-08	18.81
Oct-08	418	335	54	418	1.7833	Oct-08	21.46
Nov-08	680	617	418	680	1.7917	Nov-08	24.72
Dec-08	963	946	680	963	1.8000	Dec-08	30.52
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	30.78
Feb-09	880	916	1,225	880	1.8167	Feb-09	31.33
Mar-09	735	717	880	735	1.8250	Mar-09	27.96

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CG Incl NT&DS
Apr-09	388	378	735	388	1.8333	Apr-09	21.79
May-09	140	139	388	140	1.8417	May-09	21.03
Jun-09	25	16	140	25	1.8500	Jun-09	18.39
Jul-09	0	0	25	0	1.8583	Jul-09	19.43
Aug-09	6	4	0	6	1.8667	Aug-09	19.54
Sep-09	78	65	6	78	1.8750	Sep-09	19.90
Oct-09	381	335	78	381	1.8833	Oct-09	23.63
Nov-09	526	617	381	526	1.8917	Nov-09	25.04
Dec-09	995	946	526	995	1.9000	Dec-09	28.06
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	31.96
Feb-10	965	916	1,082	965	1.9167	Feb-10	27.26
Mar-10	557	717	965	557	1.9250	Mar-10	27.12
Apr-10	288	378	557	288	1.9333	Apr-10	20.97
May-10	119	139	288	119	1.9417	May-10	21.62
Jun-10	7	16	119	7	1.9500	Jun-10	18.51
Jul-10	0	0	7	0	1.9583	Jul-10	18.14
Aug-10	0	4	0	0	1.9667	Aug-10	18.33
Sep-10	25	65	0	25	1.9750	Sep-10	19.81
Oct-10	331	335	25	331	1.9833	Oct-10	22.32
Nov-10	631	617	331	631	1.9917	Nov-10	23.98
Dec-10	1103	946	631	1,103	2.0000	Dec-10	31.50
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	34.23
Feb-11	893	916	1,192	893	2.0167	Feb-11	31.80
Mar-11	757	717	893	757	2.0250	Mar-11	28.02
Apr-11	354	378	757	354	2.0333	Apr-11	22.59
May-11	92	139	354	92	2.0417	May-11	21.59
Jun-11	2	16	92	2	2.0500	Jun-11	18.39
Jul-11	0	0	2	0	2.0583	Jul-11	18.02
Aug-11	2	4	0	2	2.0667	Aug-11	17.67
Sep-11	51	65	2	51	2.0750	Sep-11	19.84
Oct-11	355	335	51	355	2.0833	Oct-11	22.81
Nov-11	536	617	355	536	2.0917	Nov-11	26.37
Dec-11	795	946	536	795	2.1000	Dec-11	29.25
Jan-12	951	1081	795	951	2.1083	Jan-12	29.99
Feb-12	783	946	951	783	2.1167	Feb-12	27.90
Mar-12	451	717	783	451	2.1250	Mar-12	26.34
Apr-12	373	378	451	373	2.1333	Apr-12	20.89
May-12	51	139	373	51	2.1417	May-12	20.85
Jun-12	21	16	51	21	2.1500	Jun-12	18.40
Jul-12	0	0	21	0	2.1583	Jul-12	17.74
Aug-12	0	4	0	0	2.1667	Aug-12	18.21
Sep-12	77	65	0	77	2.1750	Sep-12	19.13
Oct-12	302	335	77	302	2.1833	Oct-12	23.60
Nov-12	754	617	302	754	2.1917	Nov-12	25.37
Dec-12	816	946	754	816	2.2000	Dec-12	32.46
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	31.90
Feb-13	924	916	1,001	924	2.2167	Feb-13	32.49
Mar-13	819	717	924	819	2.2250	Mar-13	31.32
Apr-13	383	378	819	383	2.2333	Apr-13	27.90
May-13	158	139	383	158	2.2417	May-13	21.25
Jun-13	4	16	158	4	2.2500	Jun-13	19.42
Jul-13	0	0	4	0	2.2583	Jul-13	18.28
Aug-13	2	4	0	2	2.2667	Aug-13	19.22
Sep-13	111	65	2	111	2.2750	Sep-13	19.90
Oct-13	300	335	111	300	2.2833	Oct-13	23.60
Nov-13	723	617	300	723	2.2917	Nov-13	26.73
Dec-13	968	946	723	968	2.3000	Dec-13	34.00

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC CG Incl NT&DS
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	36.50
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	36.61
Mar-14	908	717	1,064	908	2.3250	Mar-14	35.87
Apr-14	430	378	908	430	2.3333	Apr-14	25.86
May-14	126	139	430	126	2.3417	May-14	22.55
Jun-14	4	16	126	4	2.3500	Jun-14	19.16
Jul-14	2	0	4	2	2.3583	Jul-14	18.64
Aug-14	2	4	2	2	2.3667	Aug-14	19.22
Sep-14	71	65	2	71	2.3750	Sep-14	20.01
Oct-14	267	335	71	267	2.3833	Oct-14	24.12
Nov-14	731	617	267	731	2.3917	Nov-14	30.02
Dec-14	875	946	731	875	2.4000	Dec-14	35.73
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	37.67
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	38.32
Mar-15	920	717	1,228	920	2.4250	Mar-15	40.25
Apr-15	360	378	920	360	2.4333	Apr-15	26.97
May-15	65	139	360	65	2.4417	May-15	21.16
Jun-15	27	16	65	27	2.4500	Jun-15	19.40
Jul-15	0	0	27	0	2.4583	Jul-15	19.67
Aug-15	0	4	0	0	2.4667	Aug-15	19.38
Sep-15	26	65	0	26	2.4750	Sep-15	20.46
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

Regression Results:	14.72222 Constant
	0.002761 HDD-1
	0.009261 HDD
	2.133607 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Jan-95	1081	946	0.4083	28.2164	
Feb-95	916	1081	0.4167	27.0789	
Mar-95	717	916	0.4250	24.7982	
Apr-95	378	717	0.4333	21.1271	
May-95	139	378	0.4417	17.9956	
Jun-95	16	139	0.4500	16.2143	
Jul-95	0	16	0.4583	15.7443	
Aug-95	4	0	0.4667	15.7549	
Sep-95	65	4	0.4750	16.3487	
Oct-95	335	65	0.4833	19.0353	
Nov-95	617	335	0.4917	22.4101	
Dec-95	946	617	0.5000	26.2533	250.9771
Jan-96	1081	946	0.5083	28.4297	251.1905
Feb-96	946	1081	0.5167	27.5701	251.6817
Mar-96	717	946	0.5250	25.0944	251.9779
Apr-96	378	717	0.5333	21.3405	252.1912
May-96	139	378	0.5417	18.2089	252.4046
Jun-96	16	139	0.5500	16.4277	252.6180
Jul-96	0	16	0.5583	15.9577	252.8313
Aug-96	4	0	0.5667	15.9683	253.0447
Sep-96	65	4	0.5750	16.5620	253.2580
Oct-96	335	65	0.5833	19.2486	253.4714
Nov-96	617	335	0.5917	22.6235	253.6848
Dec-96	946	617	0.6000	26.4667	253.8981
Jan-97	1081	946	0.6083	28.6431	254.1115
Feb-97	916	1081	0.6167	27.5056	254.0470
Mar-97	717	916	0.6250	25.2249	254.1776
Apr-97	378	717	0.6333	21.5539	254.3909
May-97	139	378	0.6417	18.4223	254.6043
Jun-97	16	139	0.6500	16.6410	254.8176
Jul-97	0	16	0.6583	16.1710	255.0310
Aug-97	4	0	0.6667	16.1817	255.2444
Sep-97	65	4	0.6750	16.7754	255.4577
Oct-97	335	65	0.6833	19.4620	255.6711
Nov-97	617	335	0.6917	22.8368	255.8844
Dec-97	946	617	0.7000	26.6800	256.0978
Jan-98	1081	946	0.7083	28.8565	256.3112
Feb-98	916	1081	0.7167	27.7190	256.5245
Mar-98	717	916	0.7250	25.4383	256.7379
Apr-98	378	717	0.7333	21.7672	256.9512
May-98	139	378	0.7417	18.6356	257.1646
Jun-98	16	139	0.7500	16.8544	257.3780
Jul-98	0	16	0.7583	16.3844	257.5913
Aug-98	4	0	0.7667	16.3950	257.8047
Sep-98	65	4	0.7750	16.9888	258.0180
Oct-98	335	65	0.7833	19.6753	258.2314
Nov-98	617	335	0.7917	23.0502	258.4448
Dec-98	946	617	0.8000	26.8934	258.6581
Jan-99	1081	946	0.8083	29.0698	258.8715
Feb-99	916	1081	0.8167	27.9324	259.0848
Mar-99	717	916	0.8250	25.6517	259.2982
Apr-99	378	717	0.8333	21.9806	259.5116
May-99	139	378	0.8417	18.8490	259.7249
Jun-99	16	139	0.8500	17.0678	259.9383
Jul-99	0	16	0.8583	16.5977	260.1516
Aug-99	4	0	0.8667	16.6084	260.3650
Sep-99	65	4	0.8750 FY99	17.2021	260.5784
Oct-99	335	65	0.8833	19.8887	260.7917
Nov-99	617	335	0.8917	23.2635	261.0051
Dec-99	946	617	0.9000	27.1068	261.2185
Jan-00	1081	946	0.9083	29.2832	261.4318
Feb-00	946	1081	0.9167	28.4235	261.6451
Mar-00	717	946	0.9250	25.9479	262.2192
Apr-00	378	717	0.9333	22.1939	262.4326
May-00	139	378	0.9417	19.0624	262.6459
Jun-00	16	139	0.9500	17.2811	262.8593
Jul-00	0	16	0.9583	16.8111	263.0726
Aug-00	4	0	0.9667	16.8217	263.2860
Sep-00	65	4	0.9750 FY00	17.4155	263.4994
Oct-00	335	65	0.9833	20.1021	263.7127
Nov-00	617	335	0.9917	23.4769	263.9261

Regression Results:	14.72222 Constant
	0.002761 HDD-1
	0.009261 HDD
	2.133607 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Pnor Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Dec-00	946	617	1.0000	27.3201	264.1394
Jan-01	1081	946	1.0083	29.4965	264.3528
Feb-01	916	1081	1.0167	28.3591	264.2883
Mar-01	717	916	1.0250	26.0784	264.4189
Apr-01	378	717	1.0333	22.4073	264.6322
May-01	139	378	1.0417	19.2757	264.8456
Jun-01	16	139	1.0500	17.4945	265.0589
Jul-01	0	16	1.0583	17.0245	265.2723
Aug-01	4	0	1.0667	17.0351	265.4857
Sep-01	65	4	1.0750 FY01	17.6288	265.6990
Oct-01	335	65	1.0833	20.3154	265.9124
Nov-01	617	335	1.0917	23.6903	266.1257
Dec-01	946	617	1.1000	27.5335	266.3391
Jan-02	1081	946	1.1083	29.7099	266.5525
Feb-02	916	1081	1.1167	28.5724	266.7658
Mar-02	717	916	1.1250	26.2917	266.9792
Apr-02	378	717	1.1333	22.6207	267.1925
May-02	139	378	1.1417	19.4891	267.4059
Jun-02	16	139	1.1500	17.7079	267.6193
Jul-02	0	16	1.1583	17.2378	267.8326
Aug-02	4	0	1.1667	17.2485	268.0460
Sep-02	65	4	1.1750 FY02	17.8422	268.2594
Oct-02	335	65	1.1833	20.5288	268.4727
Nov-02	617	335	1.1917	23.9036	268.6861
Dec-02	946	617	1.2000	27.7468	268.8994
Jan-03	1081	946	1.2083	29.9233	269.1128
Feb-03	916	1081	1.2167	28.7858	269.3262
Mar-03	717	916	1.2250	26.5051	269.5395
Apr-03	378	717	1.2333	22.8340	269.7529
May-03	139	378	1.2417	19.7024	269.9662
Jun-03	16	139	1.2500	17.9212	270.1796
Jul-03	0	16	1.2583	17.4512	270.3930
Aug-03	4	0	1.2667	17.4618	270.6063
Sep-03	65	4	1.2750 FY03	18.0556	270.8197
Oct-03	335	65	1.2833	20.7422	271.0330
Nov-03	617	335	1.2917	24.1170	271.2464
Dec-03	946	617	1.3000	27.9602	271.4598
Jan-04	1081	946	1.3083	30.1366	271.6731
Feb-04	946	1081	1.3167	29.2770	272.1643
Mar-04	717	946	1.3250	26.8013	272.4605
Apr-04	378	717	1.3333	23.0474	272.6739
May-04	139	378	1.3417	19.9158	272.8872
Jun-04	16	139	1.3500	18.1346	273.1006
Jul-04	0	16	1.3583	17.6645	273.3139
Aug-04	4	0	1.3667	17.6752	273.5273
Sep-04	65	4	1.3750 FY04	18.2689	273.7407
Oct-04	335	65	1.3833	20.9555	273.9540
Nov-04	617	335	1.3917	24.3303	274.1674
Dec-04	946	617	1.4000	28.1736	274.3807
Jan-05	1081	946	1.4083	30.3500	274.5941
Feb-05	916	1081	1.4167	29.2125	274.5297
Mar-05	717	916	1.4250	26.9318	274.6602
Apr-05	378	717	1.4333	23.2607	274.8735
May-05	139	378	1.4417	20.1292	275.0869
Jun-05	16	139	1.4500	18.3479	275.3003
Jul-05	0	16	1.4583	17.8779	275.5136
Aug-05	4	0	1.4667	17.8886	275.7270
Sep-05	65	4	1.4750 FY05	18.4823	275.9403
Oct-05	335	65	1.4833	21.1689	276.1537
Nov-05	617	335	1.4917	24.5437	276.3671
Dec-05	946	617	1.5000	28.3869	276.5804
Jan-06	1081	946	1.5083	30.5633	276.7938
Feb-06	916	1081	1.5167	29.4259	277.0071
Mar-06	717	916	1.5250	27.1452	277.2205
Apr-06	378	717	1.5333	23.4741	277.4339
May-06	139	378	1.5417	20.3425	277.6472
Jun-06	16	139	1.5500	18.5613	277.8606
Jul-06	0	16	1.5583	18.0913	278.0739
Aug-06	4	0	1.5667	18.1019	278.2873
Sep-06	65	4	1.5750 FY06	18.6956	278.5007
Oct-06	335	65	1.5833	21.3822	278.7140

Regression Results:	14.72222 Constant
	0.002761 HDD-1
	0.009261 HDD
	2.133607 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Nov-06	617	335	1.5917	24.7571	278.9274
Dec-06	946	617	1.6000	28.6003	279.1407
Jan-07	1081	946	1.6083	30.7767	279.3541
Feb-07	916	1081	1.6167	29.6393	279.5675
Mar-07	717	916	1.6250	27.3585	279.7808
Apr-07	378	717	1.6333	23.6875	279.9942
May-07	139	378	1.6417	20.5559	280.2075
Jun-07	16	139	1.6500	18.7747	280.4209
Jul-07	0	16	1.6583	18.3046	280.6343
Aug-07	4	0	1.6667	18.3153	280.8476
Sep-07	65	4	1.6750 FY 07	18.9090	281.0610
Oct-07	335	65	1.6833	21.5956	281.2744
Nov-07	617	335	1.6917	24.9704	281.4877
Dec-07	946	617	1.7000	28.8136	281.7011
Jan-08	1081	946	1.7083	30.9901	281.9144
Feb-08	946	1081	1.7167	30.1304	282.4056
Mar-08	717	946	1.7250	27.6547	282.7018
Apr-08	378	717	1.7333	23.9008	282.9152
May-08	139	378	1.7417	20.7692	283.1285
Jun-08	16	139	1.7500	18.9880	283.3419
Jul-08	0	16	1.7583	18.5180	283.5553
Aug-08	4	0	1.7667	18.5286	283.7686
Sep-08	65	4	1.7750 FY 08	19.1224	283.9820
Oct-08	335	65	1.7833	21.8090	284.1953
Nov-08	617	335	1.7917	25.1838	284.4087
Dec-08	946	617	1.8000	29.0270	284.6221
Jan-09	1081	946	1.8083	31.2034	284.8354
Feb-09	916	1081	1.8167	30.0660	284.7710
Mar-09	717	916	1.8250	27.7853	284.9015
Apr-09	378	717	1.8333	24.1142	285.1148
May-09	139	378	1.8417	20.9826	285.3282
Jun-09	16	139	1.8500	19.2014	285.5416
Jul-09	0	16	1.8583	18.7314	285.7549
Aug-09	4	0	1.8667	18.7420	285.9683
Sep-09	65	4	1.8750 FY 09	19.3357	286.1816
Oct-09	335	65	1.8833	22.0223	286.3950
Nov-09	617	335	1.8917	25.3971	286.6084
Dec-09	946	617	1.9000	29.2404	286.8217
Jan-10	1081	946	1.9083	31.4168	287.0351
Feb-10	916	1081	1.9167	30.2793	287.2485
Mar-10	717	916	1.9250	27.9986	287.4618
Apr-10	378	717	1.9333	24.3276	287.6752
May-10	139	378	1.9417	21.1960	287.8885
Jun-10	16	139	1.9500	19.4147	288.1019
Jul-10	0	16	1.9583	18.9447	288.3153
Aug-10	4	0	1.9667	18.9554	288.5286
Sep-10	65	4	1.9750 FY 10	19.5491	288.7420
Oct-10	335	65	1.9833	22.2357	288.9553
Nov-10	617	335	1.9917	25.6105	289.1687
Dec-10	946	617	2.0000	29.4537	289.3821
Jan-11	1081	946	2.0083	31.6302	289.5954
Feb-11	916	1081	2.0167	30.4927	289.8088
Mar-11	717	916	2.0250	28.2120	290.0221
Apr-11	378	717	2.0333	24.5409	290.2355
May-11	139	378	2.0417	21.4093	290.4489
Jun-11	16	139	2.0500	19.6281	290.6622
Jul-11	0	16	2.0583	19.1581	290.8756
Aug-11	4	0	2.0667	19.1687	291.0889
Sep-11	65	4	2.0750 FY 11	19.7624	291.3023
Oct-11	335	65	2.0833	22.4490	291.5157
Nov-11	617	335	2.0917	25.8239	291.7290
Dec-11	946	617	2.1000	29.6671	291.9424
Jan-12	1081	946	2.1083	31.8435	292.1557
Feb-12	946	1081	2.1167	30.9839	292.6469
Mar-12	717	946	2.1250	28.5082	292.9431
Apr-12	378	717	2.1333	24.7543	293.1565
May-12	139	378	2.1417	21.6227	293.3698
Jun-12	16	139	2.1500	19.8415	293.5832
Jul-12	0	16	2.1583	19.3714	293.7966
Aug-12	4	0	2.1667	19.3821	294.0099
Sep-12	65	4	2.1750 FY 12	19.9758	294.2233

Regression Results:	14.72222 Constant
	0.002761 HDD-1
	0.009261 HDD
	2.133607 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC	
Oct-12	335	65	2.1833	22.6624	294.4367	
Nov-12	617	335	2.1917	26.0372	294.6500	
Dec-12	946	617	2.2000	29.8804	294.8634	
Jan-13	1081	946	2.2083	32.0569	295.0767	
Feb-13	916	1081	2.2167	30.9194	295.0123	
Mar-13	717	916	2.2250	28.6387	295.1428	
Apr-13	378	717	2.2333	24.9676	295.3562	
May-13	139	378	2.2417	21.8360	295.5695	
Jun-13	16	139	2.2500	20.0548	295.7829	
Jul-13	0	16	2.2583	19.5848	295.9962	
Aug-13	4	0	2.2667	19.5954	296.2096	
Sep-13	65	4	2.2750 FY 13	20.1892	296.4230	
Oct-13	335	65	2.2833	22.8758	296.6363	
Nov-13	617	335	2.2917	26.2506	296.8497	
Dec-13	946	617	2.3000	30.0938	297.0630	
Jan-14	1081	946	2.3083	32.2702	297.2764	
Feb-14	916	1081	2.3167	31.1328	297.4898	
Mar-14	717	916	2.3250	28.8521	297.7031	
Apr-14	378	717	2.3333	25.1810	297.9165	
May-14	139	378	2.3417	22.0494	298.1298	
Jun-14	16	139	2.3500	20.2682	298.3432	
Jul-14	0	16	2.3583	19.7982	298.5566	
Aug-14	4	0	2.3667	19.8088	298.7699	
Sep-14	65	4	2.3750 FY 14	20.4025	298.9833	
Oct-14	335	65	2.3833	23.0891	299.1966	
Nov-14	617	335	2.3917	26.4639	299.4100	
Dec-14	946	617	2.4000	30.3072	299.6234	
Jan-15	1081	946	2.4083	32.4836	299.8367	
Feb-15	916	1081	2.4167	31.3461	300.0501	
Mar-15	717	916	2.4250	29.0654	300.2635	
Apr-15	378	717	2.4333	25.3944	300.4768	
May-15	139	378	2.4417	22.2628	300.6902	
Jun-15	16	139	2.4500	20.4815	300.9035	
Jul-15	0	16	2.4583	20.0115	301.1169	
Aug-15	4	0	2.4667	20.0222	301.3303	
Sep-15	65	4	2.4750 FY 15	20.6159	301.5436	
Oct-15	335	65	2.4833	23.3025	301.7570	
Nov-15	617	335	2.4917	26.6773	301.9703	
Dec-15	946	617	2.5000	30.5205	302.1837	
Jan-16	1081	946	2.5083	32.6970	302.3971	
Feb-16	946	1081	2.5167	31.8373	302.8882	
Mar-16	717	946	2.5250	29.3616	303.1844	Historic Test Year Annualized FY15
Apr-16	378	717	2.5333	25.6077	303.3978	
May-16	139	378	2.5417	22.4761	303.6112	
Jun-16	16	139	2.5500	20.6949	303.8245	
Jul-16	0	16	2.5583	20.2249	304.0379	
Aug-16	4	0	2.5667	20.2355	304.2512	
Sep-16	65	4	2.5750 FY 16	20.8292	304.4646	
Oct-16	335	65	2.5833	23.5158	304.6780	
Nov-16	617	335	2.5917	26.8907	304.8913	
Dec-16	946	617	2.6000	30.7339	305.1047	
Jan-17	1081	946	2.6083	32.9103	305.3180	
Feb-17	916	1081	2.6167	31.7729	305.2536	
Mar-17	717	916	2.6250	29.4922	305.3841	Future Test Year Annualized FY 16
Apr-17	378	717	2.6333	25.8211	305.5975	
May-17	139	378	2.6417	22.6895	305.8108	
Jun-17	16	139	2.6500	20.9083	306.0242	
Jul-17	0	16	2.6583	20.4382	306.2375	
Aug-17	4	0	2.6667	20.4489	306.4509	
Sep-17	65	4	2.6750 FY 17	21.0426	306.6643	
Oct-17	335	65	2.6833	23.7292	306.8776	
Nov-17	617	335	2.6917	27.1040	307.0910	
Dec-17	946	617	2.7000	30.9472	307.3044	
Jan-18	1081	946	2.7083	33.1237	307.5177	
Feb-18	916	1081	2.7167	31.9862	307.7311	
Mar-18	717	916	2.7250	29.7055	307.9444	Fully Projected Future Test Year Annualized FY 17

CG incl NT&DS-UGIU
Regression based on Usage per Customer History 1/95-9/15

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.944491568
R Square	0.892064322
Adjusted R Square	0.890742661
Standard Error	1.682578171
Observations	249

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	5732.548429	1910.849476	674.9568002	4.3249E-118
Residual	245	693.6119786	2.831069301		
Total	248	6426.160408			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	14.72221824	0.306748895	47.99436434	1.3568E-126	14.11801681	15.32641968	14.11801681	15.32641968
X Variable 1	0.00276127	0.000481857	5.730472649	2.92867E-08	0.001812158	0.003710381	0.001812158	0.003710381
X Variable 2	0.009260665	0.00048179	19.22135473	7.91689E-51	0.008311685	0.010209644	0.008311685	0.010209644
X Variable 3	2.133606527	0.178078836	11.98124706	2.43077E-26	1.782845727	2.484367327	1.782845727	2.484367327

	Actual DD	Normal DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar					CH Incl NT&DS
Jan-95	966	1081	841	966	0.4083	Jan-95	103.04
Feb-95	1026	916	966	1,026	0.4167	Feb-95	110.66
Mar-95	655	717	1,026	655	0.4250	Mar-95	73.78
Apr-95	452	378	655	452	0.4333	Apr-95	44.88
May-95	164	139	452	164	0.4417	May-95	26.26
Jun-95	7	16	164	7	0.4500	Jun-95	14.54
Jul-95	0	0	7	0	0.4583	Jul-95	13.86
Aug-95	0	4	0	0	0.4667	Aug-95	14.06
Sep-95	86	65	0	86	0.4750	Sep-95	16.80
Oct-95	247	335	86	247	0.4833	Oct-95	27.40
Nov-95	785	617	247	785	0.4917	Nov-95	70.39
Dec-95	1116	946	785	1,116	0.5000	Dec-95	116.27
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	125.69
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	115.25
Mar-96	880	717	1,053	880	0.5250	Mar-96	87.73
Apr-96	437	378	880	437	0.5333	Apr-96	52.84
May-96	229	139	437	229	0.5417	May-96	27.83
Jun-96	6	16	229	6	0.5500	Jun-96	16.51
Jul-96	1	0	6	1	0.5583	Jul-96	11.90
Aug-96	2	4	1	2	0.5667	Aug-96	15.06
Sep-96	78	65	2	78	0.5750	Sep-96	15.70
Oct-96	348	335	78	348	0.5833	Oct-96	33.46
Nov-96	781	617	348	781	0.5917	Nov-96	72.55
Dec-96	868	946	781	868	0.6000	Dec-96	93.15
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	119.58
Feb-97	773	916	1,108	773	0.6167	Feb-97	90.43
Mar-97	731	717	773	731	0.6250	Mar-97	75.15
Apr-97	456	378	731	456	0.6333	Apr-97	48.57
May-97	219	139	456	219	0.6417	May-97	26.99
Jun-97	43	16	219	43	0.6500	Jun-97	16.49
Jul-97	3	0	43	3	0.6583	Jul-97	11.10
Aug-97	3	4	3	3	0.6667	Aug-97	14.31
Sep-97	81	65	3	81	0.6750	Sep-97	16.70
Oct-97	354	335	81	354	0.6833	Oct-97	32.66
Nov-97	714	617	354	714	0.6917	Nov-97	69.18
Dec-97	928	946	714	928	0.7000	Dec-97	94.62
Jan-98	831	1081	928	831	0.7083	Jan-98	88.36
Feb-98	707	916	831	707	0.7167	Feb-98	74.78
Mar-98	681	717	707	681	0.7250	Mar-98	72.95
Apr-98	349	378	681	349	0.7333	Apr-98	36.79
May-98	87	139	349	87	0.7417	May-98	18.49
Jun-98	37	16	87	37	0.7500	Jun-98	14.22
Jul-98	1	0	37	1	0.7583	Jul-98	13.19
Aug-98	3	4	1	3	0.7667	Aug-98	13.95
Sep-98	45	65	3	45	0.7750	Sep-98	14.78
Oct-98	320	335	45	320	0.7833	Oct-98	29.18
Nov-98	608	617	320	608	0.7917	Nov-98	56.54
Dec-98	800	946	608	800	0.8000	Dec-98	73.81
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	110.55
Feb-99	839	916	1,050	839	0.8167	Feb-99	87.26
Mar-99	792	717	839	792	0.8250	Mar-99	86.09
Apr-99	421	378	792	421	0.8333	Apr-99	40.11
May-99	123	139	421	123	0.8417	May-99	20.62
Jun-99	17	16	123	17	0.8500	Jun-99	11.98
Jul-99	0	0	17	0	0.8583	Jul-99	12.72
Aug-99	6	4	0	6	0.8667	Aug-99	13.28
Sep-99	68	65	6	68	0.8750	Sep-99	15.55

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC CH Incl NT&DS
Oct-99	396	335	68	396	0.8833	Oct-99	32.00
Nov-99	536	617	396	536	0.8917	Nov-99	50.98
Dec-99	896	946	536	896	0.9000	Dec-99	84.60
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	112.55
Feb-00	920	946	1,119	920	0.9167	Feb-00	104.15
Mar-00	594	717	920	594	0.9250	Mar-00	59.75
Apr-00	429	378	594	429	0.9333	Apr-00	38.73
May-00	124	139	429	124	0.9417	May-00	22.50
Jun-00	28	16	124	28	0.9500	Jun-00	12.36
Jul-00	2	0	28	2	0.9583	Jul-00	13.84
Aug-00	9	4	2	9	0.9667	Aug-00	14.00
Sep-00	147	65	9	147	0.9750	Sep-00	17.20
Oct-00	351	335	147	351	0.9833	Oct-00	31.45
Nov-00	700	617	351	700	0.9917	Nov-00	59.11
Dec-00	1189	946	700	1,189	1.0000	Dec-00	112.55
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	118.06
Feb-01	882	916	1,119	882	1.0167	Feb-01	87.49
Mar-01	844	717	882	844	1.0250	Mar-01	79.28
Apr-01	406	378	844	406	1.0333	Apr-01	44.80
May-01	142	139	406	142	1.0417	May-01	16.66
Jun-01	16	16	142	16	1.0500	Jun-01	14.36
Jul-01	5	0	16	5	1.0583	Jul-01	14.15
Aug-01	0	4	5	0	1.0667	Aug-01	12.14
Sep-01	105	65	0	105	1.0750	Sep-01	16.20
Oct-01	336	335	105	336	1.0833	Oct-01	29.13
Nov-01	486	617	336	486	1.0917	Nov-01	46.71
Dec-01	810	946	486	810	1.1000	Dec-01	71.38
Jan-02	893	1081	810	893	1.1083	Jan-02	88.11
Feb-02	783	916	893	783	1.1167	Feb-02	73.93
Mar-02	700	717	783	700	1.1250	Mar-02	67.16
Apr-02	375	378	700	375	1.1333	Apr-02	37.67
May-02	200	139	375	200	1.1417	May-02	20.79
Jun-02	13	16	200	13	1.1500	Jun-02	14.91
Jul-02	0	0	13	0	1.1583	Jul-02	11.30
Aug-02	5	4	0	5	1.1667	Aug-02	12.93
Sep-02	36	65	5	36	1.1750	Sep-02	14.74
Oct-02	420	335	36	420	1.1833	Oct-02	32.44
Nov-02	682	617	420	682	1.1917	Nov-02	58.80
Dec-02	1046	946	682	1,046	1.2000	Dec-02	102.04
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	120.98
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	113.97
Mar-03	774	717	1,062	774	1.2250	Mar-03	81.19
Apr-03	446	378	774	446	1.2333	Apr-03	39.90
May-03	225	139	446	225	1.2417	May-03	25.64
Jun-03	58	16	225	58	1.2500	Jun-03	17.40
Jul-03	0	0	58	0	1.2583	Jul-03	11.28
Aug-03	0	4	0	0	1.2667	Aug-03	13.30
Sep-03	47	65	0	47	1.2750	Sep-03	14.88
Oct-03	408	335	47	408	1.2833	Oct-03	32.53
Nov-03	530	617	408	530	1.2917	Nov-03	50.28
Dec-03	954	946	530	954	1.3000	Dec-03	92.09
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	124.20
Feb-04	944	946	1,278	944	1.3167	Feb-04	103.26
Mar-04	685	717	944	685	1.3250	Mar-04	61.93
Apr-04	390	378	685	390	1.3333	Apr-04	41.14
May-04	71	139	390	71	1.3417	May-04	17.24
Jun-04	28	16	71	28	1.3500	Jun-04	12.89

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CH Incl NT&DS
Jul-04	0	0	28	0	1.3583	Jul-04	13.21
Aug-04	10	4	0	10	1.3667	Aug-04	16.33
Sep-04	34	65	10	34	1.3750	Sep-04	12.44
Oct-04	364	335	34	364	1.3833	Oct-04	28.99
Nov-04	567	617	364	567	1.3917	Nov-04	50.08
Dec-04	946	946	567	946	1.4000	Dec-04	84.99
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	109.65
Feb-05	889	916	1,127	889	1.4167	Feb-05	86.57
Mar-05	868	717	889	868	1.4250	Mar-05	86.26
Apr-05	340	378	868	340	1.4333	Apr-05	36.42
May-05	231	139	340	231	1.4417	May-05	23.66
Jun-05	6	16	231	6	1.4500	Jun-05	13.16
Jul-05	0	0	6	0	1.4583	Jul-05	10.67
Aug-05	0	4	0	0	1.4667	Aug-05	12.46
Sep-05	27	65	0	27	1.4750	Sep-05	13.97
Oct-05	304	335	27	304	1.4833	Oct-05	24.72
Nov-05	579	617	304	579	1.4917	Nov-05	48.42
Dec-05	1064	946	579	1,064	1.5000	Dec-05	100.55
Jan-06	847	1081	1,064	847	1.5083	Jan-06	88.79
Feb-06	902	916	847	902	1.5167	Feb-06	83.85
Mar-06	692	717	902	692	1.5250	Mar-06	63.52
Apr-06	341	378	692	341	1.5333	Apr-06	25.61
May-06	154	139	341	154	1.5417	May-06	19.38
Jun-06	22	16	154	22	1.5500	Jun-06	17.28
Jul-06	0	0	22	0	1.5583	Jul-06	10.83
Aug-06	1	4	0	1	1.5667	Aug-06	10.71
Sep-06	89	65	1	89	1.5750	Sep-06	14.21
Oct-06	375	335	89	375	1.5833	Oct-06	29.05
Nov-06	512	617	375	512	1.5917	Nov-06	45.39
Dec-06	779	946	512	779	1.6000	Dec-06	69.58
Jan-07	938	1081	779	938	1.6083	Jan-07	90.80
Feb-07	1117	916	938	1,117	1.6167	Feb-07	111.27
Mar-07	755	717	1,117	755	1.6250	Mar-07	70.81
Apr-07	495	378	755	495	1.6333	Apr-07	43.83
May-07	110	139	495	110	1.6417	May-07	18.81
Jun-07	12	16	110	12	1.6500	Jun-07	15.00
Jul-07	4	0	12	4	1.6583	Jul-07	9.57
Aug-07	16	4	4	16	1.6667	Aug-07	9.65
Sep-07	50	65	16	50	1.6750	Sep-07	12.21
Oct-07	192	335	50	192	1.6833	Oct-07	19.69
Nov-07	703	617	192	703	1.6917	Nov-07	53.29
Dec-07	956	946	703	956	1.7000	Dec-07	89.01
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	96.16
Feb-08	947	946	1,000	947	1.7167	Feb-08	93.86
Mar-08	737	717	947	737	1.7250	Mar-08	63.48
Apr-08	335	378	737	335	1.7333	Apr-08	30.45
May-08	226	139	335	226	1.7417	May-08	21.94
Jun-08	7	16	226	7	1.7500	Jun-08	16.10
Jul-08	0	0	7	0	1.7583	Jul-08	9.69
Aug-08	4	4	0	4	1.7667	Aug-08	12.69
Sep-08	54	65	4	54	1.7750	Sep-08	14.18
Oct-08	418	335	54	418	1.7833	Oct-08	28.46
Nov-08	680	617	418	680	1.7917	Nov-08	56.60
Dec-08	963	946	680	963	1.8000	Dec-08	94.54
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	114.36
Feb-09	880	916	1,225	880	1.8167	Feb-09	81.31
Mar-09	735	717	880	735	1.8250	Mar-09	62.25

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC CH Incl NT&DS
Apr-09	388	378	735	388	1.8333	Apr-09	32.89
May-09	140	139	388	140	1.8417	May-09	19.62
Jun-09	25	16	140	25	1.8500	Jun-09	16.42
Jul-09	0	0	25	0	1.8583	Jul-09	11.28
Aug-09	6	4	0	6	1.8667	Aug-09	11.35
Sep-09	78	65	6	78	1.8750	Sep-09	13.27
Oct-09	381	335	78	381	1.8833	Oct-09	28.28
Nov-09	526	617	381	526	1.8917	Nov-09	42.51
Dec-09	995	946	526	995	1.9000	Dec-09	88.46
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	102.89
Feb-10	965	916	1,082	965	1.9167	Feb-10	88.06
Mar-10	557	717	965	557	1.9250	Mar-10	48.37
Apr-10	288	378	557	288	1.9333	Apr-10	23.85
May-10	119	139	288	119	1.9417	May-10	18.01
Jun-10	7	16	119	7	1.9500	Jun-10	14.39
Jul-10	0	0	7	0	1.9583	Jul-10	15.52
Aug-10	0	4	0	0	1.9667	Aug-10	10.77
Sep-10	25	65	0	25	1.9750	Sep-10	14.60
Oct-10	331	335	25	331	1.9833	Oct-10	23.57
Nov-10	631	617	331	631	1.9917	Nov-10	48.83
Dec-10	1103	946	631	1,103	2.0000	Dec-10	103.69
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	109.59
Feb-11	893	916	1,192	893	2.0167	Feb-11	82.37
Mar-11	757	717	893	757	2.0250	Mar-11	63.37
Apr-11	354	378	757	354	2.0333	Apr-11	35.10
May-11	92	139	354	92	2.0417	May-11	19.13
Jun-11	2	16	92	2	2.0500	Jun-11	13.35
Jul-11	0	0	2	0	2.0583	Jul-11	12.50
Aug-11	2	4	0	2	2.0667	Aug-11	13.13
Sep-11	51	65	2	51	2.0750	Sep-11	15.21
Oct-11	355	335	51	355	2.0833	Oct-11	26.10
Nov-11	536	617	355	536	2.0917	Nov-11	45.56
Dec-11	795	946	536	795	2.1000	Dec-11	71.86
Jan-12	951	1081	795	951	2.1083	Jan-12	91.21
Feb-12	783	946	951	783	2.1167	Feb-12	71.23
Mar-12	451	717	783	451	2.1250	Mar-12	40.16
Apr-12	373	378	451	373	2.1333	Apr-12	29.05
May-12	51	139	373	51	2.1417	May-12	21.24
Jun-12	21	16	51	21	2.1500	Jun-12	12.48
Jul-12	0	0	21	0	2.1583	Jul-12	9.54
Aug-12	0	4	0	0	2.1667	Aug-12	10.27
Sep-12	77	65	0	77	2.1750	Sep-12	11.56
Oct-12	302	335	77	302	2.1833	Oct-12	25.78
Nov-12	754	617	302	754	2.1917	Nov-12	59.00
Dec-12	816	946	754	816	2.2000	Dec-12	75.97
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	95.88
Feb-13	924	916	1,001	924	2.2167	Feb-13	87.48
Mar-13	819	717	924	819	2.2250	Mar-13	71.68
Apr-13	383	378	819	383	2.2333	Apr-13	37.91
May-13	158	139	383	158	2.2417	May-13	18.94
Jun-13	4	16	158	4	2.2500	Jun-13	13.41
Jul-13	0	0	4	0	2.2583	Jul-13	11.50
Aug-13	2	4	0	2	2.2667	Aug-13	13.22
Sep-13	111	65	2	111	2.2750	Sep-13	15.33
Oct-13	300	335	111	300	2.2833	Oct-13	24.89
Nov-13	723	617	300	723	2.2917	Nov-13	58.47
Dec-13	968	946	723	968	2.3000	Dec-13	90.05

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CH Incl NT&DS
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	123.66
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	102.91
Mar-14	908	717	1,064	908	2.3250	Mar-14	84.45
Apr-14	430	378	908	430	2.3333	Apr-14	37.02
May-14	126	139	430	126	2.3417	May-14	17.92
Jun-14	4	16	126	4	2.3500	Jun-14	12.10
Jul-14	2	0	4	2	2.3583	Jul-14	12.75
Aug-14	2	4	2	2	2.3667	Aug-14	12.88
Sep-14	71	65	2	71	2.3750	Sep-14	20.16
Oct-14	267	335	71	267	2.3833	Oct-14	21.88
Nov-14	731	617	267	731	2.3917	Nov-14	60.13
Dec-14	875	946	731	875	2.4000	Dec-14	86.65
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	116.53
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	119.92
Mar-15	920	717	1,228	920	2.4250	Mar-15	89.06
Apr-15	360	378	920	360	2.4333	Apr-15	33.92
May-15	65	139	360	65	2.4417	May-15	15.60
Jun-15	27	16	65	27	2.4500	Jun-15	14.93
Jul-15	0	0	27	0	2.4583	Jul-15	13.36
Aug-15	0	4	0	0	2.4667	Aug-15	13.85
Sep-15	26	65	0	26	2.4750	Sep-15	14.98
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

	Normal Degree Days			1 Month	12 Months
	Normal Degree Days (HDD)	for Prior Month (HDD-1)	Trend	UPC	Ended UPC
Jan-95	1081	946	0.4083	104.7903	
Feb-95	916	1081	0.4167	92.5223	
Mar-95	717	916	0.4250	75.3466	
Apr-95	378	717	0.4333	46.7036	
May-95	139	378	0.4417	25.0563	
Jun-95	16	139	0.4500	13.4331	
Jul-95	0	16	0.4583	11.2291	
Aug-95	4	0	0.4667	11.4065	
Sep-95	65	4	0.4750	16.2976	
Oct-95	335	65	0.4833	38.3531	
Nov-95	617	335	0.4917	62.8911	
Dec-95	946	617	0.5000	91.2830	589.3126
Jan-96	1081	946	0.5083	104.4692	588.9915
Feb-96	946	1081	0.5167	94.6054	591.0746
Mar-96	717	946	0.5250	75.2438	590.9718
Apr-96	378	717	0.5333	46.3825	590.6507
May-96	139	378	0.5417	24.7352	590.3296
Jun-96	16	139	0.5500	13.1120	590.0084
Jul-96	0	16	0.5583	10.9080	589.6873
Aug-96	4	0	0.5667	11.0854	589.3662
Sep-96	65	4	0.5750	15.9765	589.0451
Oct-96	335	65	0.5833	38.0320	588.7239
Nov-96	617	335	0.5917	62.5699	588.4028
Dec-96	946	617	0.6000	90.9619	588.0817
Jan-97	1081	946	0.6083	104.1481	587.7606
Feb-97	916	1081	0.6167	91.8800	585.0352
Mar-97	717	916	0.6250	74.7044	584.4958
Apr-97	378	717	0.6333	46.0614	584.1747
May-97	139	378	0.6417	24.4141	583.8535
Jun-97	16	139	0.6500	12.7908	583.5324
Jul-97	0	16	0.6583	10.5869	583.2113
Aug-97	4	0	0.6667	10.7643	582.8902
Sep-97	65	4	0.6750	15.6553	582.5691
Oct-97	335	65	0.6833	37.7109	582.2479
Nov-97	617	335	0.6917	62.2488	581.9268
Dec-97	946	617	0.7000	90.6407	581.6057
Jan-98	1081	946	0.7083	103.8270	581.2846
Feb-98	916	1081	0.7167	91.5589	580.9635
Mar-98	717	916	0.7250	74.3832	580.6423
Apr-98	378	717	0.7333	45.7403	580.3212
May-98	139	378	0.7417	24.0929	580.0001
Jun-98	16	139	0.7500	12.4697	579.6790
Jul-98	0	16	0.7583	10.2658	579.3578
Aug-98	4	0	0.7667	10.4432	579.0367
Sep-98	65	4	0.7750	15.3342	578.7156
Oct-98	335	65	0.7833	37.3898	578.3945
Nov-98	617	335	0.7917	61.9277	578.0734
Dec-98	946	617	0.8000	90.3196	577.7522
Jan-99	1081	946	0.8083	103.5058	577.4311
Feb-99	916	1081	0.8167	91.2378	577.1100
Mar-99	717	916	0.8250	74.0621	576.7889
Apr-99	378	717	0.8333	45.4191	576.4678
May-99	139	378	0.8417	23.7718	576.1466
Jun-99	16	139	0.8500	12.1486	575.8255
Jul-99	0	16	0.8583	9.9446	575.5044
Aug-99	4	0	0.8667	10.1220	575.1833
Sep-99	65	4	0.8750 FY99	15.0131	574.8621
Oct-99	335	65	0.8833	37.0687	574.5410
Nov-99	617	335	0.8917	61.6066	574.2199
Dec-99	946	617	0.9000	89.9985	573.8988
Jan-00	1081	946	0.9083	103.1847	573.5777
Feb-00	946	1081	0.9167	93.3209	575.6608
Mar-00	717	946	0.9250	73.9593	575.5580
Apr-00	378	717	0.9333	45.0980	575.2369
May-00	139	378	0.9417	23.4507	574.9157
Jun-00	16	139	0.9500	11.8275	574.5946
Jul-00	0	16	0.9583	9.6235	574.2735
Aug-00	4	0	0.9667	9.8009	573.9524
Sep-00	65	4	0.9750 FY00	14.6920	573.6312
Oct-00	335	65	0.9833	36.7475	573.3101
Nov-00	617	335	0.9917	61.2855	572.9890
Dec-00	946	617	1.0000	89.6774	572.6679
Jan-01	1081	946	1.0083	102.8636	572.3468
Feb-01	916	1081	1.0167	90.5955	569.6214
Mar-01	717	916	1.0250	73.4199	569.0820

	Normal Degree Days			1 Month	12 Months
	Normal Degree Days (HDD)	for Prior Month (HDD-1)	Trend	UPC	Ended UPC
Apr-01	378	717	1.0333	44.7769	568.7608
May-01	139	378	1.0417	23.1296	568.4397
Jun-01	16	139	1.0500	11.5064	568.1186
Jul-01	0	16	1.0583	9.3024	567.7975
Aug-01	4	0	1.0667	9.4798	567.4764
Sep-01	65	4	1.0750 FY01	14.3708	567.1552
Oct-01	335	65	1.0833	36.4264	566.8341
Nov-01	617	335	1.0917	60.9643	566.5130
Dec-01	946	617	1.1000	89.3563	566.1919
Jan-02	1081	946	1.1083	102.5425	565.8708
Feb-02	916	1081	1.1167	90.2744	565.5496
Mar-02	717	916	1.1250	73.0988	565.2285
Apr-02	378	717	1.1333	44.4558	564.9074
May-02	139	378	1.1417	22.8084	564.5863
Jun-02	16	139	1.1500	11.1852	564.2651
Jul-02	0	16	1.1583	8.9813	563.9440
Aug-02	4	0	1.1667	9.1587	563.6229
Sep-02	65	4	1.1750 FY02	14.0497	563.3018
Oct-02	335	65	1.1833	36.1053	562.9807
Nov-02	617	335	1.1917	60.6432	562.6595
Dec-02	946	617	1.2000	89.0351	562.3384
Jan-03	1081	946	1.2083	102.2214	562.0173
Feb-03	916	1081	1.2167	89.9533	561.6962
Mar-03	717	916	1.2250	72.7776	561.3751
Apr-03	378	717	1.2333	44.1347	561.0539
May-03	139	378	1.2417	22.4873	560.7328
Jun-03	16	139	1.2500	10.8641	560.4117
Jul-03	0	16	1.2583	8.6602	560.0906
Aug-03	4	0	1.2667	8.8376	559.7694
Sep-03	65	4	1.2750 FY03	13.7286	559.4483
Oct-03	335	65	1.2833	35.7842	559.1272
Nov-03	617	335	1.2917	60.3221	558.8061
Dec-03	946	617	1.3000	88.7140	558.4850
Jan-04	1081	946	1.3083	101.9002	558.1638
Feb-04	946	1081	1.3167	92.0364	560.2470
Mar-04	717	946	1.3250	72.6748	560.1441
Apr-04	378	717	1.3333	43.8135	559.8230
May-04	139	378	1.3417	22.1862	559.5018
Jun-04	16	139	1.3500	10.5430	559.1808
Jul-04	0	16	1.3583	8.3390	558.8597
Aug-04	4	0	1.3667	8.5164	558.5385
Sep-04	65	4	1.3750 FY04	13.4075	558.2174
Oct-04	335	65	1.3833	35.4631	557.8963
Nov-04	617	335	1.3917	60.0010	557.5752
Dec-04	946	617	1.4000	88.3929	557.2541
Jan-05	1081	946	1.4083	101.5791	556.9329
Feb-05	916	1081	1.4167	89.3110	554.2075
Mar-05	717	916	1.4250	72.1354	553.6681
Apr-05	378	717	1.4333	43.4924	553.3470
May-05	139	378	1.4417	21.8451	553.0259
Jun-05	16	139	1.4500	10.2219	552.7048
Jul-05	0	16	1.4583	8.0179	552.3837
Aug-05	4	0	1.4667	8.1953	552.0625
Sep-05	65	4	1.4750 FY05	13.0864	551.7414
Oct-05	335	65	1.4833	35.1419	551.4203
Nov-05	617	335	1.4917	59.6798	551.0992
Dec-05	946	617	1.5000	88.0718	550.7780
Jan-06	1081	946	1.5083	101.2580	550.4569
Feb-06	916	1081	1.5167	88.9899	550.1358
Mar-06	717	916	1.5250	71.8143	549.8147
Apr-06	378	717	1.5333	43.1713	549.4936
May-06	139	378	1.5417	21.5240	549.1724
Jun-06	16	139	1.5500	9.9008	548.8513
Jul-06	0	16	1.5583	7.6968	548.5302
Aug-06	4	0	1.5667	7.8742	548.2091
Sep-06	65	4	1.5750 FY06	12.7652	547.8880
Oct-06	335	65	1.5833	34.8208	547.5668
Nov-06	617	335	1.5917	59.3587	547.2457
Dec-06	946	617	1.6000	87.7507	546.9246
Jan-07	1081	946	1.6083	100.9369	546.6035
Feb-07	916	1081	1.6167	88.6688	546.2823
Mar-07	717	916	1.6250	71.4932	545.9612
Apr-07	378	717	1.6333	42.8502	545.6401
May-07	139	378	1.6417	21.2028	545.3190
Jun-07	16	139	1.6500	9.5796	544.9979

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Jul-07	0	16	1.6583	7.3757	544.6767
Aug-07	4	0	1.6667	7.5531	544.3556
Sep-07	65	4	1.6750 FY 07	12.4441	544.0345
Oct-07	335	65	1.6833	34.4997	543.7134
Nov-07	617	335	1.6917	59.0376	543.3923
Dec-07	946	617	1.7000	87.4295	543.0711
Jan-08	1081	946	1.7083	100.6157	542.7500
Feb-08	946	1081	1.7167	90.7520	544.8332
Mar-08	717	946	1.7250	71.3903	544.7303
Apr-08	378	717	1.7333	42.5290	544.4092
May-08	139	378	1.7417	20.8817	544.0881
Jun-08	16	139	1.7500	9.2585	543.7670
Jul-08	0	16	1.7583	7.0546	543.4458
Aug-08	4	0	1.7667	7.2319	543.1247
Sep-08	65	4	1.7750 FY 08	12.1230	542.8036
Oct-08	335	65	1.7833	34.1786	542.4825
Nov-08	617	335	1.7917	58.7165	542.1613
Dec-08	946	617	1.8000	87.1084	541.8402
Jan-09	1081	946	1.8083	100.2946	541.5191
Feb-09	916	1081	1.8167	88.0266	538.7937
Mar-09	717	916	1.8250	70.8509	538.2543
Apr-09	378	717	1.8333	42.2079	537.9332
May-09	139	378	1.8417	20.5606	537.6121
Jun-09	16	139	1.8500	8.9374	537.2909
Jul-09	0	16	1.8583	6.7334	536.9698
Aug-09	4	0	1.8667	6.9108	536.6487
Sep-09	65	4	1.8750 FY 09	11.8019	536.3276
Oct-09	335	65	1.8833	33.8574	536.0065
Nov-09	617	335	1.8917	58.3954	535.6853
Dec-09	946	617	1.9000	86.7873	535.3642
Jan-10	1081	946	1.9083	99.9735	535.0431
Feb-10	916	1081	1.9167	87.7054	534.7220
Mar-10	717	916	1.9250	70.5298	534.4009
Apr-10	378	717	1.9333	41.8868	534.0797
May-10	139	378	1.9417	20.2395	533.7586
Jun-10	16	139	1.9500	8.6163	533.4375
Jul-10	0	16	1.9583	6.4123	533.1164
Aug-10	4	0	1.9667	6.5897	532.7952
Sep-10	65	4	1.9750 FY 10	11.4808	532.4741
Oct-10	335	65	1.9833	33.5363	532.1530
Nov-10	617	335	1.9917	58.0742	531.8319
Dec-10	946	617	2.0000	86.4662	531.5108
Jan-11	1081	946	2.0083	99.6524	531.1896
Feb-11	916	1081	2.0167	87.3843	530.8685
Mar-11	717	916	2.0250	70.2087	530.5474
Apr-11	378	717	2.0333	41.5657	530.2263
May-11	139	378	2.0417	19.9184	529.9052
Jun-11	16	139	2.0500	8.2951	529.5840
Jul-11	0	16	2.0583	6.0912	529.2629
Aug-11	4	0	2.0667	6.2686	528.9418
Sep-11	65	4	2.0750 FY 11	11.1596	528.6207
Oct-11	335	65	2.0833	33.2152	528.2995
Nov-11	617	335	2.0917	57.7531	527.9784
Dec-11	946	617	2.1000	86.1450	527.6573
Jan-12	1081	946	2.1083	99.3313	527.3362
Feb-12	946	1081	2.1167	89.4675	529.4193
Mar-12	717	946	2.1250	70.1058	529.3165
Apr-12	378	717	2.1333	41.2446	528.9954
May-12	139	378	2.1417	19.5972	528.6743
Jun-12	16	139	2.1500	7.9740	528.3531
Jul-12	0	16	2.1583	5.7701	528.0320
Aug-12	4	0	2.1667	5.9475	527.7109
Sep-12	65	4	2.1750 FY 12	10.8385	527.3898
Oct-12	335	65	2.1833	32.8941	527.0686
Nov-12	617	335	2.1917	57.4320	526.7475
Dec-12	946	617	2.2000	85.8239	526.4264
Jan-13	1081	946	2.2083	99.0101	526.1053
Feb-13	916	1081	2.2167	86.7421	523.7999
Mar-13	717	916	2.2250	69.5684	522.8405
Apr-13	378	717	2.2333	40.9234	522.5194
May-13	139	378	2.2417	19.2761	522.1982
Jun-13	16	139	2.2500	7.6529	521.8771
Jul-13	0	16	2.2583	5.4489	521.5560
Aug-13	4	0	2.2667	5.6263	521.2349
Sep-13	65	4	2.2750 FY 13	10.5174	520.9138

	Normal Degree Days (HDD)	Normal Degree for Prior Month (HDD-1)	Trend	1 Month UJC	12 Months Ended UJC	
Oct-13	335	65	2.2833	32.5730	520.5926	
Nov-13	617	335	2.2917	57.1109	520.2715	
Dec-13	946	617	2.3000	85.5028	519.9504	
Jan-14	1081	946	2.3083	98.6890	519.6293	
Feb-14	916	1081	2.3167	86.4209	519.3082	
Mar-14	717	916	2.3250	69.2453	518.9870	
Apr-14	378	717	2.3333	40.6023	518.6659	
May-14	139	378	2.3417	18.9550	518.3448	
Jun-14	16	139	2.3500	7.3318	518.0237	
Jul-14	0	16	2.3583	5.1278	517.7025	
Aug-14	4	0	2.3667	5.3052	517.3814	
Sep-14	65	4	2.3750 FY 14	10.1963	517.0603	
Oct-14	335	65	2.3833	32.2518	516.7392	
Nov-14	617	335	2.3917	56.7898	516.4181	
Dec-14	946	617	2.4000	85.1817	516.0969	
Jan-15	1081	946	2.4083	98.3679	515.7758	
Feb-15	916	1081	2.4167	86.0998	515.4547	
Mar-15	717	916	2.4250	68.9242	515.1336	
Apr-15	378	717	2.4333	40.2812	514.8125	
May-15	139	378	2.4417	18.8339	514.4913	
Jun-15	16	139	2.4500	7.0107	514.1702	
Jul-15	0	16	2.4583	4.8067	513.8491	
Aug-15	4	0	2.4667	4.9841	513.5280	
Sep-15	65	4	2.4750 FY 15	9.8751	513.2068	
Oct-15	335	65	2.4833	31.9307	512.8857	
Nov-15	617	335	2.4917	56.4686	512.5646	
Dec-15	946	617	2.5000	84.8606	512.2435	
Jan-16	1081	946	2.5083	98.0468	511.9224	
Feb-16	946	1081	2.5167	88.1830	514.0055	
Mar-16	717	946	2.5250	68.8213	513.9027	Historic Test Year Annualized FY15
Apr-16	378	717	2.5333	39.9601	513.5815	
May-16	139	378	2.5417	18.3127	513.2604	
Jun-16	16	139	2.5500	6.6895	512.9393	
Jul-16	0	16	2.5583	4.4856	512.6182	
Aug-16	4	0	2.5667	4.6630	512.2971	
Sep-16	65	4	2.5750 FY 16	9.5540	511.9759	
Oct-16	335	65	2.5833	31.6096	511.6548	
Nov-16	617	335	2.5917	56.1475	511.3337	
Dec-16	946	617	2.6000	84.5394	511.0126	
Jan-17	1081	946	2.6083	97.7257	510.6915	
Feb-17	916	1081	2.6167	85.4576	507.9661	
Mar-17	717	916	2.6250	68.2819	507.4267	Future Test Year Annualized FY 16
Apr-17	378	717	2.6333	39.6390	507.1055	
May-17	139	378	2.6417	17.9916	506.7844	
Jun-17	16	139	2.6500	6.3684	506.4633	
Jul-17	0	16	2.6583	4.1645	506.1422	
Aug-17	4	0	2.6667	4.3419	505.8211	
Sep-17	65	4	2.6750 FY 17	9.2329	505.4999	
Oct-17	335	65	2.6833	31.2885	505.1788	
Nov-17	617	335	2.6917	55.8264	504.8577	
Dec-17	946	617	2.7000	84.2183	504.5366	
Jan-18	1081	946	2.7083	97.4045	504.2154	
Feb-18	916	1081	2.7167	85.1365	503.8943	
Mar-18	717	916	2.7250	67.9608	503.5732	Fully Projected Future Test Year Annualized FY 17

CH incl NT&DS-UGIU
Regression based on Usage per Customer History 1/95-9/15

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.985655268
R Square	0.971516307
Adjusted R Square	0.971167527
Standard Error	5.970411896
Observations	249

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	297871.1694	99290.38978	2785.470913	6.021E-189
Residual	245	8733.225462	35.64581821		
Total	248	306604.3948			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	12.58452336	1.088458941	11.5617805	5.822E-25	10.4405924	14.72845432	10.4405924	14.72845432
X Variable 1	0.007275741	0.001709808	4.255296376	2.9742E-05	0.003907942	0.01064354	0.003907942	0.01064354
X Variable 2	0.080142641	0.001709571	46.87879547	2.4555E-124	0.076775309	0.083509973	0.076775309	0.083509973
X Variable 3	-3.211213758	0.631889809	-5.081920474	7.41643E-07	-4.455843274	-1.966584243	-4.455843274	-1.966584243

	Actual DD	Normal DD	DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar						IG Incl NT&DS
Jan-95	966	1081		841	966	0.4083	Jan-95	353.16
Feb-95	1026	916		966	1,026	0.4167	Feb-95	380.63
Mar-95	655	717	1,026	655	0.4250	Mar-95	316.67	
Apr-95	452	378	655	452	0.4333	Apr-95	247.99	
May-95	164	139	452	164	0.4417	May-95	236.26	
Jun-95	7	16	164	7	0.4500	Jun-95	212.02	
Jul-95	0	0	7	0	0.4583	Jul-95	193.88	
Aug-95	0	4	0	0	0.4667	Aug-95	216.05	
Sep-95	86	65	0	86	0.4750	Sep-95	205.35	
Oct-95	247	335	86	247	0.4833	Oct-95	243.78	
Nov-95	785	617	247	785	0.4917	Nov-95	300.22	
Dec-95	1116	946	785	1,116	0.5000	Dec-95	366.37	
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	383.30	
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	407.41	
Mar-96	880	717	1,053	880	0.5250	Mar-96	345.73	
Apr-96	437	378	880	437	0.5333	Apr-96	276.46	
May-96	229	139	437	229	0.5417	May-96	218.94	
Jun-96	6	16	229	6	0.5500	Jun-96	198.68	
Jul-96	1	0	6	1	0.5583	Jul-96	176.59	
Aug-96	2	4	1	2	0.5667	Aug-96	216.11	
Sep-96	78	65	2	78	0.5750	Sep-96	210.18	
Oct-96	348	335	78	348	0.5833	Oct-96	273.88	
Nov-96	781	617	348	781	0.5917	Nov-96	337.51	
Dec-96	868	946	781	868	0.6000	Dec-96	367.33	
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	319.89	
Feb-97	773	916	1,108	773	0.6167	Feb-97	329.26	
Mar-97	731	717	773	731	0.6250	Mar-97	283.17	
Apr-97	456	378	731	456	0.6333	Apr-97	237.04	
May-97	219	139	456	219	0.6417	May-97	218.67	
Jun-97	43	16	219	43	0.6500	Jun-97	198.19	
Jul-97	3	0	43	3	0.6583	Jul-97	151.47	
Aug-97	3	4	3	3	0.6667	Aug-97	192.79	
Sep-97	81	65	3	81	0.6750	Sep-97	194.55	
Oct-97	354	335	81	354	0.6833	Oct-97	247.22	
Nov-97	714	617	354	714	0.6917	Nov-97	334.07	
Dec-97	928	946	714	928	0.7000	Dec-97	307.70	
Jan-98	831	1081	928	831	0.7083	Jan-98	279.92	
Feb-98	707	916	831	707	0.7167	Feb-98	292.54	
Mar-98	681	717	707	681	0.7250	Mar-98	298.56	
Apr-98	349	378	681	349	0.7333	Apr-98	197.56	
May-98	87	139	349	87	0.7417	May-98	113.40	
Jun-98	37	16	87	37	0.7500	Jun-98	153.08	
Jul-98	1	0	37	1	0.7583	Jul-98	144.64	
Aug-98	3	4	1	3	0.7667	Aug-98	171.00	
Sep-98	45	65	3	45	0.7750	Sep-98	165.46	
Oct-98	320	335	45	320	0.7833	Oct-98	205.42	
Nov-98	608	617	320	608	0.7917	Nov-98	262.97	
Dec-98	800	946	608	800	0.8000	Dec-98	245.66	
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	304.32	
Feb-99	839	916	1,050	839	0.8167	Feb-99	278.34	
Mar-99	792	717	839	792	0.8250	Mar-99	298.49	
Apr-99	421	378	792	421	0.8333	Apr-99	182.23	
May-99	123	139	421	123	0.8417	May-99	174.44	
Jun-99	17	16	123	17	0.8500	Jun-99	155.96	
Jul-99	0	0	17	0	0.8583	Jul-99	117.52	
Aug-99	6	4	0	6	0.8667	Aug-99	159.59	
Sep-99	68	65	6	68	0.8750	Sep-99	156.52	

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	IG Incl NT&DS
Oct-99	396	335	68	396	0.8833	Oct-99	207.43
Nov-99	536	617	396	536	0.8917	Nov-99	231.08
Dec-99	896	946	536	896	0.9000	Dec-99	280.50
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	257.14
Feb-00	920	946	1,119	920	0.9167	Feb-00	289.91
Mar-00	594	717	920	594	0.9250	Mar-00	206.14
Apr-00	429	378	594	429	0.9333	Apr-00	177.22
May-00	124	139	429	124	0.9417	May-00	144.62
Jun-00	28	16	124	28	0.9500	Jun-00	144.24
Jul-00	2	0	28	2	0.9583	Jul-00	144.82
Aug-00	9	4	2	9	0.9667	Aug-00	181.46
Sep-00	147	65	9	147	0.9750	Sep-00	161.71
Oct-00	351	335	147	351	0.9833	Oct-00	193.90
Nov-00	700	617	351	700	0.9917	Nov-00	233.48
Dec-00	1189	946	700	1,189	1.0000	Dec-00	333.28
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	315.53
Feb-01	882	916	1,119	882	1.0167	Feb-01	253.06
Mar-01	844	717	882	844	1.0250	Mar-01	256.97
Apr-01	406	378	844	406	1.0333	Apr-01	184.95
May-01	142	139	406	142	1.0417	May-01	134.69
Jun-01	16	16	142	16	1.0500	Jun-01	141.98
Jul-01	5	0	16	5	1.0583	Jul-01	125.79
Aug-01	0	4	5	0	1.0667	Aug-01	154.62
Sep-01	105	65	0	105	1.0750	Sep-01	154.37
Oct-01	336	335	105	336	1.0833	Oct-01	193.59
Nov-01	486	617	336	486	1.0917	Nov-01	227.40
Dec-01	810	946	486	810	1.1000	Dec-01	201.02
Jan-02	893	1081	810	893	1.1083	Jan-02	252.54
Feb-02	783	916	893	783	1.1167	Feb-02	245.23
Mar-02	700	717	783	700	1.1250	Mar-02	254.48
Apr-02	375	378	700	375	1.1333	Apr-02	178.05
May-02	200	139	375	200	1.1417	May-02	149.17
Jun-02	13	16	200	13	1.1500	Jun-02	148.34
Jul-02	0	0	13	0	1.1583	Jul-02	113.57
Aug-02	5	4	0	5	1.1667	Aug-02	155.92
Sep-02	36	65	5	36	1.1750	Sep-02	152.96
Oct-02	420	335	36	420	1.1833	Oct-02	180.90
Nov-02	682	617	420	682	1.1917	Nov-02	204.19
Dec-02	1046	946	682	1,046	1.2000	Dec-02	274.08
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	263.07
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	321.25
Mar-03	774	717	1,062	774	1.2250	Mar-03	309.03
Apr-03	446	378	774	446	1.2333	Apr-03	186.52
May-03	225	139	446	225	1.2417	May-03	150.62
Jun-03	58	16	225	58	1.2500	Jun-03	136.82
Jul-03	0	0	58	0	1.2583	Jul-03	122.58
Aug-03	0	4	0	0	1.2667	Aug-03	147.44
Sep-03	47	65	0	47	1.2750	Sep-03	174.37
Oct-03	408	335	47	408	1.2833	Oct-03	211.78
Nov-03	530	617	408	530	1.2917	Nov-03	227.75
Dec-03	954	946	530	954	1.3000	Dec-03	269.23
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	365.32
Feb-04	944	946	1,278	944	1.3167	Feb-04	344.31
Mar-04	685	717	944	685	1.3250	Mar-04	242.94
Apr-04	390	378	685	390	1.3333	Apr-04	192.22
May-04	71	139	390	71	1.3417	May-04	149.11
Jun-04	28	16	71	28	1.3500	Jun-04	118.26

	Actual DD	Normal DD	DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar						IG Incl NT&DS
Jul-04	0	0	28	0	1.3583	Jul-04	145.25	
Aug-04	10	4	0	10	1.3667	Aug-04	136.85	
Sep-04	34	65	10	34	1.3750	Sep-04	151.68	
Oct-04	364	335	34	364	1.3833	Oct-04	194.46	
Nov-04	567	617	364	567	1.3917	Nov-04	232.55	
Dec-04	946	946	567	946	1.4000	Dec-04	270.93	
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	278.97	
Feb-05	889	916	1,127	889	1.4167	Feb-05	271.03	
Mar-05	868	717	889	868	1.4250	Mar-05	297.19	
Apr-05	340	378	868	340	1.4333	Apr-05	166.22	
May-05	231	139	340	231	1.4417	May-05	145.83	
Jun-05	6	16	231	6	1.4500	Jun-05	131.87	
Jul-05	0	0	6	0	1.4583	Jul-05	117.63	
Aug-05	0	4	0	0	1.4667	Aug-05	134.65	
Sep-05	27	65	0	27	1.4750	Sep-05	139.70	
Oct-05	304	335	27	304	1.4833	Oct-05	176.35	
Nov-05	579	617	304	579	1.4917	Nov-05	217.53	
Dec-05	1064	946	579	1,064	1.5000	Dec-05	233.45	
Jan-06	847	1081	1,064	847	1.5083	Jan-06	245.60	
Feb-06	902	916	847	902	1.5167	Feb-06	243.30	
Mar-06	692	717	902	692	1.5250	Mar-06	236.11	
Apr-06	341	378	692	341	1.5333	Apr-06	165.43	
May-06	154	139	341	154	1.5417	May-06	112.42	
Jun-06	22	16	154	22	1.5500	Jun-06	113.04	
Jul-06	0	0	22	0	1.5583	Jul-06	112.37	
Aug-06	1	4	0	1	1.5667	Aug-06	127.13	
Sep-06	89	65	1	89	1.5750	Sep-06	120.19	
Oct-06	375	335	89	375	1.5833	Oct-06	166.60	
Nov-06	512	617	375	512	1.5917	Nov-06	184.13	
Dec-06	779	946	512	779	1.6000	Dec-06	191.09	
Jan-07	938	1081	779	938	1.6083	Jan-07	204.48	
Feb-07	1117	916	938	1,117	1.6167	Feb-07	265.09	
Mar-07	755	717	1,117	755	1.6250	Mar-07	231.28	
Apr-07	495	378	755	495	1.6333	Apr-07	141.68	
May-07	110	139	495	110	1.6417	May-07	113.19	
Jun-07	12	16	110	12	1.6500	Jun-07	74.85	
Jul-07	4	0	12	4	1.6583	Jul-07	105.84	
Aug-07	16	4	4	16	1.6667	Aug-07	89.81	
Sep-07	50	65	16	50	1.6750	Sep-07	109.98	
Oct-07	192	335	50	192	1.6833	Oct-07	129.63	
Nov-07	703	617	192	703	1.6917	Nov-07	153.64	
Dec-07	956	946	703	956	1.7000	Dec-07	217.65	
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	263.20	
Feb-08	947	946	1,000	947	1.7167	Feb-08	238.49	
Mar-08	737	717	947	737	1.7250	Mar-08	202.90	
Apr-08	335	378	737	335	1.7333	Apr-08	138.93	
May-08	226	139	335	226	1.7417	May-08	92.84	
Jun-08	7	16	226	7	1.7500	Jun-08	98.50	
Jul-08	0	0	7	0	1.7583	Jul-08	57.93	
Aug-08	4	4	0	4	1.7667	Aug-08	94.53	
Sep-08	54	65	4	54	1.7750	Sep-08	105.66	
Oct-08	418	335	54	418	1.7833	Oct-08	156.72	
Nov-08	680	617	418	680	1.7917	Nov-08	178.03	
Dec-08	963	946	680	963	1.8000	Dec-08	270.51	
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	237.03	
Feb-09	880	916	1,225	880	1.8167	Feb-09	219.02	
Mar-09	735	717	880	735	1.8250	Mar-09	203.06	

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC IG Incl NT&DS
Apr-09	388	378	735	388	1.8333	Apr-09	127.66
May-09	140	139	388	140	1.8417	May-09	102.17
Jun-09	25	16	140	25	1.8500	Jun-09	92.35
Jul-09	0	0	25	0	1.8583	Jul-09	89.99
Aug-09	6	4	0	6	1.8667	Aug-09	113.23
Sep-09	78	65	6	78	1.8750	Sep-09	111.87
Oct-09	381	335	78	381	1.8833	Oct-09	158.80
Nov-09	526	617	381	526	1.8917	Nov-09	221.62
Dec-09	995	946	526	995	1.9000	Dec-09	222.88
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	295.15
Feb-10	965	916	1,082	965	1.9167	Feb-10	255.65
Mar-10	557	717	965	557	1.9250	Mar-10	225.88
Apr-10	288	378	557	288	1.9333	Apr-10	100.48
May-10	119	139	288	119	1.9417	May-10	99.49
Jun-10	7	16	119	7	1.9500	Jun-10	114.36
Jul-10	0	0	7	0	1.9583	Jul-10	94.20
Aug-10	0	4	0	0	1.9667	Aug-10	116.23
Sep-10	25	65	0	25	1.9750	Sep-10	133.33
Oct-10	331	335	25	331	1.9833	Oct-10	167.24
Nov-10	631	617	331	631	1.9917	Nov-10	205.46
Dec-10	1103	946	631	1,103	2.0000	Dec-10	259.33
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	306.22
Feb-11	893	916	1,192	893	2.0167	Feb-11	280.40
Mar-11	757	717	893	757	2.0250	Mar-11	212.90
Apr-11	354	378	757	354	2.0333	Apr-11	185.87
May-11	92	139	354	92	2.0417	May-11	121.19
Jun-11	2	16	92	2	2.0500	Jun-11	100.49
Jul-11	0	0	2	0	2.0583	Jul-11	91.23
Aug-11	2	4	0	2	2.0667	Aug-11	102.61
Sep-11	51	65	2	51	2.0750	Sep-11	103.14
Oct-11	355	335	51	355	2.0833	Oct-11	151.44
Nov-11	536	617	355	536	2.0917	Nov-11	179.14
Dec-11	795	946	536	795	2.1000	Dec-11	209.87
Jan-12	951	1081	795	951	2.1083	Jan-12	312.86
Feb-12	783	946	951	783	2.1167	Feb-12	208.72
Mar-12	451	717	783	451	2.1250	Mar-12	189.18
Apr-12	373	378	451	373	2.1333	Apr-12	113.14
May-12	51	139	373	51	2.1417	May-12	109.51
Jun-12	21	16	51	21	2.1500	Jun-12	95.05
Jul-12	0	0	21	0	2.1583	Jul-12	84.65
Aug-12	0	4	0	0	2.1667	Aug-12	95.15
Sep-12	77	65	0	77	2.1750	Sep-12	105.54
Oct-12	302	335	77	302	2.1833	Oct-12	190.97
Nov-12	754	617	302	754	2.1917	Nov-12	166.12
Dec-12	816	946	754	816	2.2000	Dec-12	230.61
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	208.89
Feb-13	924	916	1,001	924	2.2167	Feb-13	261.33
Mar-13	819	717	924	819	2.2250	Mar-13	215.66
Apr-13	383	378	819	383	2.2333	Apr-13	139.28
May-13	158	139	383	158	2.2417	May-13	96.41
Jun-13	4	16	158	4	2.2500	Jun-13	76.08
Jul-13	0	0	4	0	2.2583	Jul-13	75.22
Aug-13	2	4	0	2	2.2667	Aug-13	97.30
Sep-13	111	65	2	111	2.2750	Sep-13	111.17
Oct-13	300	335	111	300	2.2833	Oct-13	143.40
Nov-13	723	617	300	723	2.2917	Nov-13	176.66
Dec-13	968	946	723	968	2.3000	Dec-13	232.11

	Actual DD	Normal DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar					IG Incl NT&DS
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	264.93
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	288.02
Mar-14	908	717	1,064	908	2.3250	Mar-14	257.42
Apr-14	430	378	908	430	2.3333	Apr-14	174.40
May-14	126	139	430	126	2.3417	May-14	128.97
Jun-14	4	16	126	4	2.3500	Jun-14	103.00
Jul-14	2	0	4	2	2.3583	Jul-14	105.20
Aug-14	2	4	2	2	2.3667	Aug-14	102.49
Sep-14	71	65	2	71	2.3750	Sep-14	104.22
Oct-14	267	335	71	267	2.3833	Oct-14	162.53
Nov-14	731	617	267	731	2.3917	Nov-14	205.44
Dec-14	875	946	731	875	2.4000	Dec-14	259.95
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	260.71
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	266.48
Mar-15	920	717	1,228	920	2.4250	Mar-15	283.07
Apr-15	360	378	920	360	2.4333	Apr-15	160.12
May-15	65	139	360	65	2.4417	May-15	121.66
Jun-15	27	16	65	27	2.4500	Jun-15	121.02
Jul-15	0	0	27	0	2.4583	Jul-15	127.50
Aug-15	0	4	0	0	2.4667	Aug-15	113.01
Sep-15	26	65	0	26	2.4750	Sep-15	144.09
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

Regression Results:	199.9183 Constant
	0.011383 HDD-1
	0.141963 HDD
	-50.2114 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Jan-95	1081	946	0.4083	343.6450	
Feb-95	916	1081	0.4167	321.3395	
Mar-95	717	916	0.4250	290.7923	
Apr-95	378	717	0.4333	239.9834	
May-95	139	378	0.4417	201.7771	
Jun-95	16	139	0.4500	181.1768	
Jul-95	0	16	0.4583	177.0869	
Aug-95	4	0	0.4667	177.0541	
Sep-95	65	4	0.4750	185.3410	
Oct-95	335	65	0.4833	223.9468	
Nov-95	617	335	0.4917	266.6352	
Dec-95	946	617	0.5000	316.1324	2924.9104
Jan-96	1081	946	0.5083	338.6239	2919.8893
Feb-96	946	1081	0.5167	320.5772	2919.1270
Mar-96	717	946	0.5250	286.1127	2914.4474
Apr-96	378	717	0.5333	234.9623	2909.4262
May-96	139	378	0.5417	196.7560	2904.4051
Jun-96	16	139	0.5500	176.1556	2899.3840
Jul-96	0	16	0.5583	172.0657	2894.3628
Aug-96	4	0	0.5667	172.0330	2889.3417
Sep-96	65	4	0.5750	180.3198	2884.3205
Oct-96	335	65	0.5833	218.9256	2879.2994
Nov-96	617	335	0.5917	261.6140	2874.2783
Dec-96	946	617	0.6000	311.1112	2869.2571
Jan-97	1081	946	0.6083	333.6027	2864.2360
Feb-97	916	1081	0.6167	311.2972	2854.9560
Mar-97	717	916	0.6250	280.7500	2849.5933
Apr-97	378	717	0.6333	229.9411	2844.5722
May-97	139	378	0.6417	191.7348	2839.5510
Jun-97	16	139	0.6500	171.1345	2834.5299
Jul-97	0	16	0.6583	167.0446	2829.5088
Aug-97	4	0	0.6667	167.0119	2824.4876
Sep-97	65	4	0.6750	175.2987	2819.4665
Oct-97	335	65	0.6833	213.9045	2814.4453
Nov-97	617	335	0.6917	256.5929	2809.4242
Dec-97	946	617	0.7000	306.0901	2804.4031
Jan-98	1081	946	0.7083	328.5816	2799.3819
Feb-98	916	1081	0.7167	306.2761	2794.3608
Mar-98	717	916	0.7250	275.7289	2789.3396
Apr-98	378	717	0.7333	224.9200	2784.3185
May-98	139	378	0.7417	186.7137	2779.2974
Jun-98	16	139	0.7500	166.1134	2774.2762
Jul-98	0	16	0.7583	162.0234	2769.2551
Aug-98	4	0	0.7667	161.9907	2764.2339
Sep-98	65	4	0.7750	170.2775	2759.2128
Oct-98	335	65	0.7833	208.8834	2754.1917
Nov-98	617	335	0.7917	251.5717	2749.1705
Dec-98	946	617	0.8000	301.0690	2744.1494
Jan-99	1081	946	0.8083	323.5605	2739.1282
Feb-99	916	1081	0.8167	301.2549	2734.1071
Mar-99	717	916	0.8250	270.7078	2729.0859
Apr-99	378	717	0.8333	219.8988	2724.0648
May-99	139	378	0.8417	181.6926	2719.0437
Jun-99	16	139	0.8500	161.0922	2714.0225
Jul-99	0	16	0.8583	157.0023	2709.0014
Aug-99	4	0	0.8667	156.9696	2703.9802
Sep-99	65	4	0.8750 FY99	165.2564	2698.9591
Oct-99	335	65	0.8833	203.8622	2693.9380
Nov-99	617	335	0.8917	246.5506	2688.9168
Dec-99	946	617	0.9000	296.0478	2683.8957
Jan-00	1081	946	0.9083	318.5393	2678.8745
Feb-00	946	1081	0.9167	300.4926	2673.8534
Mar-00	717	946	0.9250	266.0281	2668.8322
Apr-00	378	717	0.9333	214.8777	2663.8110
May-00	139	378	0.9417	176.6714	2658.7898
Jun-00	16	139	0.9500	156.0711	2653.7686
Jul-00	0	16	0.9583	151.9812	2648.7474
Aug-00	4	0	0.9667	151.9484	2643.7262
Sep-00	65	4	0.9750 FY00	160.2353	2638.7050
Oct-00	335	65	0.9833	198.8411	2633.6838
Nov-00	617	335	0.9917	241.5295	2628.6626

Regression Results:	199.9183 Constant
	0.011383 HDD-1
	0.141963 HDD
	-50.2114 Trend

	Normal Degree Days Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Dec-00	946	617	1.0000	291.0267	2628.2424
Jan-01	1081	946	1.0083	313.5182	2623.2212
Feb-01	916	1081	1.0167	291.2126	2613.9412
Mar-01	717	916	1.0250	260.6655	2608.5786
Apr-01	378	717	1.0333	209.8568	2603.5574
May-01	139	378	1.0417	171.6503	2598.5363
Jun-01	16	139	1.0500	151.0499	2593.5151
Jul-01	0	16	1.0583	146.9600	2588.4940
Aug-01	4	0	1.0667	146.9273	2583.4729
Sep-01	65	4	1.0750 FY01	155.2141	2578.4517
Oct-01	335	65	1.0833	193.8199	2573.4306
Nov-01	617	335	1.0917	236.5083	2568.4094
Dec-01	946	617	1.1000	286.0055	2563.3883
Jan-02	1081	946	1.1083	308.4970	2558.3672
Feb-02	916	1081	1.1167	286.1915	2553.3460
Mar-02	717	916	1.1250	255.6443	2548.3249
Apr-02	378	717	1.1333	204.8354	2543.3037
May-02	139	378	1.1417	166.6291	2538.2826
Jun-02	16	139	1.1500	146.0288	2533.2615
Jul-02	0	16	1.1583	141.9389	2528.2403
Aug-02	4	0	1.1667	141.9062	2523.2192
Sep-02	65	4	1.1750 FY02	150.1930	2518.1980
Oct-02	335	65	1.1833	188.7988	2513.1769
Nov-02	617	335	1.1917	231.4872	2508.1558
Dec-02	946	617	1.2000	280.9844	2503.1346
Jan-03	1081	946	1.2083	303.4759	2498.1135
Feb-03	916	1081	1.2167	281.1704	2493.0923
Mar-03	717	916	1.2250	250.6232	2488.0712
Apr-03	378	717	1.2333	199.8143	2483.0500
May-03	139	378	1.2417	161.6080	2478.0289
Jun-03	16	139	1.2500	141.0077	2473.0078
Jul-03	0	16	1.2583	136.9177	2467.9866
Aug-03	4	0	1.2667	136.8850	2462.9655
Sep-03	65	4	1.2750 FY03	145.1718	2457.9443
Oct-03	335	65	1.2833	183.7776	2452.9232
Nov-03	617	335	1.2917	226.4660	2447.9021
Dec-03	946	617	1.3000	275.9633	2442.8809
Jan-04	1081	946	1.3083	298.4548	2437.8598
Feb-04	946	1081	1.3167	280.4081	2432.8386
Mar-04	717	946	1.3250	245.9435	2427.8174
Apr-04	378	717	1.3333	194.7931	2422.7962
May-04	139	378	1.3417	156.5869	2417.7750
Jun-04	16	139	1.3500	135.9865	2412.7538
Jul-04	0	16	1.3583	131.8966	2407.7326
Aug-04	4	0	1.3667	131.8639	2402.7114
Sep-04	65	4	1.3750 FY04	140.1507	2397.6902
Oct-04	335	65	1.3833	178.7565	2392.6690
Nov-04	617	335	1.3917	221.4449	2387.6478
Dec-04	946	617	1.4000	270.9421	2382.6266
Jan-05	1081	946	1.4083	293.4336	2377.6054
Feb-05	916	1081	1.4167	271.1281	2372.5842
Mar-05	717	916	1.4250	240.5809	2367.5630
Apr-05	378	717	1.4333	189.7720	2362.5418
May-05	139	378	1.4417	151.5657	2357.5206
Jun-05	16	139	1.4500	130.9654	2352.4994
Jul-05	0	16	1.4583	126.8754	2347.4782
Aug-05	4	0	1.4667	126.8427	2342.4570
Sep-05	65	4	1.4750 FY05	135.1296	2337.4358
Oct-05	335	65	1.4833	173.7354	2332.4146
Nov-05	617	335	1.4917	216.4238	2327.3934
Dec-05	946	617	1.5000	265.9210	2322.3722
Jan-06	1081	946	1.5083	288.4125	2317.3510
Feb-06	916	1081	1.5167	266.1069	2312.3298
Mar-06	717	916	1.5250	235.5598	2307.3086
Apr-06	378	717	1.5333	184.7509	2302.2874
May-06	139	378	1.5417	146.5446	2297.2662
Jun-06	16	139	1.5500	125.9442	2292.2450
Jul-06	0	16	1.5583	121.8543	2287.2238
Aug-06	4	0	1.5667	121.8216	2282.2026
Sep-06	65	4	1.5750 FY06	130.1084	2277.1814
Oct-06	335	65	1.5833	168.7142	2272.1602

Regression Results:	199.9183 Constant
	0.011383 HDD-1
	0.141963 HDD
	-50.2114 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Nov-06	617	335	1.5917	211.4026	2267.1410
Dec-06	946	617	1.6000	260.8998	2262.1199
Jan-07	1081	946	1.6083	283.3913	2257.0987
Feb-07	916	1081	1.6167	261.0858	2252.0776
Mar-07	717	916	1.6250	230.5386	2247.0564
Apr-07	378	717	1.6333	179.7297	2242.0353
May-07	139	378	1.6417	141.5234	2237.0141
Jun-07	16	139	1.6500	120.9231	2231.9930
Jul-07	0	16	1.6583	116.8332	2226.9719
Aug-07	4	0	1.6667	116.8005	2221.9507
Sep-07	65	4	1.6750 FY 07	125.0873	2216.9296
Oct-07	335	65	1.6833	163.6931	2211.9084
Nov-07	617	335	1.6917	206.3815	2206.8873
Dec-07	946	617	1.7000	255.8787	2201.8662
Jan-08	1081	946	1.7083	278.3702	2196.8450
Feb-08	946	1081	1.7167	260.3235	2196.0828
Mar-08	717	946	1.7250	225.8590	2191.4031
Apr-08	378	717	1.7333	174.7086	2186.3820
May-08	139	378	1.7417	136.5023	2181.3608
Jun-08	16	139	1.7500	115.9020	2176.3397
Jul-08	0	16	1.7583	111.8120	2171.3185
Aug-08	4	0	1.7667	111.7793	2166.2974
Sep-08	65	4	1.7750 FY 08	120.0661	2161.2763
Oct-08	335	65	1.7833	158.6719	2156.2551
Nov-08	617	335	1.7917	201.3603	2151.2340
Dec-08	946	617	1.8000	250.8576	2146.2128
Jan-09	1081	946	1.8083	273.3491	2141.1917
Feb-09	916	1081	1.8167	251.0435	2131.9117
Mar-09	717	916	1.8250	220.4964	2126.5490
Apr-09	378	717	1.8333	169.6874	2121.5279
May-09	139	378	1.8417	131.4811	2116.5068
Jun-09	16	139	1.8500	110.8808	2111.4856
Jul-09	0	16	1.8583	106.7909	2106.4645
Aug-09	4	0	1.8667	106.7582	2101.4433
Sep-09	65	4	1.8750 FY 09	115.0450	2096.4222
Oct-09	335	65	1.8833	153.6508	2091.4011
Nov-09	617	335	1.8917	196.3392	2086.3799
Dec-09	946	617	1.9000	245.8364	2081.3588
Jan-10	1081	946	1.9083	268.3279	2076.3376
Feb-10	916	1081	1.9167	246.0224	2071.3165
Mar-10	717	916	1.9250	215.4752	2066.2954
Apr-10	378	717	1.9333	164.6663	2061.2742
May-10	139	378	1.9417	126.4800	2056.2531
Jun-10	16	139	1.9500	105.8597	2051.2319
Jul-10	0	16	1.9583	101.7697	2046.2108
Aug-10	4	0	1.9667	101.7370	2041.1897
Sep-10	65	4	1.9750 FY 10	110.0239	2036.1685
Oct-10	335	65	1.9833	148.6297	2031.1474
Nov-10	617	335	1.9917	191.3181	2026.1262
Dec-10	946	617	2.0000	240.8153	2021.1051
Jan-11	1081	946	2.0083	263.3068	2016.0840
Feb-11	916	1081	2.0167	241.0012	2011.0628
Mar-11	717	916	2.0250	210.4541	2006.0417
Apr-11	378	717	2.0333	159.6452	2001.0205
May-11	139	378	2.0417	121.4389	1995.9994
Jun-11	16	139	2.0500	100.8385	1990.9782
Jul-11	0	16	2.0583	96.7486	1985.9571
Aug-11	4	0	2.0667	96.7159	1980.9360
Sep-11	65	4	2.0750 FY 11	105.0027	1975.9148
Oct-11	335	65	2.0833	143.6085	1970.8937
Nov-11	617	335	2.0917	186.2969	1965.8725
Dec-11	946	617	2.1000	235.7941	1960.8514
Jan-12	1081	946	2.1083	258.2856	1955.8303
Feb-12	946	1081	2.1167	240.2390	1950.8092
Mar-12	717	946	2.1250	205.7744	1945.7881
Apr-12	378	717	2.1333	154.6240	1940.7670
May-12	139	378	2.1417	116.4177	1935.7459
Jun-12	16	139	2.1500	95.8174	1930.7248
Jul-12	0	16	2.1583	91.7275	1925.7037
Aug-12	4	0	2.1667	91.6948	1920.6826
Sep-12	65	4	2.1750 FY 12	99.9816	1915.6615

Regression Results:	199.9183 Constant
	0.011383 HDD-1
	0.141963 HDD
	-50.2114 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC	
Oct-12	335	65	2.1833	138.5874	1915.2404	
Nov-12	617	335	2.1917	181.2758	1910.2192	
Dec-12	946	617	2.2000	230.7730	1905.1981	
Jan-13	1081	946	2.2083	253.2645	1900.1769	
Feb-13	916	1081	2.2167	230.9589	1890.8969	
Mar-13	717	916	2.2250	200.4118	1885.5343	
Apr-13	378	717	2.2333	149.6029	1880.5131	
May-13	139	378	2.2417	111.3966	1875.4920	
Jun-13	16	139	2.2500	90.7962	1870.4709	
Jul-13	0	16	2.2583	86.7063	1865.4497	
Aug-13	4	0	2.2667	86.6736	1860.4286	
Sep-13	65	4	2.2750 FY 13	94.9604	1855.4074	
Oct-13	335	65	2.2833	133.5662	1850.3863	
Nov-13	617	335	2.2917	176.2546	1845.3652	
Dec-13	946	617	2.3000	225.7519	1840.3440	
Jan-14	1081	946	2.3083	248.2434	1835.3229	
Feb-14	916	1081	2.3167	225.9378	1830.3017	
Mar-14	717	916	2.3250	195.3907	1825.2806	
Apr-14	378	717	2.3333	144.5817	1820.2595	
May-14	139	378	2.3417	106.3754	1815.2383	
Jun-14	16	139	2.3500	85.7751	1810.2172	
Jul-14	0	16	2.3583	81.6852	1805.1960	
Aug-14	4	0	2.3667	81.6525	1800.1749	
Sep-14	65	4	2.3750 FY 14	89.9393	1795.1538	
Oct-14	335	65	2.3833	128.5451	1790.1326	
Nov-14	617	335	2.3917	171.2335	1785.1115	
Dec-14	946	617	2.4000	220.7307	1780.0903	
Jan-15	1081	946	2.4083	243.2222	1775.0692	
Feb-15	916	1081	2.4167	220.9167	1770.0481	
Mar-15	717	916	2.4250	190.3695	1765.0269	
Apr-15	378	717	2.4333	139.5606	1760.0058	
May-15	139	378	2.4417	101.3543	1754.9846	
Jun-15	16	139	2.4500	80.7540	1749.9635	
Jul-15	0	16	2.4583	76.6640	1744.9423	
Aug-15	4	0	2.4667	76.6313	1739.9212	
Sep-15	65	4	2.4750 FY 15	84.9181	1734.9001	
Oct-15	335	65	2.4833	123.5240	1729.8789	
Nov-15	617	335	2.4917	166.2123	1724.8578	
Dec-15	946	617	2.5000	215.7096	1719.8366	
Jan-16	1081	946	2.5083	238.2011	1714.8155	
Feb-16	946	1081	2.5167	220.1544	1714.0532	
Mar-16	717	946	2.5250	185.6899	1709.3736	Historic Test Year Annualized FY15
Apr-16	378	717	2.5333	134.5394	1704.3524	
May-16	139	378	2.5417	96.3332	1699.3313	
Jun-16	16	139	2.5500	75.7328	1694.3102	
Jul-16	0	16	2.5583	71.6429	1689.2890	
Aug-16	4	0	2.5667	71.6102	1684.2679	
Sep-16	65	4	2.5750 FY 16	79.8970	1679.2467	
Oct-16	335	65	2.5833	118.5028	1674.2256	
Nov-16	617	335	2.5917	161.1912	1669.2045	
Dec-16	946	617	2.6000	210.6884	1664.1833	
Jan-17	1081	946	2.6083	233.1799	1659.1622	
Feb-17	916	1081	2.6167	210.8744	1649.8822	
Mar-17	717	916	2.6250	180.3272	1644.5195	Future Test Year Annualized FY 16
Apr-17	378	717	2.6333	129.5183	1639.4984	
May-17	139	378	2.6417	91.3120	1634.4772	
Jun-17	16	139	2.6500	70.7117	1629.4561	
Jul-17	0	16	2.6583	66.6218	1624.4350	
Aug-17	4	0	2.6667	66.5891	1619.4138	
Sep-17	65	4	2.6750 FY 17	74.8759	1614.3927	
Oct-17	335	65	2.6833	113.4817	1609.3715	
Nov-17	617	335	2.6917	156.1701	1604.3504	
Dec-17	946	617	2.7000	205.6673	1599.3293	
Jan-18	1081	946	2.7083	228.1588	1594.3081	
Feb-18	916	1081	2.7167	205.8532	1589.2870	
Mar-18	717	916	2.7250	175.3061	1584.2658	Fully Projected Future Test Year Annualized FY 17

IG incl NT&DS-UGIU
Regression based on Usage per Customer History 1/95-9/15

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.926813207
R Square	0.85898272
Adjusted R Square	0.857255978
Standard Error	27.91162855
Observations	249

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	1162648.761	387549.5869	497.4585784	7.0956E-104
Residual	245	190869.4571	779.0590084		
Total	248	1353518.218			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	199.9182897	5.088536968	39.28797038	9.5554E-108	189.8954294	209.94115	189.8954294	209.94115
X Variable 1	0.011382931	0.007993341	1.424051754	0.155703861	-0.004361504	0.027127365	-0.004361504	0.027127365
X Variable 2	0.141962512	0.007992232	17.76256115	6.33669E-46	0.126220261	0.157704763	0.126220261	0.157704763
X Variable 3	-50.21140823	2.954079877	-16.99730892	2.49428E-43	-56.03004141	-44.39277506	-56.03004141	-44.39277506

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC IH Incl NT&DS
Jan-95	966	1081	841	966	0.4083	Jan-95	400.17
Feb-95	1026	916	966	1,026	0.4167	Feb-95	436.86
Mar-95	655	717	1,026	655	0.4250	Mar-95	373.66
Apr-95	452	378	655	452	0.4333	Apr-95	207.09
May-95	164	139	452	164	0.4417	May-95	103.53
Jun-95	7	16	164	7	0.4500	Jun-95	56.56
Jul-95	0	0	7	0	0.4583	Jul-95	103.82
Aug-95	0	4	0	0	0.4667	Aug-95	77.49
Sep-95	86	65	0	86	0.4750	Sep-95	207.33
Oct-95	247	335	86	247	0.4833	Oct-95	116.41
Nov-95	785	617	247	785	0.4917	Nov-95	297.68
Dec-95	1116	946	785	1,116	0.5000	Dec-95	436.15
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	492.57
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	479.64
Mar-96	880	717	1,053	880	0.5250	Mar-96	363.60
Apr-96	437	378	880	437	0.5333	Apr-96	214.52
May-96	229	139	437	229	0.5417	May-96	132.30
Jun-96	6	16	229	6	0.5500	Jun-96	72.48
Jul-96	1	0	6	1	0.5583	Jul-96	53.77
Aug-96	2	4	1	2	0.5667	Aug-96	84.28
Sep-96	78	65	2	78	0.5750	Sep-96	74.55
Oct-96	348	335	78	348	0.5833	Oct-96	131.23
Nov-96	781	617	348	781	0.5917	Nov-96	277.17
Dec-96	868	946	781	868	0.6000	Dec-96	360.34
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	471.96
Feb-97	773	916	1,108	773	0.6167	Feb-97	380.59
Mar-97	731	717	773	731	0.6250	Mar-97	313.93
Apr-97	456	378	731	456	0.6333	Apr-97	207.16
May-97	219	139	456	219	0.6417	May-97	139.54
Jun-97	43	16	219	43	0.6500	Jun-97	84.97
Jul-97	3	0	43	3	0.6583	Jul-97	57.79
Aug-97	3	4	3	3	0.6667	Aug-97	75.11
Sep-97	81	65	3	81	0.6750	Sep-97	96.60
Oct-97	354	335	81	354	0.6833	Oct-97	136.42
Nov-97	714	617	354	714	0.6917	Nov-97	284.04
Dec-97	928	946	714	928	0.7000	Dec-97	379.89
Jan-98	831	1081	928	831	0.7083	Jan-98	345.94
Feb-98	707	916	831	707	0.7167	Feb-98	308.65
Mar-98	681	717	707	681	0.7250	Mar-98	286.31
Apr-98	349	378	681	349	0.7333	Apr-98	152.86
May-98	87	139	349	87	0.7417	May-98	77.64
Jun-98	37	16	87	37	0.7500	Jun-98	65.46
Jul-98	1	0	37	1	0.7583	Jul-98	52.39
Aug-98	3	4	1	3	0.7667	Aug-98	64.33
Sep-98	45	65	3	45	0.7750	Sep-98	132.36
Oct-98	320	335	45	320	0.7833	Oct-98	49.58
Nov-98	608	617	320	608	0.7917	Nov-98	222.75
Dec-98	800	946	608	800	0.8000	Dec-98	286.33
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	433.24
Feb-99	839	916	1,050	839	0.8167	Feb-99	343.35
Mar-99	792	717	839	792	0.8250	Mar-99	342.02
Apr-99	421	378	792	421	0.8333	Apr-99	164.71
May-99	123	139	421	123	0.8417	May-99	145.91
Jun-99	17	16	123	17	0.8500	Jun-99	-10.84
Jul-99	0	0	17	0	0.8583	Jul-99	52.29
Aug-99	6	4	0	6	0.8667	Aug-99	60.66
Sep-99	68	65	6	68	0.8750	Sep-99	74.89

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	IH Incl NT&DS
Oct-99	396	335	68	396	0.8833	Oct-99	125.18
Nov-99	536	617	396	536	0.8917	Nov-99	218.72
Dec-99	896	946	536	896	0.9000	Dec-99	333.14
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	449.86
Feb-00	920	946	1,119	920	0.9167	Feb-00	444.91
Mar-00	594	717	920	594	0.9250	Mar-00	223.97
Apr-00	429	378	594	429	0.9333	Apr-00	146.08
May-00	124	139	429	124	0.9417	May-00	85.82
Jun-00	28	16	124	28	0.9500	Jun-00	42.36
Jul-00	2	0	28	2	0.9583	Jul-00	49.56
Aug-00	9	4	2	9	0.9667	Aug-00	57.55
Sep-00	147	65	9	147	0.9750	Sep-00	65.93
Oct-00	351	335	147	351	0.9833	Oct-00	112.74
Nov-00	700	617	351	700	0.9917	Nov-00	213.30
Dec-00	1189	946	700	1,189	1.0000	Dec-00	445.74
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	476.00
Feb-01	882	916	1,119	882	1.0167	Feb-01	331.49
Mar-01	844	717	882	844	1.0250	Mar-01	296.65
Apr-01	406	378	844	406	1.0333	Apr-01	158.99
May-01	142	139	406	142	1.0417	May-01	51.36
Jun-01	16	16	142	16	1.0500	Jun-01	48.91
Jul-01	5	0	16	5	1.0583	Jul-01	42.82
Aug-01	0	4	5	0	1.0667	Aug-01	52.49
Sep-01	105	65	0	105	1.0750	Sep-01	59.46
Oct-01	336	335	105	336	1.0833	Oct-01	101.32
Nov-01	486	617	336	486	1.0917	Nov-01	167.83
Dec-01	810	946	486	810	1.1000	Dec-01	259.68
Jan-02	893	1081	810	893	1.1083	Jan-02	357.54
Feb-02	783	916	893	783	1.1167	Feb-02	289.91
Mar-02	700	717	783	700	1.1250	Mar-02	262.29
Apr-02	375	378	700	375	1.1333	Apr-02	142.40
May-02	200	139	375	200	1.1417	May-02	66.07
Jun-02	13	16	200	13	1.1500	Jun-02	45.36
Jul-02	0	0	13	0	1.1583	Jul-02	39.65
Aug-02	5	4	0	5	1.1667	Aug-02	52.21
Sep-02	36	65	5	36	1.1750	Sep-02	51.60
Oct-02	420	335	36	420	1.1833	Oct-02	110.12
Nov-02	682	617	420	682	1.1917	Nov-02	216.48
Dec-02	1046	946	682	1,046	1.2000	Dec-02	404.36
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	506.63
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	504.78
Mar-03	774	717	1,062	774	1.2250	Mar-03	352.36
Apr-03	446	378	774	446	1.2333	Apr-03	141.63
May-03	225	139	446	225	1.2417	May-03	86.26
Jun-03	58	16	225	58	1.2500	Jun-03	55.93
Jul-03	0	0	58	0	1.2583	Jul-03	44.95
Aug-03	0	4	0	0	1.2667	Aug-03	47.53
Sep-03	47	65	0	47	1.2750	Sep-03	50.05
Oct-03	408	335	47	408	1.2833	Oct-03	133.65
Nov-03	530	617	408	530	1.2917	Nov-03	198.26
Dec-03	954	946	530	954	1.3000	Dec-03	378.00
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	448.69
Feb-04	944	946	1,278	944	1.3167	Feb-04	407.88
Mar-04	685	717	944	685	1.3250	Mar-04	215.54
Apr-04	390	378	685	390	1.3333	Apr-04	133.71
May-04	71	139	390	71	1.3417	May-04	42.22
Jun-04	28	16	71	28	1.3500	Jun-04	36.80

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC IH Incl NT&DS
Jul-04	0	0	28	0	1.3583	Jul-04	39.05
Aug-04	10	4	0	10	1.3667	Aug-04	47.15
Sep-04	34	65	10	34	1.3750	Sep-04	51.26
Oct-04	364	335	34	364	1.3833	Oct-04	89.77
Nov-04	567	617	364	567	1.3917	Nov-04	162.54
Dec-04	946	946	567	946	1.4000	Dec-04	283.53
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	376.25
Feb-05	889	916	1,127	889	1.4167	Feb-05	321.08
Mar-05	868	717	889	868	1.4250	Mar-05	290.31
Apr-05	340	378	868	340	1.4333	Apr-05	134.67
May-05	231	139	340	231	1.4417	May-05	75.65
Jun-05	6	16	231	6	1.4500	Jun-05	48.44
Jul-05	0	0	6	0	1.4583	Jul-05	41.07
Aug-05	0	4	0	0	1.4667	Aug-05	47.08
Sep-05	27	65	0	27	1.4750	Sep-05	46.36
Oct-05	304	335	27	304	1.4833	Oct-05	77.50
Nov-05	579	617	304	579	1.4917	Nov-05	174.33
Dec-05	1064	946	579	1,064	1.5000	Dec-05	337.47
Jan-06	847	1081	1,064	847	1.5083	Jan-06	335.90
Feb-06	902	916	847	902	1.5167	Feb-06	305.80
Mar-06	692	717	902	692	1.5250	Mar-06	272.47
Apr-06	341	378	692	341	1.5333	Apr-06	140.23
May-06	154	139	341	154	1.5417	May-06	48.06
Jun-06	22	16	154	22	1.5500	Jun-06	50.61
Jul-06	0	0	22	0	1.5583	Jul-06	45.33
Aug-06	1	4	0	1	1.5667	Aug-06	47.39
Sep-06	89	65	1	89	1.5750	Sep-06	55.10
Oct-06	375	335	89	375	1.5833	Oct-06	100.29
Nov-06	512	617	375	512	1.5917	Nov-06	168.05
Dec-06	779	946	512	779	1.6000	Dec-06	258.90
Jan-07	938	1081	779	938	1.6083	Jan-07	296.66
Feb-07	1117	916	938	1,117	1.6167	Feb-07	370.55
Mar-07	755	717	1,117	755	1.6250	Mar-07	360.63
Apr-07	495	378	755	495	1.6333	Apr-07	123.06
May-07	110	139	495	110	1.6417	May-07	74.67
Jun-07	12	16	110	12	1.6500	Jun-07	39.49
Jul-07	4	0	12	4	1.6583	Jul-07	58.39
Aug-07	16	4	4	16	1.6667	Aug-07	27.15
Sep-07	50	65	16	50	1.6750	Sep-07	54.09
Oct-07	192	335	50	192	1.6833	Oct-07	63.43
Nov-07	703	617	192	703	1.6917	Nov-07	166.56
Dec-07	956	946	703	956	1.7000	Dec-07	320.84
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	337.31
Feb-08	947	946	1,000	947	1.7167	Feb-08	353.23
Mar-08	737	717	947	737	1.7250	Mar-08	273.06
Apr-08	335	378	737	335	1.7333	Apr-08	125.45
May-08	226	139	335	226	1.7417	May-08	68.78
Jun-08	7	16	226	7	1.7500	Jun-08	43.15
Jul-08	0	0	7	0	1.7583	Jul-08	41.46
Aug-08	4	4	0	4	1.7667	Aug-08	50.38
Sep-08	54	65	4	54	1.7750	Sep-08	44.66
Oct-08	418	335	54	418	1.7833	Oct-08	93.08
Nov-08	680	617	418	680	1.7917	Nov-08	198.78
Dec-08	963	946	680	963	1.8000	Dec-08	341.85
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	360.32
Feb-09	880	916	1,225	880	1.8167	Feb-09	394.21
Mar-09	735	717	880	735	1.8250	Mar-09	159.03

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	IH Incl NT&DS
Apr-09	388	378	735	388	1.8333	Apr-09	113.97
May-09	140	139	388	140	1.8417	May-09	65.14
Jun-09	25	16	140	25	1.8500	Jun-09	40.25
Jul-09	0	0	25	0	1.8583	Jul-09	48.33
Aug-09	6	4	0	6	1.8667	Aug-09	46.94
Sep-09	78	65	6	78	1.8750	Sep-09	56.60
Oct-09	381	335	78	381	1.8833	Oct-09	93.90
Nov-09	526	617	381	526	1.8917	Nov-09	144.24
Dec-09	995	946	526	995	1.9000	Dec-09	288.86
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	388.49
Feb-10	965	916	1,082	965	1.9167	Feb-10	321.52
Mar-10	557	717	965	557	1.9250	Mar-10	205.85
Apr-10	288	378	557	288	1.9333	Apr-10	74.87
May-10	119	139	288	119	1.9417	May-10	72.46
Jun-10	7	16	119	7	1.9500	Jun-10	41.29
Jul-10	0	0	7	0	1.9583	Jul-10	44.91
Aug-10	0	4	0	0	1.9667	Aug-10	50.23
Sep-10	25	65	0	25	1.9750	Sep-10	46.43
Oct-10	331	335	25	331	1.9833	Oct-10	84.85
Nov-10	631	617	331	631	1.9917	Nov-10	161.94
Dec-10	1103	946	631	1,103	2.0000	Dec-10	360.01
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	413.09
Feb-11	893	916	1,192	893	2.0167	Feb-11	339.59
Mar-11	757	717	893	757	2.0250	Mar-11	247.47
Apr-11	354	378	757	354	2.0333	Apr-11	154.43
May-11	92	139	354	92	2.0417	May-11	64.36
Jun-11	2	16	92	2	2.0500	Jun-11	47.60
Jul-11	0	0	2	0	2.0583	Jul-11	43.66
Aug-11	2	4	0	2	2.0667	Aug-11	48.15
Sep-11	51	65	2	51	2.0750	Sep-11	56.18
Oct-11	355	335	51	355	2.0833	Oct-11	99.08
Nov-11	536	617	355	536	2.0917	Nov-11	166.39
Dec-11	795	946	536	795	2.1000	Dec-11	253.29
Jan-12	951	1081	795	951	2.1083	Jan-12	338.33
Feb-12	783	946	951	783	2.1167	Feb-12	295.31
Mar-12	451	717	783	451	2.1250	Mar-12	189.06
Apr-12	373	378	451	373	2.1333	Apr-12	113.44
May-12	51	139	373	51	2.1417	May-12	82.81
Jun-12	21	16	51	21	2.1500	Jun-12	56.46
Jul-12	0	0	21	0	2.1583	Jul-12	57.62
Aug-12	0	4	0	0	2.1667	Aug-12	62.71
Sep-12	77	65	0	77	2.1750	Sep-12	56.80
Oct-12	302	335	77	302	2.1833	Oct-12	90.97
Nov-12	754	617	302	754	2.1917	Nov-12	205.97
Dec-12	816	946	754	816	2.2000	Dec-12	286.83
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	357.83
Feb-13	924	916	1,001	924	2.2167	Feb-13	343.53
Mar-13	819	717	924	819	2.2250	Mar-13	301.74
Apr-13	383	378	819	383	2.2333	Apr-13	167.20
May-13	158	139	383	158	2.2417	May-13	73.70
Jun-13	4	16	158	4	2.2500	Jun-13	52.98
Jul-13	0	0	4	0	2.2583	Jul-13	44.59
Aug-13	2	4	0	2	2.2667	Aug-13	51.44
Sep-13	111	65	2	111	2.2750	Sep-13	59.86
Oct-13	300	335	111	300	2.2833	Oct-13	93.56
Nov-13	723	617	300	723	2.2917	Nov-13	205.55
Dec-13	968	946	723	968	2.3000	Dec-13	330.50

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC IH Incl NT&DS
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	431.22
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	418.02
Mar-14	908	717	1,064	908	2.3250	Mar-14	348.96
Apr-14	430	378	908	430	2.3333	Apr-14	156.43
May-14	126	139	430	126	2.3417	May-14	77.84
Jun-14	4	16	126	4	2.3500	Jun-14	48.42
Jul-14	2	0	4	2	2.3583	Jul-14	53.43
Aug-14	2	4	2	2	2.3667	Aug-14	57.02
Sep-14	71	65	2	71	2.3750	Sep-14	59.97
Oct-14	267	335	71	267	2.3833	Oct-14	93.89
Nov-14	731	617	267	731	2.3917	Nov-14	205.80
Dec-14	875	946	731	875	2.4000	Dec-14	347.61
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	437.06
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	532.91
Mar-15	920	717	1,228	920	2.4250	Mar-15	326.49
Apr-15	360	378	920	360	2.4333	Apr-15	155.38
May-15	65	139	360	65	2.4417	May-15	83.99
Jun-15	27	16	65	27	2.4500	Jun-15	45.54
Jul-15	0	0	27	0	2.4583	Jul-15	61.39
Aug-15	0	4	0	0	2.4667	Aug-15	60.43
Sep-15	26	65	0	26	2.4750	Sep-15	60.10
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

Regression Results:	63.86633 Constant
	0.062491 HDD-1
	0.274692 HDD
	-22.5987 Trend

	Normal Degree Days (HDD)	Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Jan-95	1081	946	0.4083	410.6978	
Feb-95	916	1081	0.4167	373.6216	
Mar-95	717	916	0.4250	308.4584	
Apr-95	378	717	0.4333	202.7136	
May-95	139	378	0.4417	115.6892	
Jun-95	16	139	0.4500	66.7783	
Jul-95	0	16	0.4583	54.5084	
Aug-95	4	0	0.4667	54.4190	
Sep-95	65	4	0.4750	71.2369	
Oct-95	335	65	0.4833	149.0275	
Nov-95	617	335	0.4917	243.1751	
Dec-95	946	617	0.5000	350.9831	2401.3090
Jan-96	1081	946	0.5083	408.4379	2399.0491
Feb-96	946	1081	0.5167	379.6025	2405.0300
Mar-96	717	946	0.5250	308.0733	2404.6449
Apr-96	378	717	0.5333	200.4537	2402.3850
May-96	139	378	0.5417	113.4293	2400.1251
Jun-96	16	139	0.5500	64.5184	2397.8653
Jul-96	0	16	0.5583	52.2486	2395.6054
Aug-96	4	0	0.5667	52.1591	2393.3455
Sep-96	65	4	0.5750	68.9770	2391.0857
Oct-96	335	65	0.5833	146.7676	2388.8258
Nov-96	617	335	0.5917	240.9152	2386.5659
Dec-96	946	617	0.6000	348.7233	2384.3060
Jan-97	1081	946	0.6083	406.1781	2382.0462
Feb-97	916	1081	0.6167	369.1019	2371.5455
Mar-97	717	916	0.6250	303.9387	2367.4109
Apr-97	378	717	0.6333	198.1939	2365.1510
May-97	139	378	0.6417	111.1695	2362.8912
Jun-97	16	139	0.6500	62.2585	2360.6313
Jul-97	0	16	0.6583	49.9887	2358.3714
Aug-97	4	0	0.6667	49.8993	2356.1115
Sep-97	65	4	0.6750	66.7172	2353.8517
Oct-97	335	65	0.6833	144.5077	2351.5918
Nov-97	617	335	0.6917	238.6553	2349.3319
Dec-97	946	617	0.7000	346.4634	2347.0720
Jan-98	1081	946	0.7083	403.9182	2344.8122
Feb-98	916	1081	0.7167	366.8420	2342.5523
Mar-98	717	916	0.7250	301.6788	2340.2924
Apr-98	378	717	0.7333	195.9340	2338.0326
May-98	139	378	0.7417	108.9096	2335.7727
Jun-98	16	139	0.7500	59.9987	2333.5128
Jul-98	0	16	0.7583	47.7288	2331.2529
Aug-98	4	0	0.7667	47.6394	2328.9931
Sep-98	65	4	0.7750	64.4573	2326.7332
Oct-98	335	65	0.7833	142.2479	2324.4733
Nov-98	617	335	0.7917	236.3955	2322.2134
Dec-98	946	617	0.8000	344.2035	2319.9536
Jan-99	1081	946	0.8083	401.6583	2317.6937
Feb-99	916	1081	0.8167	364.5821	2315.4338
Mar-99	717	916	0.8250	299.4189	2313.1739
Apr-99	378	717	0.8333	193.6741	2310.9141
May-99	139	378	0.8417	106.6497	2308.6542
Jun-99	16	139	0.8500	57.7388	2306.3943
Jul-99	0	16	0.8583	45.4689	2304.1345
Aug-99	4	0	0.8667	45.3795	2301.8746
Sep-99	65	4	0.8750 FY99	62.1974	2299.6147
Oct-99	335	65	0.8833	139.9880	2297.3548
Nov-99	617	335	0.8917	234.1356	2295.0950
Dec-99	946	617	0.9000	341.9436	2292.8351
Jan-00	1081	946	0.9083	399.3985	2290.5752
Feb-00	946	1081	0.9167	370.5630	2296.5561
Mar-00	717	946	0.9250	299.0338	2296.1710
Apr-00	378	717	0.9333	191.4142	2293.9111
May-00	139	378	0.9417	104.3898	2291.6512
Jun-00	16	139	0.9500	55.4789	2289.3914
Jul-00	0	16	0.9583	43.2091	2287.1315
Aug-00	4	0	0.9667	43.1197	2284.8716
Sep-00	65	4	0.9750 FY00	59.9375	2282.6117
Oct-00	335	65	0.9833	137.7281	2280.3519
Nov-00	617	335	0.9917	231.8757	2278.0920

Regression Results:	63.86633 Constant
	0.062491 HDD-1
	0.274692 HDD
	-22.5987 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Dec-00	946	617	1.0000	339.6838	2275.8321
Jan-01	1081	946	1.0083	397.1386	2273.5723
Feb-01	916	1081	1.0167	360.0824	2263.0716
Mar-01	717	916	1.0250	294.8992	2258.9370
Apr-01	378	717	1.0333	189.1544	2256.6771
May-01	139	378	1.0417	102.1300	2254.4172
Jun-01	16	139	1.0500	53.2190	2252.1574
Jul-01	0	16	1.0583	40.9492	2249.8975
Aug-01	4	0	1.0667	40.8598	2247.6376
Sep-01	65	4	1.0750 FY01	57.6777	2245.3778
Oct-01	335	65	1.0833	135.4682	2243.1179
Nov-01	617	335	1.0917	229.6158	2240.8580
Dec-01	946	617	1.1000	337.4239	2238.5981
Jan-02	1081	946	1.1083	394.8787	2236.3383
Feb-02	916	1081	1.1167	357.8025	2234.0784
Mar-02	717	916	1.1250	292.6393	2231.8185
Apr-02	378	717	1.1333	186.8945	2229.5586
May-02	139	378	1.1417	99.8701	2227.2988
Jun-02	16	139	1.1500	50.9592	2225.0389
Jul-02	0	16	1.1583	38.6893	2222.7790
Aug-02	4	0	1.1667	38.5999	2220.5192
Sep-02	65	4	1.1750 FY02	55.4178	2218.2593
Oct-02	335	65	1.1833	133.2084	2215.9994
Nov-02	617	335	1.1917	227.3560	2213.7395
Dec-02	946	617	1.2000	335.1640	2211.4797
Jan-03	1081	946	1.2083	392.6188	2209.2198
Feb-03	916	1081	1.2167	355.5426	2206.9599
Mar-03	717	916	1.2250	290.3794	2204.7000
Apr-03	378	717	1.2333	184.6346	2202.4402
May-03	139	378	1.2417	97.6102	2200.1803
Jun-03	16	139	1.2500	48.6993	2197.9204
Jul-03	0	16	1.2583	36.4295	2195.6605
Aug-03	4	0	1.2667	36.3400	2193.4007
Sep-03	65	4	1.2750 FY03	53.1579	2191.1408
Oct-03	335	65	1.2833	130.9485	2188.8809
Nov-03	617	335	1.2917	225.0961	2186.6211
Dec-03	946	617	1.3000	332.9041	2184.3612
Jan-04	1081	946	1.3083	390.3590	2182.1013
Feb-04	946	1081	1.3167	361.5235	2188.0822
Mar-04	717	946	1.3250	289.9943	2187.6971
Apr-04	378	717	1.3333	182.3747	2185.4372
May-04	139	378	1.3417	95.3504	2183.1773
Jun-04	16	139	1.3500	46.4394	2180.9175
Jul-04	0	16	1.3583	34.1696	2178.6576
Aug-04	4	0	1.3667	34.0802	2176.3977
Sep-04	65	4	1.3750 FY04	50.8980	2174.1378
Oct-04	335	65	1.3833	128.6886	2171.8780
Nov-04	617	335	1.3917	222.8362	2169.6181
Dec-04	946	617	1.4000	330.6443	2167.3582
Jan-05	1081	946	1.4083	388.0991	2165.0983
Feb-05	916	1081	1.4167	351.0229	2154.5977
Mar-05	717	916	1.4250	285.8597	2150.4631
Apr-05	378	717	1.4333	180.1149	2148.2032
May-05	139	378	1.4417	93.0905	2145.9433
Jun-05	16	139	1.4500	44.1796	2143.6835
Jul-05	0	16	1.4583	31.9097	2141.4236
Aug-05	4	0	1.4667	31.8203	2139.1637
Sep-05	65	4	1.4750 FY05	48.6382	2136.9038
Oct-05	335	65	1.4833	126.4288	2134.6440
Nov-05	617	335	1.4917	220.5764	2132.3841
Dec-05	946	617	1.5000	328.3844	2130.1242
Jan-06	1081	946	1.5083	385.8392	2127.8644
Feb-06	916	1081	1.5167	348.7630	2125.6045
Mar-06	717	916	1.5250	283.5998	2123.3446
Apr-06	378	717	1.5333	177.8550	2121.0847
May-06	139	378	1.5417	90.8306	2118.8249
Jun-06	16	139	1.5500	41.9197	2116.5650
Jul-06	0	16	1.5583	29.6498	2114.3051
Aug-06	4	0	1.5667	29.5604	2112.0452
Sep-06	65	4	1.5750 FY06	46.3783	2109.7854
Oct-06	335	65	1.5833	124.1689	2107.5255

Regression Results:	63.86633 Constant
	0.062491 HDD-1
	0.274692 HDD
	-22.5987 Trend

	Normal Degree Days (HDD)	Normal Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Nov-06	617	335	1.5917	218.3165	2105.2656
Dec-06	946	817	1.6000	326.1245	2103.0058
Jan-07	1081	946	1.6083	383.5793	2100.7459
Feb-07	916	1081	1.6167	346.5031	2098.4860
Mar-07	717	916	1.6250	281.3399	2096.2261
Apr-07	378	717	1.6333	175.5951	2093.9663
May-07	139	378	1.6417	88.5707	2091.7064
Jun-07	16	139	1.6500	39.6598	2089.4465
Jul-07	0	16	1.6583	27.3900	2087.1866
Aug-07	4	0	1.6667	27.3005	2084.9268
Sep-07	65	4	1.6750 FY 07	44.1184	2082.6669
Oct-07	335	65	1.6833	121.9090	2080.4070
Nov-07	617	335	1.6917	216.0566	2078.1471
Dec-07	946	617	1.7000	323.8647	2075.8873
Jan-08	1081	946	1.7083	381.3195	2073.6274
Feb-08	946	1081	1.7167	352.4840	2079.6083
Mar-08	717	946	1.7250	280.9548	2079.2232
Apr-08	378	717	1.7333	173.3352	2076.9633
May-08	139	378	1.7417	86.3109	2074.7034
Jun-08	16	139	1.7500	37.3999	2072.4435
Jul-08	0	16	1.7583	25.1301	2070.1837
Aug-08	4	0	1.7667	25.0407	2067.9238
Sep-08	65	4	1.7750 FY 08	41.8585	2065.6639
Oct-08	335	65	1.7833	119.6491	2063.4041
Nov-08	617	335	1.7917	213.7967	2061.1442
Dec-08	946	617	1.8000	321.6048	2058.8843
Jan-09	1081	946	1.8083	379.0596	2056.6244
Feb-09	916	1081	1.8167	341.9834	2046.1238
Mar-09	717	916	1.8250	276.8202	2041.9892
Apr-09	378	717	1.8333	171.0754	2039.7293
May-09	139	378	1.8417	84.0510	2037.4694
Jun-09	16	139	1.8500	35.1401	2035.2096
Jul-09	0	16	1.8583	22.8702	2032.9497
Aug-09	4	0	1.8667	22.7808	2030.6898
Sep-09	65	4	1.8750 FY 09	39.5987	2028.4299
Oct-09	335	65	1.8833	117.3893	2026.1701
Nov-09	617	335	1.8917	211.5369	2023.9102
Dec-09	946	617	1.9000	319.3449	2021.6503
Jan-10	1081	946	1.9083	376.7997	2019.3904
Feb-10	916	1081	1.9167	339.7235	2017.1306
Mar-10	717	916	1.9250	274.5603	2014.8707
Apr-10	378	717	1.9333	168.8155	2012.6108
May-10	139	378	1.9417	81.7911	2010.3510
Jun-10	16	139	1.9500	32.8802	2008.0911
Jul-10	0	16	1.9583	20.6103	2005.8312
Aug-10	4	0	1.9667	20.5209	2003.5713
Sep-10	65	4	1.9750 FY 10	37.3388	2001.3115
Oct-10	335	65	1.9833	115.1294	1999.0516
Nov-10	617	335	1.9917	209.2770	1996.7917
Dec-10	946	617	2.0000	317.0850	1994.5318
Jan-11	1081	946	2.0083	374.5399	1992.2720
Feb-11	916	1081	2.0167	337.4636	1990.0121
Mar-11	717	916	2.0250	272.3005	1987.7522
Apr-11	378	717	2.0333	166.5556	1985.4924
May-11	139	378	2.0417	79.5312	1983.2325
Jun-11	16	139	2.0500	30.6203	1980.9726
Jul-11	0	16	2.0583	18.3505	1978.7127
Aug-11	4	0	2.0667	18.2611	1976.4529
Sep-11	65	4	2.0750 FY 11	35.0789	1974.1930
Oct-11	335	65	2.0833	112.8695	1971.9331
Nov-11	617	335	2.0917	207.0171	1969.6732
Dec-11	946	617	2.1000	314.8252	1967.4134
Jan-12	1081	946	2.1083	372.2800	1965.1535
Feb-12	946	1081	2.1167	343.4445	1971.1344
Mar-12	717	946	2.1250	271.9153	1970.7493
Apr-12	378	717	2.1333	164.2958	1968.4894
May-12	139	378	2.1417	77.2714	1966.2295
Jun-12	16	139	2.1500	28.3604	1963.9696
Jul-12	0	16	2.1583	16.0906	1961.7098
Aug-12	4	0	2.1667	16.0012	1959.4499
Sep-12	65	4	2.1750 FY 12	32.8191	1957.1900

Regression Results:	63.86633 Constant
	0.062491 HDD-1
	0.274692 HDD
	-22.5987 Trend

	Normal Degree Days (HDD)	Degree Days for Prior Month (HDD-1)	Trend	1 Month UPC	12 Months Ended UPC
Oct-12	335	65	2.1833	110.6096	1954.9301
Nov-12	617	335	2.1917	204.7572	1952.6703
Dec-12	946	617	2.2000	312.5653	1950.4104
Jan-13	1081	946	2.2083	370.0201	1948.1505
Feb-13	916	1081	2.2167	332.9439	1937.6499
Mar-13	717	916	2.2250	267.7807	1933.5153
Apr-13	378	717	2.2333	162.0359	1931.2554
May-13	139	378	2.2417	75.0115	1928.9955
Jun-13	16	139	2.2500	26.1008	1926.7356
Jul-13	0	16	2.2583	13.8307	1924.4758
Aug-13	4	0	2.2667	13.7413	1922.2159
Sep-13	65	4	2.2750 FY 13	30.5592	1919.9560
Oct-13	335	65	2.2833	108.3498	1917.6962
Nov-13	617	335	2.2917	202.4974	1915.4363
Dec-13	946	617	2.3000	310.3054	1913.1764
Jan-14	1081	946	2.3083	367.7602	1910.9165
Feb-14	916	1081	2.3167	330.6840	1908.6567
Mar-14	717	916	2.3250	265.5208	1906.3968
Apr-14	378	717	2.3333	159.7760	1904.1369
May-14	139	378	2.3417	72.7516	1901.8770
Jun-14	16	139	2.3500	23.8407	1899.6172
Jul-14	0	16	2.3583	11.5708	1897.3573
Aug-14	4	0	2.3667	11.4814	1895.0974
Sep-14	65	4	2.3750 FY 14	28.2993	1892.8376
Oct-14	335	65	2.3833	106.0899	1890.5777
Nov-14	617	335	2.3917	200.2375	1888.3178
Dec-14	946	617	2.4000	308.0455	1886.0579
Jan-15	1081	946	2.4083	365.5004	1883.7981
Feb-15	916	1081	2.4167	328.4241	1881.5382
Mar-15	717	916	2.4250	263.2610	1879.2783
Apr-15	378	717	2.4333	157.5161	1877.0184
May-15	139	378	2.4417	70.4918	1874.7586
Jun-15	16	139	2.4500	21.5808	1872.4987
Jul-15	0	16	2.4583	9.3110	1870.2388
Aug-15	4	0	2.4667	9.2216	1867.9789
Sep-15	65	4	2.4750 FY 15	26.0394	1865.7191
Oct-15	335	65	2.4833	103.8300	1863.4592
Nov-15	617	335	2.4917	197.9776	1861.1993
Dec-15	946	617	2.5000	305.7857	1858.9395
Jan-16	1081	946	2.5083	363.2405	1856.6796
Feb-16	946	1081	2.5167	334.4050	1862.6605
Mar-16	717	946	2.5250	262.8758	1862.2754 Historic Test Year Annualized FY15
Apr-16	378	717	2.5333	155.2563	1860.0155
May-16	139	378	2.5417	68.2319	1857.7556
Jun-16	16	139	2.5500	19.3209	1855.4957
Jul-16	0	16	2.5583	7.0511	1853.2359
Aug-16	4	0	2.5667	6.9617	1850.9760
Sep-16	65	4	2.5750 FY 16	23.7796	1848.7161
Oct-16	335	65	2.5833	101.5702	1846.4562
Nov-16	617	335	2.5917	195.7178	1844.1964
Dec-16	946	617	2.6000	303.5258	1841.9365
Jan-17	1081	946	2.6083	360.9806	1839.6766
Feb-17	916	1081	2.6167	323.9044	1829.1760
Mar-17	717	916	2.6250	258.7412	1825.0414 Future Test Year Annualized FY 16
Apr-17	378	717	2.6333	152.9964	1822.7815
May-17	139	378	2.6417	65.9720	1820.5216
Jun-17	16	139	2.6500	17.0611	1818.2617
Jul-17	0	16	2.6583	4.7912	1816.0019
Aug-17	4	0	2.6667	4.7018	1813.7420
Sep-17	65	4	2.6750 FY 17	21.5197	1811.4821
Oct-17	335	65	2.6833	99.3103	1809.2222
Nov-17	617	335	2.6917	193.4579	1806.9624
Dec-17	946	617	2.7000	301.2659	1804.7025
Jan-18	1081	946	2.7083	358.7207	1802.4426
Feb-18	916	1081	2.7167	321.6445	1800.1828
Mar-18	717	916	2.7250	256.4813	1797.9229 Fully Projected Future Test Year Annualized FY 17

IH incl NT&DS-UGIU
 Regression based on Usage per Customer History 1/95-9/15

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.967654792
R Square	0.936355796
Adjusted R Square	0.93557648
Standard Error	34.7833013
Observations	249

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	4361036.566	1453678.855	1201.508579	3.5007E-146
Residual	245	296420.1221	1209.878049		
Total	248	4657456.688			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	63.86632671	6.34130374	10.07148204	3.45701E-20	51.37589929	76.35675414	51.37589929	76.35675414
X Variable 1	0.06249142	0.009961252	6.273450188	1.58735E-09	0.042870802	0.082112037	0.042870802	0.082112037
X Variable 2	0.274692348	0.009959871	27.57991034	4.36524E-77	0.255074451	0.294310245	0.255074451	0.294310245
X Variable 3	-22.59873098	3.681356328	-6.138696981	3.32844E-09	-29.84987616	-15.3475858	-29.84987616	-15.3475858

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-12

Request:

In the form identical to the previous question, please provide a database for all independent variables which were analyzed by the Company, but exclude from the filed gas demand models.

Response:

None.

Prepared by or under the supervision of: David E. Lahoff

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-13

Request:

For each customer receiving service at less than the maximum applicable tariff rate, please provide:

- a. actual consumption for the two most recent calendar years;
- b. actual consumption for the HTY and the most recent twelve month period for which data is available;
- c. the currently applicable rate;
- d. an explanation for the rate discount.

Response:

None.

Prepared by or under the supervision of: David E. Lahoff

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-14

Request:

Please provide a copy of the Company's detailed capital budgets for the preceding and current calendar years which underlie the projected test year capital additions in this case.

Response:

Please refer to SDR-ROR-14.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-15

Request:

Please provide a variance or other similar report comparing actual and budgeted construction expenditures at the conclusion of each budget period for the past three years and as of the most recent date available.

Response:

Please refer to Attachment SDR-RR-15.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Capital Expenditures - Budget vs. Actual
(thousands of dollars)

	<u>9/30/2013</u>	<u>9/30/2014</u>	<u>9/30/2015</u>
Budgeted Expenditures	\$ 70,537	\$ 84,378	\$ 112,100
Actual Expenditures	<u>90,229</u>	<u>102,952</u>	<u>116,795</u>
Variance	<u>\$ 19,692</u>	<u>\$ 18,574</u>	<u>\$ 4,695</u>

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-16

Request:

Please provide a breakdown of other gas revenue for the three preceding calendar years.

Response:

Please refer to Attachment SDR-RR-16 for a schedule of other gas revenues for the three preceding calendar years.

Prepared by or under the supervision of: Ann P. Kelly

**UGI UTILITIES, INC. - GAS DIVISION
OTHER GAS REVENUES
FOR THE YEARS ENDED SEPTEMBER 30, 2013, 2014, 2015**

		(000's)		
Account No.		<u>09/30/13</u>	<u>09/30/14</u>	<u>09/30/15</u>
495001	Miscellaneous Gas Revenues	\$ 330	\$ 463	\$ 555
495004	POR Administrative Fees	<u>12</u>	<u>43</u>	<u>44</u>
	Total	<u>\$ 342</u>	<u>\$ 507</u>	<u>\$ 599</u>

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-17

Request:

For those items for which data is available, please provide the following actual monthly balance by account for the historic and future test periods to present:

- a. depreciable utility plant in service
- b. non-depreciable utility plan in service
- c. construction work in progress
- d. accumulated deferred income tax
- e. materials and supplies
- f. customer advances for construction
- g. contributions in aid of construction
- h. accumulated depreciation
- i. prepayments by type
- j. customer deposits
- k. injury and damages reserve

Response:

Please refer to Attachment SDR-RR-17 for the requested information.

Prepared by or under the supervision of: Ann P. Kelly

UGI UTILITIES, INC. - GAS DIVISION
ENDING BALANCE (in \$'000)
FISCAL YEAR 2015

Description	Actual Oct 2014	Actual Nov 2014	Actual Dec 2014	Actual Jan 2015	Actual Feb 2015	Actual Mar 2015	Actual Apr 2015	Actual May 2015	Actual Jun 2015	Actual Jul 2015	Actual Aug 2015	Actual Sep 2015
a) Depreciable Plant	1,310,410	1,316,884	1,333,466	1,342,582	1,347,187	1,351,677	1,356,569	1,358,737	1,361,643	1,359,723	1,370,019	1,394,322
b) Non-Depreciable Plant	4,188	4,192	4,206	4,212	4,246	4,252	4,252	4,252	4,252	4,252	4,253	4,253
c) Construction Work in Progress	17,513	20,608	14,338	14,883	15,733	19,510	21,978	22,310	25,210	28,446	30,406	21,168
d) Accumulated Deferred Income Tax	(282,758)	(284,049)	(285,464)	(281,488)	(277,552)	(276,651)	(275,863)	(276,563)	(277,041)	(278,617)	(281,051)	(296,698)
e) Materials and Supplies	3,408	3,556	3,757	3,784	3,853	3,967	3,914	4,253	4,318	4,295	4,559	4,212
f) Customer Advances	-	-	-	-	-	-	-	-	-	-	-	-
g) Capital Expenditures are shown net of any anticipated amounts for CIAC.												
h) Accumulated Depreciation	(429,459)	(431,405)	(432,230)	(434,122)	(436,264)	(438,101)	(439,864)	(438,617)	(438,641)	(440,512)	(442,026)	(442,800)
i) Prepayments by Type												
Prepaid Taxes	104	90	77	80	88	78	76	62	48	158	147	132
PUC Annual Assessment	1,242	1,087	932	776	621	466	311	155	-	(155)	(311)	1,365
Prepaid IT Services	1,521	1,457	1,410	1,380	1,297	1,203	1,377	1,234	1,702	1,603	1,610	1,606
Miscellaneous	64	41	13	109	101	73	135	81	60	89	68	36
j) Gas Customer Deposits	(15,028)	(15,299)	(15,641)	(15,702)	(15,719)	(15,860)	(15,421)	(15,092)	(14,841)	(14,667)	(14,576)	(14,517)
k) Injury and Damages Reserve	(809)	(803)	(656)	(650)	(636)	(653)	(644)	(626)	(808)	(698)	(657)	(590)

UGI UTILITIES, INC. - GAS DIVISION
ENDING BALANCE (in \$'000)
FISCAL YEAR 2016

Description	Actual Oct 2015	Actual Nov 2015
a) Depreciable Plant	1,398,823	1,406,475
b) Non-Depreciable Plant	4,253	4,250
c) Construction Work in Progress	24,522	27,877
d) Accumulated Deferred Income Tax	(296,526)	(298,932)
e) Materials and Supplies	3,869	3,709
f) Customer Advances	-	-
g) Capital Expenditures are shown net of any anticipated amounts for CIAC.		
h) Accumulated Depreciation	(444,146)	(445,690)
i) Prepayments by Type		
Prepaid Taxes	120	105
PUC Annual Assessment	1,213	1,062
Prepaid IT Services	1,540	1,442
Miscellaneous	75	53
j) Gas Customer Deposits	(14,588)	(14,764)
k) Injury and Damages Reserve	(549)	(549)

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-18

Request:

Please provide a copy of all work papers supporting the Company's lead/lag study.

Response:

Refer to UGI Exhibit A (Historic), UGI Exhibit A (Future) and UGI Exhibit A (Fully Projected), Schedule C-4, and the Direct Testimony of Ann P. Kelly, UGI Gas Statement No. 2.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-19

Request:

Please provide the payroll distribution showing the percentage of wages charged to O&M and other categories for each of the preceding three calendar years and the most recent annual period available.

Response:

Please see Attachment SDR-RR-19 regarding payroll distribution for fiscal years 2012, 2013, 2014 and 2015.

Prepared by or under the supervision of: Ann P. Kelly

UGI UTILITIES, INC. - GAS DIVISION
Annual Payroll Data
FOR THE YEARS ENDED SEPTEMBER 30, 2012, 2013, 2014 AND 2015
(thousands of dollars)

	12 Months <u>09/30/12</u>	12 Months <u>09/30/13</u>	12 Months <u>09/30/14</u>	12 Months <u>09/30/15</u>
Operations and Maintenance	\$ 28,902	\$ 31,545	\$ 32,633	\$ 34,187
<i>Production and Supply</i>	151	113	45	68
Other Income/Expense	145	186	116	147
Capital	10,638	11,420	10,974	12,141
Total	<u>\$ 39,836</u>	<u>\$ 43,264</u>	<u>\$ 43,769</u>	<u>\$ 46,543</u>
Percent Charged to O&M	72.6%	72.9%	74.6%	73.5%
Percent Charged to P&S	0.4%	0.3%	0.1%	0.1%
Percent Charged to Other	0.4%	0.4%	0.3%	0.3%
Percent Charged to Capital	26.7%	26.4%	25.1%	26.1%

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-20

Request:

Please state whether the future test year budgeted labor includes any increases or decreases in the number of employees during the future test year. If increases have been budgeted, please state whether the future test year includes budgeted positions which have not been filled.

Response:

The future test year adjusted labor includes an increase of 25 employees from September 30, 2015, levels. As of November 30, 2015, 15 of these positions had been filled, while 13 additional positions became open due to employee turnover, resulting in a total of 23 unfilled positions budgeted in the future test year.

Please refer to Exhibit A FPPTY Schedule D-9 for additional headcount adjustments.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-21

Request:

Please explain how the Company has treated routine or normal position vacancies which occur as a result of terminations or retirements in its budgeted labor projections.

Response:

The budgeted labor projections excluded non-field positions which were budgeted in the historic test year but not filled as of 3/31/15. This resulted in the exclusion of 24 positions from the Future Test Year and the Fully Projected Future Test Year.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-22

Request:

Please provide the most recent insurance premiums for each type of insurance coverage (i.e., employee benefit and those purchased by the Company) reflected in the Company's filing. If available, please provide estimated premiums for the subsequent calendar year.

Response:

Please refer to Attachment SDR-RR-22 for fiscal 2015 actual and budgeted fiscal 2016 insurance premiums, with the exception of the benefit related insurance policies which are based on the calendar year. In addition, the company has secured cyber insurance in the amount of \$83,000 which is included in the claim. Please see Exhibit A (Fully Projected) Schedule D-15.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Insurance Premiums Paid & Expected Premiums
For the 12 Months Ending September 30,

	<u>2015</u>	<u>2016</u>
Auto - ACE	\$ 5,115	\$ 4,547
Auto - UVIC	84,358	84,358
Excess - Aegis (GL) no EPLI	983,248	1,015,177
Excess - JLT Park, Ltd.	32,393	32,393
Excess - Aegis (WC)	120,156	124,651
Excess - EIM	192,242	196,087
Excess - ACE Bermuda	65,899	62,714
Excess - XL Insurance Co.	12,270	12,024
D&O	165,150	185,243
Crime	2,761	2,674
Property	72,389	75,556
Medical - Aetna POS II	4,949,196	5,109,216
Medical - Aetna HAP	1,214,504	1,254,176
Medical - Independence BlueCross	1,030,644	1,066,788
Dental - United Concordia	330,904	330,904
Basic Life - Hartford	6,192	6,378
Long Term Disability - Aetna	20,305	20,914
Accidental Death & Dismemberment	9,547	9,833
Business Travel Accident	10,318	10,318
Total	\$ 9,307,590	\$ 9,603,951

UGI Utilities, Inc. - Gas Division
Insurance Premiums Paid
For the 12 months ended September 30, 2015

Medical - Aetna POS II					
	Count as of 9/2015	2015 Monthly Premium Equivalent	2015 Annual Cost	2015 Annual Employee Contribution	2015 Annual Net UGI Cost
Employee	227	\$ 540	\$ 1,470,960	\$ (318,708)	\$ 1,152,252
Employee + spouse	114	\$ 1,080	\$ 1,477,440	\$ (384,408)	\$ 1,093,032
Employee + child(ren)	79	\$ 972	\$ 921,456	\$ (218,040)	\$ 703,416
Family	142	\$ 1,620	\$ 2,760,480	\$ (759,984)	\$ 2,000,496
TOTAL	562		\$ 6,630,336	\$ (1,681,140)	\$ 4,949,196

Medical - Aetna HAP							
	Count as of 9/2015	2015 Monthly Premium Equivalent	2015 Annual Cost	2015 HSA Employer Contribution	2015 Gross Annual Cost	2015 Annual Employee Contribution	2015 Annual Net UGI Cost
Employee	51	\$ 502	\$ 307,224	51,000	\$ 358,224	\$ (64,260)	\$ 293,964
Employee + spouse	22	\$ 1,004	\$ 265,056	44,000	\$ 309,056	\$ (62,832)	\$ 246,224
Employee + child(ren)	6	\$ 903	\$ 65,016	12,000	\$ 77,016	\$ (13,752)	\$ 63,264
Family	39	\$ 1,505	\$ 704,340	78,000	\$ 782,340	\$ (171,288)	\$ 611,052
TOTAL	118		\$ 1,341,636	\$ 185,000	\$ 1,526,636	\$ (312,132)	\$ 1,214,504

Medical - Independence BlueCross					
	Count as of 9/2015	2015 Monthly Premium Equivalent	2015 Annual Cost	2015 Annual Employee Contribution	2015 Annual Net UGI Cost
Employee	67	\$ 588	\$ 472,752	\$ (114,972)	\$ 357,780
Employee + spouse	27	\$ 1,176	\$ 381,024	\$ (108,216)	\$ 272,808
Employee + child(ren)	16	\$ 1,058	\$ 203,136	\$ (53,184)	\$ 149,952
Family	17	\$ 1,764	\$ 359,856	\$ (109,752)	\$ 250,104
TOTAL	127		\$ 1,416,768	\$ (386,124)	\$ 1,030,644

UGI Utilities, Inc. - Gas Division
Insurance Premiums Paid
For the 12 months ended September 30, 2015

	Count as of 9/2015	2015 Monthly Premium	2015 Annual Cost	2015 Annual Employee Contribution	2015 Annual Net UGI Cost
Dental - United Concordia					
Employee	396	\$ 31.30	\$ 148,738	\$ -	\$ 148,738
Employee + Spouse	189	\$ 54.50	\$ 123,606	\$ (52,618)	\$ 70,988
Employee + Child(ren)	88	\$ 62.05	\$ 65,525	\$ (32,472)	\$ 33,053
Family	208	\$ 86.84	\$ 216,753	\$ (138,628)	\$ 78,125
TOTAL	881		554,621	(223,717)	330,904

	Count as of 9/2015	Volume	2015 Annual Cost
Basic Life - Hartford			
Active	983	5,319,735	\$ 6,192

	Count as of 9/2015	Coverage amount (60% of salary)	2015 Annual Cost
LTD - Aetna			
Active	881	4,834,469	\$ 20,305

	Count as of 9/2015	Volume	2015 Annual Cost
AD&D			
Active	983	5,303,621	\$ 9,547

		2015 Annual Cost
BTA		
Active		\$ 10,318

UGI Utilities, Inc. - Gas Division
Expected Premiums
For the 12 months ended September 30, 2016

Medical - Aetna POS II					
	Count as of 9/2015	2016 Monthly Premium Equivalent	2016 Annual Projected Cost	2016 Annual Employee Contribution	2016 Annual Net UGI Cost
Employee	227	\$ 557	\$ 1,517,268	\$ (324,156)	\$ 1,193,112
Employee + spouse	114	\$ 1,114	\$ 1,523,952	\$ (399,456)	\$ 1,124,496
Employee + child(ren)	79	\$ 1,003	\$ 950,844	\$ (222,780)	\$ 728,064
Family	142	\$ 1,671	\$ 2,847,384	\$ (783,840)	\$ 2,063,544
TOTAL	562		\$ 6,839,448	\$ (1,730,232)	\$ 5,109,216

Medical - Aetna HAP							
	Count as of 9/2015	2016 Monthly Premium Equivalent	2016 Annual Projected Cost	2016 HSA Employer Contribution	2016 Annual Projected Cost	2016 Annual Employee Contribution	2016 Annual Net UGI Cost
Employee	51	\$ 520	\$ 318,240	51,000	\$ 369,240	\$ (65,484)	\$ 303,756
Employee + spouse	22	\$ 1,041	\$ 274,824	44,000	\$ 318,824	\$ (65,472)	\$ 253,352
Employee + child(ren)	6	\$ 937	\$ 67,464	12,000	\$ 79,464	\$ (14,040)	\$ 65,424
Family	39	\$ 1,561	\$ 730,548	78,000	\$ 808,548	\$ (176,904)	\$ 631,644
TOTAL	118		\$ 1,391,076	\$ 185,000	\$ 1,576,076	\$ (321,900)	\$ 1,254,176

Medical - Independence BlueCross					
	Count as of 9/2015	2016 Monthly Premium Equivalent	2016 Annual Projected Cost	2016 Annual Employee Contribution	2016 Annual Net UGI Cost
Employee	67	\$ 607	\$ 488,028	\$ (117,384)	\$ 370,644
Employee + spouse	27	\$ 1,214	\$ 393,336	\$ (111,780)	\$ 281,556
Employee + child(ren)	16	\$ 1,093	\$ 209,856	\$ (54,144)	\$ 155,712
Family	17	\$ 1,821	\$ 371,484	\$ (112,608)	\$ 258,876
TOTAL	127		\$ 1,462,704	\$ (395,916)	\$ 1,066,788

**UGI Utilities, Inc. - Gas Division
Insurance Premiums Paid & Expected Premiums
For the 12 months ended September 30, 2016**

	Count as of 9/2015	2016 Monthly Premium	2016 Annual Projected Cost	2016 Annual Employee Contribution	2016 Annual Net UGI Cost
Dental - United Concordia					
Employee	396	\$ 31.30	\$ 148,738	\$ -	\$ 148,738
Employee + Spouse	189	\$ 54.50	\$ 123,606	\$ (52,618)	\$ 70,988
Employee + Child(ren)	88	\$ 62.05	\$ 65,525	\$ (32,472)	\$ 33,053
Family	208	\$ 86.84	\$ 216,753	\$ (138,628)	\$ 78,125
TOTAL	881		554,621	(223,717)	330,904

	Count as of 9/2015	Volume	2016 Annual Projected Cost
Basic Life - Hartford			
Active	983	5,319,735	\$ 6,378

	Count as of 9/2015	Coverage amount (60% of salary)	2016 Annual Projected Cost
LTD - Aetna			
Active	881	4,834,469	\$ 20,914

	Count as of 9/2015	Volume	2016 Annual Projected Cost
AD&D			
Active	983	5,303,621	\$ 9,833

	Count as of 9/2015	Volume	2016 Annual Projected Cost
BTA			
Active			\$ 10,318

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-23

Request:

Please provide a copy of the Company's two most recent FERC Form 2.

Response:

The Company is not required to file and has not filed a FERC Form 2.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-24

Request:

Please provide a description of each employee benefit program or plan.

Response:

Please see Attachment SDR-RR-24.

Prepared by or under the supervision of: Ann P. Kelly

**UGI Utilities, Inc. – Gas Division
Benefit Program Effective Jan. 1, 2016**

Employee Medical Plan

All employees and their dependents have the option to participate in a health care program that provides 3 options: an Aetna Point of Service II Plan, an Independence Blue Cross Preferred Provider Option Plan and Aetna High Deductible Health Plan with a Health Savings Account. A brief summary of each is listed below:

MEDICAL	Aetna Choice POS II		Independence Blue Cross PPO		Aetna HDHP/HSA	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Deductible	Individual: \$600 Family: \$1,500	Individual: \$1,200 Family: \$3,000	Individual: \$600 Family: \$1,500	Individual: \$1,200 Family: \$3,000	Individual: \$2,500 Family: \$5,000	Individual: 3,500 Family: \$7,000
HSA Annual Funding	N/A	N/A	N/A	N/A	\$1,000 Individual \$2,000 Family	
Office Visit Co-Pay PCP/Specialist	\$20/\$35	70% after deductible	\$20/\$35	60% after deductible	100% after deductible	70% after deductible
Co-Insurance after Deductible	90%	70%	80%	60%	100% after deductible	70% after deductible

Prescription Drug Coverage	Aetna Choice POS II		Independence Blue Cross PPO		Aetna HDHP/HSA	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Deductible	Individual \$150 Family: \$300				Subject to Medical Plan Deductible Above	Subject to Medical Plan Deductible Above
Retail 30 days	\$10 Generic \$35 Formulary Brand \$50 Non Formulary Brand	Not Covered	\$10 Generic \$35 Formulary Brand \$50 Non Formulary Brand	Not Covered	\$10 Generic \$35 Formulary Brand \$50 Non Formulary Brand	Not Covered
Mail Order 90 days	\$25 Generic \$87.50 Formulary Brand \$125 Non Formulary Brand	Not covered	\$25 Generic \$87.50 Formulary Brand \$125 Non Formulary Brand	Not Covered	\$25 Generic \$87.50 Formulary Brand \$125 Non Formulary Brand	Not Covered
Specialty Injectibles	\$90 copay 30 day supply	Not Covered	\$90 co-pay 30 day supply	Not Covered	\$90 copay 30 day supply	Not Covered

Retiree Medical

An eligible employee is any full-time employee of UGI who as of January 1, 1989, was at least 55 years of age and had completed at least 10 years of service with UGI or an affiliated

corporation or whose age and years of service equaled at least 80 and who immediately following his retirement from UGI commences receipt of an early, normal or late retirement pension.

Effective January 1, 2014, retiree medical for Medicare-eligible retirees (age 65 or over) was outsourced to a third party and the benefit was changed to a health reimbursement account. In addition, the Retiree Plan covers Medicare-eligible disabled employees who are receiving long term disability benefits. Retirees and spouses who retired on or after 1/1/1986 receive \$500 per calendar year and those who retired prior to 1/1/1986 receive \$700 per calendar year.

Dental Plan

All employees have access to the following dental plan:

Annual Deductible:	\$50 Individual / \$150 Family
Diagnostic, Preventive, Sealants (not subject to deductible)	100% coinsurance
Basic Restorative, oral surgery, endodontics	80% co-insurance after deductible
Major Restorative, Prosthodontics	50% co-insurance after deductible
Non-Surgical Periodontics	80% co-insurance after deductible
TMJ, Dental Implants, Occlusal Guards	50% co-insurance after deductible
Annual Maximum for covered services	\$1,500
Orthodontics	50% co-insurance with \$1,500 lifetime maximum

Flexible Spending Accounts

All employees are eligible to participate in Health Care or Dependent Day Care Spending Accounts. The annual maximum election for a Health Care Account is \$2,500 and the minimum is \$260. The annual maximum election for the Dependent Day Care is \$5,000 and the minimum is \$260. Employees who enroll in the Aetna High Deductible Health Plan are eligible for a Limited Scope Health Care spending account per IRS regulations.

Group Life Insurance

All employees receive company paid basic life in the amount of one times their annual salary (including certain bonuses) rounded to the next highest \$1,000. Part-time employees receive \$10,000.

Employees may elect additional employee supplemental life insurance of 1, 2, 3, 4, or 5 times annual salary rounded to the nearest \$1,000. This coverage is 100% employee paid. Employee may also elect supplemental life insurance for a spouse in amounts from \$10,000 to \$100,000 in increments of \$10,000. Child(ren) life insurance is also optional in amounts of \$5,000 or \$10,000. Both spouse and child(ren) life insurance are 100% employee paid.

Accidental Death & Dismemberment (AD&D) and Business Travel Accident (BTA) Insurance

All employees are covered under AD&D insurance 24 hours per day, 365 days per year. The maximum benefit is one times annual salary to a maximum of \$2 million. Employee may elect Voluntary AD&D at 1, 2, 3, 4 or 5 times salary to a maximum of \$6 million as well as spouse Voluntary AD&D (60% of employee coverage) and child Voluntary AD&D (20% of employee's

coverage to a maximum of \$50,000). All voluntary AD&D coverage is paid 100% by employees.

All employees are covered by Business Travel Accident with a maximum benefit of 4 times annual salary to a maximum of \$2 million.

Retiree Life Insurance

Employees who elect to retiree are eligible for retiree life in the amount of 25% of the pre-retirement amount with a maximum coverage amount of \$50,000.

Short Term Disability

The Company provides a self insured pay continuation illness plan for all employees. The percentage of pay continued and the number of weeks at 100% and 50% are based on years of service. Short term disability is available for a maximum of 6 months of disability.

Long Term Disability

Employees who exhaust short term disability benefits are eligible to apply for long term disability which is an insured program. Employees who qualify receive 60% of base monthly income offset by other disability income such as Social Security. Maximum benefit is \$20,000 per month. Minimum benefit is the greater of \$100 or 10% of the gross disability payment per month.

Retirement Plan – UGI Employees

The Plan is a noncontributory defined benefit plan covering substantially all employees hired prior to January 1, 2009 of UGI Utilities, Inc. Effective January 1, 2009, the Plan was closed to new hires, rehires or transfers occurring on or after that date.

Substantially all employees of the UGI Employers hired prior to January 1, 2009 who complete five years of vesting service, as defined, or who reach normal retirement age, as defined, while in the employ of the UGI Employers, are entitled to benefits upon reaching normal retirement age, generally age 65.

The annual pension benefits shall generally be the greatest of:

- \$600; or
- 1.9% of final average earnings, as defined, times years of credited service, as defined, (which amount cannot exceed 60% of the average monthly earnings for the highest consecutive 12-month period during the 120 consecutive month period prior to the date of retirement or termination), less (b) 1% of the primary Social Security benefit, as defined, times the years of credited service at age 65 (maximum of 35 years) and in the case of early retirement, multiplied further by the ratio of actual credited service to projected credited service at normal retirement date; or
- 25% of earnings during the last 12 months prior to retirement multiplied by the ratio (not to exceed 1.0) of years of projected credited service to normal retirement date to 15, and

in the case of early retirement, multiplied further by the ratio (not to exceed 1.0) of years of credited service earned to the projected years of credited service at normal retirement date.

The Plan permits early retirement benefits at a reduced level at age 55 and completion of ten years of vesting service. Unreduced early retirement benefits are available for employees retiring from age 62 to age 65, who have completed 10 years of vesting service

Savings Plan – 401(k)

All employees are eligible to participate in the deferred savings plan which is a tax qualified 401(k) program. The Plan accepts both before-tax and after tax contributions up to a combined total of 50% of salary subject to the IRS maximum deferral of \$53,000 for 2015. The before-tax maximum is \$18,000 for 2015. There is also the option to make deferrals as a Roth. Employees who are age 50 or older may contribute an additional catch up contribution of \$5,500 per year. The Company matches before-tax or after tax contributions at 50% of the first 3% and 25% of the next 3% of salary deferred. Participants become vested in the Company match on a percentage basis over a period of 5 years.

Employees hired on or after January 1, 2009 are eligible for an enhanced company match of 100% of 5% because they are not eligible for the defined benefit pension plan.

Educational Assistance

Full-time employees with 6 months of service may be eligible to participate in the Company's tuition reimbursement program for courses offered by approved educational institutions. To be eligible for reimbursement studies selected must be related to some phase of the employee's job or the Company's operation or be part of a required course for a degree (associates, bachelors or masters) or certificate related to the Company's operation. Ph.D programs are excluded.

The Company will reimburse 80% of tuition costs only, excluding the cost of books, supplies and other associated fees at qualified educational institutions. The maximum reimbursement per calendar year is limited to \$6,300 for undergraduate courses and \$7,500 for graduate level courses. In order to receive reimbursement the employee must provide evidence of satisfactory completion of the course. For courses with letter grades, "satisfactory completion" is defined as follows:

- a grade of "C" or better for undergraduate classes
- a grade of "B" or better for graduate level classes

Paid Time Off

The Company provides all employees with 9 paid holidays and 3 personal days per calendar year. Employees are provided vacation allowances based on years of service ranging from two weeks after 1 year of service to 6 weeks after 35 years of service.

Severance Program

Exempt employees grade 18 to 26 that are terminated involuntarily are eligible for a severance allowance of two weeks of compensation for each year of service with a minimum of two months of compensation and a maximum of 12 months of compensation. Severed employees will also receive a lump sum payment equal to the COBRA cost of continued medical and dental coverage for the period of severance less the active employee contribution amount.

Exempt employees grade 17 or below and non-bargaining non-exempt employees are eligible for a severance allowance of one week of compensation for each year of service with a minimum of two weeks of compensation and a maximum of 12 months of compensation. Severed employees will also receive a lump sum payment equal to the COBRA cost of continued medical and dental coverage for the period of severance less the active employee contribution amount.

UGI Utilities, Inc. - Gas Division
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2016 Base Rate Case
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SDR-RR-25

Request:

Please provide a description of the Company's merit and cost of living wage rate increase policies.

Response:

The Company does not provide wage adjustments based on changes in the cost of living index.

Non-Union Employees

The Company maintains a salary structure which is comprised of salary grades and ranges.

All non-union positions are assigned a salary range based on the competitive value of the job. The salary structure is reviewed periodically and adjusted, at the discretion of management, to remain externally competitive and internally equitable in order to attract, motivate, and retain quality employees.

Funds are budgeted each year for merit increases based on prevailing market rates. Performance reviews are scheduled annually with employees. Merit increase guidelines are established and individual performance ratings determine individual merit increases.

Union Employees

Employees who are represented by bargaining units are paid according to the rates negotiated in their labor agreements.

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
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Delivered on January 19, 2016

SDR-RR-26

Request:

Please provide the following monthly labor data for the year prior to the HTY, the HTY and the FTY through the most recent date available.

- a. number of actual employees broken down between type (e.g., salaried, union, non-union, temporary, etc.);
- b. regular payroll broken down between expensed, capitalized and other;
- c. overtime payroll broken down between expensed, capitalized and other;
- d. temporary payroll broken down between expensed, capitalized and other; and
- e. other payroll (specify).

Response:

- a. See Attachment SDR-RR-26, page 1.
- b-c. See Attachment SDR-RR-26, page 2.
- d-e. Not available.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-27

Request:

Please provide a copy of all incentive compensation and/or bonus plans and provide the level of related payments included in cost of service.

Response:

Please refer to Attachment SDR-RR-27 contained on CD for a copy of all incentive compensation plans. The total expenses included within the cost of service are \$1,481,135, \$1,918,571, and \$1,947,349 for the Historic Test Year, Future Test Year, and Fully Projected Future Test Year, respectively.

Information regarding UGI Gas's UNITE Incentive Compensation Plan is confidential and will be made available to parties upon request and the entry of an acceptable Protective Order.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-28

Request:

Please provide the percentage wage rate increases granted by the Company by date and employee category for the three most recent calendar years and the current year to date.

Response:

Please refer to Attachment SDR-RR-28.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. – Gas Division
Standard Data Requests
Revenue Requirements

Percentage Wage Rate Increases

Response:

Year	Union Employees	Percent Increase			
		2012	2013	2014	2015
	System Council U-22 of the IBEW - Effective 04/01/YYYY	2.50%	3.00%	3.00%	2.75%
	Gas Fitter-Utility Employee Local Union No. 600 – Effective 06/01/YYYY	2.50%	2.50%	3.00%	3.00%
	AVERAGE	2.50%	2.75%	3.00%	2.88%

Non Union Employees

- 2012** Actual Merit: 2.73% (exempt = 2.71% effective 11/28/2011/nonexempt = 2.77% effective throughout the year);
Exempt Variable Compensation: actual average payout of 0%
- 2013** Actual Merit: 2.65% (exempt = 2.56% effective 11/26/2012/nonexempt = 2.76% effective throughout the year);
Exempt Variable Compensation: actual average payout of 10.5%
- 2014** Actual Merit: 3.11% (exempt = 3.05% effective 11/25/2013/nonexempt = 3.19% effective throughout the year);
Exempt Variable Compensation: actual average payout of 12.3%
- 2015** Actual Merit: 3.06% (exempt = 2.94% effective 12/01/2014/nonexempt = 3.23% effective throughout the year);
Exempt Variable Compensation: Target payout percent between 5% and 20% of base pay depending on grade level

UGI Utilities, Inc. - Gas Division
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SDR-RR-29

Request:

Please provide an analysis (description, dates and amounts) of any gains or losses on utility property sold for the lesser of the last three years or since the Company's last rate case or anticipated during the FTY. Explain how such amounts have been treated for ratemaking purposes.

Response:

No gain or loss was recorded for the 12-month periods ended 9/30/2013, 9/30/2014, or 9/30/2015. No gain or loss is anticipated in either the future or fully projected future test years.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-30

Request:

Please provide the level of each of the following which is included in the Company's cost of service by separate type and/or payee, which are incurred directly by the Company or are allocated or billed to the Company by affiliates or its parent company.

- a. fines and penalties
- b. contributions and donations
- c. membership dues
- d. lobbying expense
- e. employee activity costs (e.g., picnics, parties, awards)
- f. investor relations expenses

Response:

- a. No costs for fines and penalties are included.
- b. No costs for contributions and donations are included.
- c. Please refer to Attachment SDR-RR-30.
- d. No lobbying expenses are included.
- e. The cost of service includes direct employee activity costs in the amounts of \$92,870 for historic, \$143,178 for future and \$145,325 for fully projected future test years, respectively.
- f. The cost of service includes allocated investor relations expenses in the amounts of \$13,023 for historic, \$5,899 for future and \$6,076 for fully projected future test years, respectively.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. – Gas Division
Schedule of Company Memberships

<u>Organization Name</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
AFREC	\$ 1,350	\$ 1,400	\$ 1,400
American Gas Association	248,315	257,000	266,000 *
Bethlehem Economic Development Corp	5,000	5,200	5,400
Common Ground Alliance	4,797	5,000	5,200
Economic Development Co of Lancaster County	60,000	62,100	64,300
Energy Association of Pennsylvania	67,219	69,600	72,000 **
Energy Solutions Center Inc.	9,659	10,000	10,400
Greater Hazleton Chamber of Commerce	1,542	1,600	1,700
Greater Lehigh Valley	2,384	2,500	2,600
Greater Reading Chamber of Commerce	8,000	8,300	8,600
Greater Reading Economic Partnership	20,000	20,700	21,400
Harrisburg Regional Chamber & CREDC	22,000	22,800	23,600
Lancaster City Alliance	10,000	10,400	10,800
Lebanon Valley Economic Development Corporation	7,500	7,800	8,100
Lehigh Valley Economic Development Corp	21,000	21,700	22,500
NGV America	11,783	12,200	12,600
Pennsylvania Chamber of Business & Industry	11,848	12,300	12,700
Pennsylvania Economy League	3,598	3,700	3,800
Organizations Under \$1,000	<u>5,562</u>	<u>5,800</u>	<u>6,000</u>
Total Spending for Company Memberships	<u>\$ 521,557</u>	<u>\$ 540,100</u>	<u>\$ 559,100</u>

* Of the American Gas Association expense shown for the fully projected future test year, \$254,030 will be included in the claim, while \$11,970 relates to lobbying activities and will be excluded.

** Of the Energy Association of Pennsylvania expense shown for the fully projected future test year, \$67,680 will be included in the claim, while \$4,320 relates to lobbying activities and will be excluded.

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-31

Request:

Please provide a description and the purpose for membership for each organization listed in the previous response.

Response:

Refer to response SDR-RR-32 for the purpose of memberships in industry organizations. The purpose for the Company's membership in other organizations is to improve the welfare, educational, social and economic climate in the Company's local communities, as well as to sponsor memberships for employees whose active participation in these organizations would be in the best interests of the Company and the communities within which the Company serves.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-32

Request:

Please provide the level of payments made to industry organizations included in cost of service along with a description of each payee organization or project.

Response:

Please refer to Attachment SDR-RR-32 for the industry organization payments included in the cost of service. The description of each payee organization is provided below.

- The Alternative Fuels Renewable Energies Council (AFREC) is a private, industry-driven consortium that exclusively focuses on the economics and collaborative development of corporate and government sustainability programs, projects, products and initiatives.
- The American Gas Association (AGA) is a trade association that represents more than 200 local energy companies that deliver clean natural gas throughout the United States.
- The American Society of Gas Engineers (ASGE) is a member-driven association interested in gas utilization, gas appliance design, gas certification and safety.
- The Common Ground Alliance (CGA) is a member-driven association of 1,700 individuals, organizations and sponsors in every facet of the underground utility industry. CGA is committed to saving lives and preventing damage to underground infrastructure by promoting effective damage prevention practices.
- The Cross Bore Safety Association (CBSA) is a community of industry professionals that have joined together to address all aspects of utility cross bores for protection against loss of life, injury and property damage.
- The Energy Association of Pennsylvania (EAP) is a trade association whose members include the electric and natural gas utilities operating in Pennsylvania.
- The Energy Solutions Center, Inc. (ESC) is a non-profit organization of energy utilities and equipment manufacturers that promotes energy efficient natural gas solutions and systems for use by residential, commercial, and industrial energy users.

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-32 (Continued)

- *Natural Gas Vehicles for America (NGVA)* is the national trade association dedicated to the development of a growing and sustainable market for vehicles powered by natural gas or biomethane.
- The Pipeline Association for Public Awareness (PAPA) promotes open communication and cooperation with local organizations to enhance public safety, improve emergency preparedness, protect the environment and prevent damage to property and facilities.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. – Gas Division
Schedule of Industry Organization Payments
For the Twelve Months Ending September 30, 2017

Organization Name	Included in Claim	Excluded from Claim*	Total Payments
AFREC	\$ 1,400	\$ 0	\$ 1,400
American Gas Association	254,030	11,970	266,000
Common Ground Alliance	5,200	0	5,200
Energy Association of Pennsylvania	67,680	4,320	72,000
Energy Solutions Center Inc.	10,400	0	10,400
NGV America	12,600	0	12,600
Organizations Under \$1,000	1,251	0	1,251
Total Payments to Industry Organizations	\$ 352,561	\$ 16,290	\$ 368,851

* Expenses related to lobbying activities have been excluded from the cost of service.

** Organizations under \$1,000 include: The American Society of Gas Engineers, The Cross Bore Safety Association and The Pipeline Association of Public Awareness.

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-33

Request:

Please provide the following information related to the Company's membership in AGA:

- a. Cost included in requested cost of service
- b. Cost excluded from requested cost of service
- c. Copy of the most recent audit report of AGA expenditures prepared by NARUC.
- d. Most recent correspondence received from AGA which addresses the percentage of dues related to lobbying or other separate activities.
- e. Policy statement, objective, purpose, etc. of AGA.

Response:

- a. The cost of service includes membership fees paid to AGA in the amounts of \$237,141 for historic, \$245,435 for future and \$254,030 for fully projected future test years, respectively.
- b. The cost of service excludes membership fees paid to AGA for lobbying activities in the amounts of \$11,174 for historic, \$11,565 for future and \$11,970 for fully projected future test years, respectively.
- c. NARUC last performed an audit of AGA expenditures in 2002, for which the audit report has been provided in Attachment SDR-RR-33.
- d. Please refer to Attachment SDR-RR-33.1.
- e. Please refer to Attachment SDR-RR-33.2.

Prepared by or under the supervision of: Ann P. Kelly

AUDIT REPORT ON THE EXPENDITURES

OF THE

AMERICAN GAS ASSOCIATION

(For the 12 month period ended December 31, 2002

March 2005



**NARUC STAFF SUBCOMMITTEE
ON ACCOUNTING AND FINANCE**

**National Association of
Regulatory Utility Commissioners
1101 Vermont Avenue; Suite 200
Washington, D.C. 20005**



N A R U C
National Association of Regulatory Utility Commissioners

March 2005

To: The State Regulatory Commissions
From: The NARUC Staff Subcommittee on Accounting and Finance
Re: Transmittal of the 2002 Report on the Expenditures of the American Gas Association

Dear State Regulatory Commissions:

This is the annual report on the expenditures of the American Gas Association (AGA) provided for your review and consideration. Hopefully you will find the information contained herein to be useful in helping you to decide which, if any, of the costs of the association you should approve for inclusion in utility rates. Often, state commissioners review the costs of the association charged or allocated to the utilities in their jurisdiction in accordance with the policies of their commission for treatment of costs directly incurred by the state's utilities for similar activities.

With the possible exception of expenses directly related to research and development relevant to utility operations, and a proportional amount of associated administrative overhead expense, these expense categories may be viewed by some State commissions as potential vehicles for charging ratepayers with such costs as lobbying, advocacy or promotional activities which may not be to their benefit.

The Staff Subcommittee on Accounting and Finance is pleased to provide you with the AGA report for 2002 to allow you to review the information contained therein and to utilize it in a manner consistent with your commission's regulatory policies and practices.

Sincerely,

Thomas J. Ferris
Chair
Staff Subcommittee on Accounting and Finance

Calculation of Lobbying Expenses Pursuant to
Internal Revenue Code Section 162(e)

The American Gas Association incurred lobbying expenses, as defined under IRC Section 162, of 2.28% of total member dues during calendar year 2002.

IRC Section 162 Definition of Lobbying

- (e) Denial of deduction for certain lobbying and political expenditures
- (1) In general no deduction shall be allowed under subsection (a) for any amount paid or incurred in connection with -
 - (A) influencing legislation,
 - (B) participation in, or intervention in, any political campaign on behalf of (or in opposition to) any candidate for public office,
 - (C) any attempt to influence the general public, or segments thereof, with respect to elections, legislative matters, or referendums, or
 - (D) any direct communication with a covered executive branch official in an attempt to influence the official actions or positions of such official.
 - (2) Exception for local legislation - In the case of any legislation of any local council or similar governing body -
 - (A) paragraph (1)(A) shall not apply, and
 - (B) the deduction allowed by subsection (a) shall include all ordinary and necessary expenses (including, but not limited to, traveling expenses described in subsection (a)(2) and the cost of preparing testimony) paid or incurred during the taxable year in carrying on any trade or business -
 - (i) in direct connection with appearances before, submission of statements to, or sending communications to the committees, or individual members, of such council or body with respect to legislation or proposed legislation of direct interest to the taxpayer, or
 - (ii) in direct connection with communication of information between the taxpayer and an organization of which the taxpayer is a member with respect to any such legislation or proposed legislation which is of direct interest to the taxpayer and to such organization, and that portion of the dues so paid or incurred with respect to any organization of which the taxpayer is a member which is attributable to the expenses of the activities described in clauses (i) and (ii) carried on by such organization.
 - (3) Application to dues of tax-exempt organizations - No deduction shall be allowed under subsection (a) for the portion of dues or other similar amounts paid by the taxpayer to an organization which is exempt from tax under this subtitle which the organization notifies the taxpayer under section 6033(e)(1)(A)(ii) is allocable to expenditures to which paragraph (1) applies.
 - (4) Influencing legislation - For purposes of this subsection -
 - (A) In general The term "influencing legislation" means any attempt to influence any legislation through communication with any member or employee of a legislative body, or with any government official or employee who may participate in the formulation of legislation.
 - (B) Legislation - The term "legislation" has the meaning given such term by section 4911(e)(2).
 - (5) Other special rules
 - (A) Exception for certain taxpayers - In the case of any taxpayer engaged in the trade or business of conducting activities described in paragraph (1), paragraph (1) shall not apply to expenditures of the taxpayer in conducting such activities directly on behalf of another person (but shall apply to payments by such other person to the taxpayer for conducting such activities).
 - (B) De minimis exception
 - (i) In general Paragraph (1) shall not apply to any in-house expenditures for any taxable year if such expenditures do not exceed \$2,000. In determining whether a taxpayer exceeds the \$2,000 limit under this clause, there shall not be taken into account overhead costs otherwise allocable to activities described in paragraphs (1)(A) and (D).
 - (ii) In-house expenditures for purposes of clause (i), the term "in-house expenditures" means expenditures described in paragraphs (1)(A) and (D) other than -
 - (I) payments by the taxpayer to a person engaged in the trade or business of conducting activities described in paragraph (1) for the conduct of such activities on behalf of the taxpayer, or
 - (II) dues or other similar amounts paid or incurred by the taxpayer which are allocable to activities described in paragraph (1).
 - (C) Expenses incurred in connection with lobbying and political activities - Any amount paid or incurred for research for, or preparation, planning, or coordination of, any activity described in paragraph (1) shall be treated as paid or incurred in connection with such activity.
 - (6) Covered executive branch official - For purposes of this subsection, the term "covered executive branch official" means -
 - (A) the President,
 - (B) the Vice President,
 - (C) any officer or employee of the White House Office of the Executive Office of the President, and the 2 most senior level officers of each of the other agencies in such Executive Office, and
 - (D) (i) any individual serving in a position in level I of the Executive Schedule under section 5312 of title 5, United States Code, (ii) any other individual designated by the President as having Cabinet level status, and (iii) any immediate deputy of an individual described in clause (i) or (ii).
 - (7) Special rule for Indian tribal governments - For purposes of this subsection, an Indian tribal government shall be treated in the same manner as a local council or similar governing body.
 - (8) Cross reference - For reporting requirements and alternative taxes related to this subsection, see section 6033(e).

Citation: IRC Sec. 6033(e)

AMERICAN GAS ASSOCIATION

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Report of American Gas Association Financial Operations
In accordance with agreement between
American Gas Association and NARUC Oversight Committee

For the Year Ended December 31, 2002

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Internal Revenue Service Form 990

The American Gas Association is a non-profit and tax exempt organization required to file informational returns with the U.S. Internal Revenue Service (IRS). Public inspection of the completed American Gas Association Exempt Organization Return (IRS Form 990) may be made in accordance with IRS regulation by request directly to the Internal Revenue Service, Attention: FOI Reading Room, 1111 Constitution Avenue, N.W., Washington, D.C. 20224. The American Gas Association makes its Exempt Organization Return available for public inspection during normal business hours (9:00 a.m. - 5:00 p.m.) at the Association's principal office, 400 N. Capitol St., N.W., Washington, D.C. 20001, preferably by written request directed to Joseph L. Martin, AGA's Controller, at the same address. State public utility commissions that wish to receive a copy of AGA's Exempt Organization Return should also direct their request to Joseph Martin. Internal Revenue Service Form 4506-A may also be used to request copies of the return from the Internal Revenue Service if public inspection is not desired by the requestor. IRS may make a charge for its photocopying service.

AMERICAN GAS ASSOCIATION

Notes to Financial Statements

(1) *Continued*

Revenue Recognition

Membership dues are recognized as revenue in the year to which the membership applies. Dues received in advance are deferred. Publications revenue is recognized upon the sale of the related publication and meetings revenue is recognized when the related meetings are held.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries are charged directly to the programs and supporting services served. Fringe benefits are allocated to the programs and supporting services proportionate to salaries charged, and certain expenses benefiting all programs and supporting services are allocated based on the number of staff supporting each service.

Income Taxes

The Association is recognized as exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code, except for taxes on unrelated business income. Income tax expense on unrelated business activities totaled approximately \$25,000 and \$20,500 for the years ended December 31, 2002 and 2001, respectively.

The Association has elected to pay the federal proxy tax on behalf of its members on expenses related to lobbying activities. The proxy tax approximates \$125,000 for both years ended December 31, 2002 and 2001.

Reclassifications

Certain reclassifications of prior year balances have been made to conform to the current year presentation.

AMERICAN GAS ASSOCIATION

Notes to Financial Statements

(2) Cash and Cash Equivalents and Marketable Securities

At December 31, 2002 and 2001, the components of cash and cash equivalents and marketable securities were as follows:

	2002	2001
Cash	\$ 482,603	\$ 461,013
Cash equivalents:		
Money market accounts	1,432,064	2,204,914
U.S. government agency obligations	599,760	-
Commercial paper	749,102	347,584
Total cash and cash equivalents	\$ 3,263,529	\$ 3,013,511
U.S. government agency obligations	\$ 4,053,550	\$ 4,322,497
Mortgage-backed securities	-	255,117
Corporate obligations	1,737,602	1,544,019
Other debt securities	9,128,124	9,968,957
Equity mutual funds and securities	5,757,285	6,980,682
Total marketable securities	\$ 20,676,561	\$ 23,071,272

(3) Property, Plant, and Equipment

Property, plant, and equipment are composed of the following as of December 31, 2002 and 2001:

	2002	2001
Leasehold improvements	\$ 986,148	\$ 949,311
Equipment	3,267,192	3,624,270
Furniture and fixtures	1,199,761	1,199,761
	5,453,101	5,773,342
Less accumulated depreciation and amortization	(2,844,837)	(2,557,526)
Property, plant, and equipment, net	\$ 2,608,264	\$ 3,215,816

AMERICAN GAS ASSOCIATION

Notes to Financial Statements

(4) Pension and Other Postretirement Benefits

The Association has the following noncontributory defined benefit pension plans:

- a qualified plan which covers substantially all Association employees,
- a non-qualified plan which is for employees who were determined to be eligible by the Association's Compensation Committee when the plan was created in 1985 (plan was frozen to new participants in 1986), and
- a non-qualified "excess" plan for those employees whose compensation exceeds the IRS limits for the qualified plan. This plan was approved by the Compensation Committee and is effective January 1, 2003.

These plans provide retirement benefits based on employees' years of services and compensation prior to retirement. In addition, there is an unfunded, nonqualified supplemental retirement benefit plan for the President and CEO that was approved by the Board of Directors in February 2001.

The funded plan's assets consist primarily of common stocks and U.S. government and corporate bonds.

The following provides a reconciliation of benefit obligations, plan assets, and funded status of the plans at December 31, 2002 and 2001:

	Pension Benefits		Other Postretirement Benefits	
	2002	2001	2002	2001
Benefit obligation	\$ 25,592,012	\$ 23,168,922	\$ 8,489,792	\$ 7,554,951
Fair value of plan assets	19,832,983	23,282,900	4,203,939	5,037,630
Funded status	\$ (5,759,029)	\$ 113,978	\$ (4,285,853)	\$ (2,517,321)
Accrued benefit cost recognized in the statements of financial position	\$ 1,531,068	\$ 1,045,369	\$ 850,289	\$ 854,771
Intangible asset recognized in the statements of financial position	\$ 98,428	\$ -	\$ -	\$ -

AMERICAN GAS ASSOCIATION

Notes to Financial Statements

(4) Continued

Weighted-average assumptions:	Pension Benefits		Other Postretirement Benefits	
	2002	2001	2002	2001
	Discount rate	6.75%	7.25%	8.75%
Expected return on plan assets	8.50%	8.50%	8.50%	8.50%
Rate of compensation increase	4.50%	4.50%	N/A	N/A

Net periodic pension and other postretirement costs for 2002 and 2001 include the following components:

	Pension Benefits		Other Postretirement Benefits	
	2002	2001	2002	2001
Pension (benefit) cost	\$ 461,488	\$ 139,626	\$ 205,763	\$ 23,285
Employer contribution	443,191	211,414	218,476	-
Plan participants' contributions	-	-	47,554	123,910
Benefits paid	1,576,467	1,341,069	545,110	594,492

In accordance with Statement of Financial Accounting Standard (SFAS) No. 87, "Employers' Accounting for Pensions", the Association has recognized the required minimum liability represented by the excess of the accumulated benefit obligation over the plan assets at December 31, 2002 and 2001, which totaled \$827,925 and \$360,522, respectively. An intangible pension asset of \$98,426, representing the unamortized prior service cost of the defined benefit plan, has been recognized within prepaid expenses and other assets in the accompanying statement of financial position as of December 31, 2002. The change in the total minimum liability of \$368,975 is being recognized as a reduction to unrestricted net assets.

AMERICAN GAS ASSOCIATION
2015 and 2014 BUDGETS

	\$ 2015 <u>ALLOCATION</u>	\$ 2015 <u>ALLOCATION</u>	\$ 2014 <u>ALLOCATION</u>	% 2014 <u>ALLOCATION</u>
<u>Programs Funded by Dues</u>				
Communications	\$3,039,000	8.95%	\$3,195,000	10.38%
Corporate Affairs	\$3,025,000	8.91%	\$2,704,000	8.79%
General & Administrative	\$6,421,000	18.91%	\$6,032,000	19.60%
General Counsel	\$1,334,000	3.93%	\$1,326,000	4.31%
Government Relations: Federal	\$2,401,000	7.07%	\$2,295,000	7.46%
Government Relations: State	\$1,703,000	5.01%	\$1,634,000	5.31%
Industry Finance & Administrative Programs	\$1,763,000	5.19%	\$1,186,000	3.85%
Operations & Engineering	\$8,927,000	26.28%	\$6,953,000	22.59%
Policy, Planning & Regulatory Affairs	\$3,561,000	10.48%	\$3,571,000	11.60%
Policy Strategy & Demand Growth	<u>\$1,789,000</u>	<u>5.27%</u>	<u>\$1,879,000</u>	<u>6.11%</u>
Expense Budget	\$33,963,000	100.00%	\$30,775,000	100.00%

Note

Lobbying related expenses as defined under IRC Section 162 accounted for 4.1% of total member dues in 2014. AGA estimates that lobbying expenses will account for 4.5% of member dues in 2015.

AGA Vision and Mission Statement

VISION STATEMENT

AGA's vision is to provide clear value to our membership and serve as the indispensable voice, and facilitator, on its behalf in promoting the safe, reliable and cost effective delivery of natural gas to the more than 64 million customers in the American homes and businesses that our membership serves.

MISSION STATEMENT

The American Gas Association represents companies delivering natural gas to customers to help meet their energy needs. AGA members are committed to delivering natural gas safely, reliably, cost-effectively and in an environmentally responsible way. AGA advocates the interests of its members and their customers, and provides information and services promoting efficient demand and supply growth, and operational excellence, in the safe, reliable and efficient delivery of natural gas.

To further this mission, AGA:

1. Focuses on the advocacy of natural gas issues that are priorities for the membership and that are achievable in a cost-effective way;
2. Promotes growth in the efficient use of natural gas on behalf of natural gas utilities, and the customers the industry serves, by emphasizing before a variety of audiences the attributes of natural gas as a clean, abundant, efficient and secure energy source that is recognized as part of the solution to the nation's environmental and energy efficiency goals;
3. Encourages, facilitates and assists members in sharing information designed to achieve operational excellence by improving their safety, security, reliability, efficiency, environmental and other performance metrics;
4. Assists members in managing and responding to customer energy needs, regulatory trends, natural gas markets, capital markets and emerging technologies; facilitates the identification of, and advocates for, regulatory constructs and business models that provide members the opportunity to remain financially viable, while allowing them to grow;
5. Collects, analyzes and disseminates information on a timely basis to opinion leaders, policy makers and the public about the benefits provided by energy utilities and the natural gas industry;
6. Encourages the identification, development, commercialization, demonstration and regulatory acceptance of end-use technologies that will allow natural gas applications to successfully compete in the marketplace; and
7. Delivers measurable value to AGA members.

Approved: September 15, 2009

AMERICAN GAS ASSOCIATION

Definitions of Functional Cost Centers
For the Year Ended December 31, 2015

Communications develops informational material for member companies and consumers and coordinates all media activity.

Corporate Affairs provides opportunities for interaction between member companies and the financial community. The focus is to promote interest in the investment opportunities in the industry.

General and Administrative includes:

1. Office of the President provides senior management guidance for all AGA activities.
2. Human Resources develops and administers employee programs and provides office and personnel services.
3. Finance and Administration develops and administers financial accounting and treasury services and maintains computer services capability.

General Counsel provides legal counsel to the Association.

Government Relations provides members with information on legislative development; prepares testimony, comments, and filings regarding legislative activities, lobbies on behalf of the industry.

Industry Finance and Administration develops and implements programs in such areas as accounting, human resources, and risk management for member companies.

Operations and Engineering develops and implements programs and practices to meet the operational, safety, and engineering needs of the industry.

Policy, Planning & Regulatory Affairs includes:

1. Policy & Analysis identifies the need for and conducts energy analyses and modeling efforts in the areas of gas supply and demand, economics, and the environment.
2. Regulatory Affairs provides members with information on FERC and state regulatory developments; prepares testimony, comments, and filings regarding regulatory activities.

Policy Strategy & Demand Growth leads AGA's policy strategy development, engages key stakeholders and policy makers and develops studies and joint initiatives that support advancing the industry's advocacy priorities. It supports the growth objectives of members by advancing sustainable growth opportunities for the direct and distributed use of natural gas in the residential, commercial and industrial markets.

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-34

Request:

Please provide a copy of the most recent FERC audit findings, the Company's response and final disposition of audit exceptions.

Response:

UGI Gas has not been audited by FERC.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-35

Request:

Please provide the annual level of forfeited discounts or late payment charges for the preceding three calendar years. Identify the level of sales revenue with which these are associated.

Response:

Please see Attachment SDR-RR-35.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. – Gas Division
Forfeited Discounts Schedule

For the twelve months ending September 30 (\$ in 000's):

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Forfeited Discounts	\$2,416	\$3,154	\$2,881
Sales Revenue	\$400,777	\$453,072	\$448,327

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-36

Request:

If not reflected in the lead-lag study, please provide a listing of the various types of employee withholdings, garnishments and other employee funds held by the Company for remittance at a later date.

Response:

The following items are withheld from employees for remittance at a later date:

United Way Contributions
Operation Share Contributions
Union Dues
Voluntary Accidental Death & Dismemberment
Employee Supplemental Life
Spouse Life
Child Life
Medical, Dental, and Vision
Flexible Spending Account
Political Action Committee
UGI Stock Purchase Plan
Employee Bill Payments
Other Various Wage Attachments (Federal, State Taxes)

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-37

Request:

Please provide all detailed work papers supporting the adjustments to rate base and operating income.

Response:

Please refer to UGI Exhibit A (Historic), UGI Exhibit A (Future) and UGI Exhibit A (Fully Projected), Sections C and D.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-38

Request:

Please provide a copy of the Company's most recent SFAS 106 plan actuarial study.

Response:

The Company's most recent SFAS 106 plan actuarial study was conducted at the end of fiscal year 2015. Refer to Attachment SDR-RR-38 for a copy of the report issued as a result of this study.

Prepared by or under the supervision of: Ann P. Kelly



Centre Square East
1500 Market Street
Philadelphia, PA 19102-4790

T +1 215 246 6000

towerswatson.com

September 25, 2015

Ms. Denise M. Bassett
Benefits & Compensation Manager
UGI Corporation
PO Box 12677
Reading, PA 19612-2677

Dear Denise:

**ACCOUNTING VALUATION RESULTS FOR
UGI UTILITIES POSTRETIREMENT WELFARE PLAN**

This letter provides the fiscal 2015 valuation results under ASC 715-60 for the UGI Utilities, Inc. Postretirement Welfare Plan. The valuation results are based on participant census data collected as of January 1, 2015 and VEBA trust assets as of September 30, 2014 provided by UGI.

These valuation results are used to measure the postretirement welfare accounting expense (income) for the 2014 fiscal year (October 1, 2014 to September 30, 2015).

POSTRETIREMENT WELFARE PLAN EXPENSE (INCOME)

Below is a summary of expense (income) for fiscal 2015 by company compared to fiscal 2014.

<u>Company</u>	<u>2015 Fiscal Year</u>	<u>2014 Fiscal Year</u>
Holding Company	\$ 27,566	\$ 23,756
Utilities	(641,763)	(605,484)
Enterprises	<u>2,145</u>	<u>2,125</u>
TOTAL ACCOUNTING EXPENSE (INCOME)	\$ (612,052)	\$ (579,603)

The results for fiscal 2015 yield a decrease in postretirement welfare expense (increase in income) of approximately \$(32,000). The primary reason for this change is favorable returns on VEBA assets offsetting a decrease in the discount rate and slightly unfavorable demographic experience.

The fiscal 2015 income decreased slightly from the budget estimate of \$(624,000) prepared for UGI in November 2014 primarily due to greater than expected service cost due to new hires.

Details of the 2015 postretirement welfare expense results by reporting segment are provided on the following page.

Valuation Results by Company as of October 1, 2014 (Fiscal 2015 Expense)

	Holding Company	Utilities	Enterprises	Total
APBO - Medical	\$ 4,650	\$ 460,932	\$ 0	\$ 465,582
- Life Insurance	816,407	7,598,719	55,268	8,470,394
- Total	\$ 821,057	\$ 8,059,651	\$ 55,268	\$ 8,935,976
Postretirement Welfare Expense:				
Service Cost	\$ 23,139	\$ 147,313	\$ 478	\$ 170,930
Interest Cost	38,331	366,813	2,530	407,674
EROA	(23,691)	(606,532)	0	(630,223)
Amortization of:				
Transition Obligation	0	0	0	0
Prior Service Cost	(17,622)	(549,357)	(863)	(567,842)
(Gains)/Losses	7,409	0	0	7,409
Total Postretirement Welfare Cost	\$ 27,566	\$ (641,763)	\$ 2,145	\$ (612,052)

DEMOGRAPHICS

The total number of retirees, surviving spouses, and dependents with medical coverage decreased from 176 to 149 during 2014 mainly due to retiree deaths and participants not enrolling in medical coverage.

The following is the breakdown of retiree medical participants (all are post-65):

Retiree	Dependent	Surviving Spouse	Total
71	29	49	149

The following is the breakdown of life insurance participants:

Active	1,158
Retiree	502
Total	1,660

INVESTMENT EXPERIENCE

The plan's actual return on assets for the period October 1, 2013 to September 30, 2014 was approximately 12.4%.

KEY ECONOMIC ASSUMPTIONS

Discount Rate: The discount rate used to determine the postretirement welfare expense was decreased from 5.20% for fiscal 2014 to 4.60% for fiscal 2015 as a result of decreasing bond yields.

Expected Return on Assets: The expected return on VEBA trust assets was 7.75% pre-tax and 5.00% post-tax for 2014. The medical plan sub-account is subject to UBIT taxation and uses the lower rate. This assumption reflects a portfolio diversified in equities and bonds.

Healthcare Inflation Rates: The health care trend assumption of initial rate of 7.00% for fiscal 2015 decreasing to 5.00% in fiscal 2019.

Mortality: The mortality assumption was updated from the 2013 IRS applicable table with mortality improvements to 2028 for participants not in pay status and to 2020 for participants in pay status to the 2014 IRS applicable table with mortality improvements to 2029 for participants not in pay status and to 2021 for participants in pay status.

Other assumptions remain unchanged from fiscal 2014 and are documented in the October, 2014 valuation report.

A comprehensive list of actuarial assumptions including the rationale for key assumptions will be summarized in the 2015 actuarial valuation report which will be available in a few weeks.

PLAN PROVISIONS

There have been no changes in plan provisions since the most recent valuation. A summary of key plan provisions can be found in the October 2014 valuation report.

EXPECTED CLAIMS AND EXPENSES

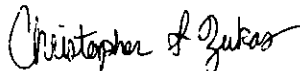
Total expected claims and expenses (net of retiree contributions) from October 1, 2014 to September 30, 2015 for the retiree welfare plans are as follows:

	Expected Company Claims and Expenses for 2014
UGI Postretirement Medical	\$ 76,000
UGI Postretirement Life Insurance	<u>418,000</u>
Total	\$494,000

Most of the claims and expenses would be paid (or reimbursed) from the VEBA trust for current and former "non-key" employees. Benefits for any current and former key employees would be paid from company assets.

Once you have the opportunity to review these results, we would be happy to discuss the results in more detail at your convenience.


Sincerely,



Christopher S. Zukas, FSA
Senior Consulting Actuary

Direct Dial: (215) 246-6104

cc: Richard Berger — UGI Corporation
Ann Kelly — UGI Utilities, Inc.
Mathieu Lussier — Towers Watson
Marc Freedman — Towers Watson
Will Ruthrauff — UGI Corporation



Lori Wolfersberger, FSA
Consulting Actuary

(215) 246-4942

Karen Heisler — UGI Utilities, Inc.
Paul Kienzle — Towers Watson
Christopher May — Towers Watson
Cheryl Tazik — UGI Corporation
Dan Platt — UGI Corporation

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
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SDR-RR-39

Request:

Please reconcile the historical and future test year SFAS No. 106 expense levels with the amount identified in the actuarial report.

Response:

Please see Attachment SDR-RR-39 for the schedule reconciling SFAS No. 106 expenses for all three test years. Also refer to UGI Exhibit A (Historic), UGI Exhibit A (Future) and UGI Exhibit A (Fully Projected), Schedule D-14 and the Direct Testimony of Ann P. Kelly, UGI Gas Statement No. 2.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. – Gas Division
Schedule of SFAS No. 106 Expenses

	HTY	FTY	FPFTY
	<u>9/30/2015</u>	<u>9/30/2016</u>	<u>9/30/2017</u>
Test Year Expense	\$2,374,000	\$0	\$0
Actuarial (Income)	(\$524,281)	(\$532,615)	N/A

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
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SDR-RR-40

Request:

Please identify the actual or projected amounts contributed to SFAS No. 106 funds for the historic and future test years. Identify the actual or projected dates and amounts of the contributions.

Response:

There are no actual or projected SFAS 106 contributions included in the historic, future or fully projected future test years.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
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SDR-RR-41

Request:

Please explain the funding options or plans which are being used for SFAS No. 106 costs. Identify the portion of the costs which are eligible for tax preferred funding.

Response:

SFAS 106 expenditures are fully funded through a voluntary employees' beneficiary association (VEBA) trust. 100% of these VEBA trust funds are eligible for tax preferred funding.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
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SDR-RR-42

Request:

Is the Company studying and/or anticipating any changes to its postretirement benefits offered to employees as a result of SFAS No. 106 or for other reasons? If yes, please provide such study and/or explain the anticipated change.

Response:

UGI Gas is not studying or anticipating any changes to its postretirement benefits offered to employees.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
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Delivered on January 19, 2016

SDR-RR-43

Request:

Please state whether the Company has included expenses related to SFAS No. 112 in its test year claim. If so, please provide complete details and include a copy of the actuarial study.

Response:

Yes. However, in accordance with HIPAA guidelines, UGI Gas does not record or track these additional expenses separately from active employee benefit costs. For this reason, UGI Gas does not have the ability to calculate this additional post-employment benefit expense.

The Company's most recent SFAS 112 actuarial study was conducted at the end of fiscal year 2015. Refer to Attachment SDR-RR-43 for a copy of the report issued as a result of this study.

Prepared by or under the supervision of: Ann P. Kelly



October 6, 2015

Mr. Richard Berger
Director, Corporate Reporting
UGI Corporation
Irwin Building
460 N. Gulph Road
King of Prussia, PA 19406

Dear Rich:

UGI FAS 112 Valuation Results As Of September 30, 2015

The purpose of this letter is to provide you with the estimated FAS 112 obligations for UGI Utilities and Penn Natural Gas (PNG) group as of September 30, 2015. Consistent with the September 30, 2014 results, the UGI Utilities results contain the obligations attributable to Central Penn Gas participants as well.

Valuation Results

Below is a summary of the estimated FAS 112 obligations as of September 30, 2015 for UGI's short-term disability (STD) income benefit and COBRA continuation of health coverage (long-term disability income, medical and life insurance continuation are estimated by UGI and are not included with the results presented in this letter). In addition, the FAS 112 obligation for PNG is provided for the STD income benefit. Each of the obligations was developed according to the standards of FAS 112, 5 and 43. For comparative purposes the individual plan obligations are shown relative to September 30, 2014 results.

Benefit	Obligation as of					
	September 30, 2015			September 30, 2014		
	Current	Non-Current	Total	Current	Non-Current	Total
STD income (UGI)	\$480,000	\$831,000	\$1,311,000	\$456,000	\$808,000	\$1,264,000
STD income (PNG)	63,000	77,000	140,000	61,000	73,000	134,000
COBRA	147,000	0	147,000	138,000	0	138,000
Total	\$690,000	\$908,000	\$1,598,000	\$655,000	\$881,000	\$1,536,000

Please note the following regarding this year's valuation results:

Short-term Disability Income Continuation

The UGI and PNG obligations for the STD income benefit as of September 30, 2015 are \$1,311,000 and \$140,000 respectively using a 4.7% discount rate; this compares to \$1,264,000 and \$134,000 respectively as of September 30, 2014 using a 4.6% discount rate.

The liability amount represents the obligation for the STD income benefit to which employees are entitled as years of active service increase. The valuation reflects the costs associated with all future disabilities expected to occur after September 30, 2015. The rates of incidence and duration of STD claims are based on a blend of standard actuarial assumptions and actual experience received from UGI and PNG.

TOWERS WATSON 

COBRA Continuation of Health Coverage

This amount represents UGI's obligation for the additional medical expense anticipated from COBRA participants above the 102% of premium UGI collects from COBRA beneficiaries. The projected cost of health coverage is based on UGI's average 2015 cost of providing these benefits for COBRA participants.

Rich, if you have any questions or need further information, please call me.

Sincerely,



Marc B. Freedman, ASA

MBF/edd

cc: Julie Durham, ASA – Towers Watson/Philadelphia
Denise Bassett – UGI Utilities, Inc.
Mathieu Lussier, FSA – Towers Watson/Philadelphia
Chris Zukas, FSA – Towers Watson/Philadelphia

Direct Dial: 215-246-6280

September 30, 2015 FAS 112 Methods and Assumptions -- UGI and PNG**Short-term Disability Income Continuation****PNG Non Union**

Methods and Assumptions

Discount Rate	4.7%	
Incidence of disability	5.3%	
Average duration of disability	7.0 weeks	
Accounting method	FAS 43, LIFO	
Benefit schedule	Weeks at 100%	Weeks at 50%
Service (years)		
Less than 1	1	0
1 less than 2	3	0
2 less than 5	5	8
5 less than 10	8	18
10 less than 15	12	14
15 less than 20	17	9
20+	26	0
Average age	48.0	
Average years of service	17.2	
Percent male	80%	
Average salary	\$56,594	
Headcount	108	

PNG Union**Methods and Assumptions**

Discount Rate	4.7%		
Incidence of disability	5.3%		
Average duration of disability	7.0 weeks		
Accounting method	FAS 43, LIFO		
Benefit schedule	Weeks at 100%	Weeks at 50%	
Service (years)			
Less than 1	0	0	
1 less than 2	1	12	
2 less than 5	2	20	
5 less than 10	3	22	
10+	4	26	
Average age	51.9		
Average years of service	23.7		
Percent male	99%		
Average salary	\$55,689		
Headcount	115		

UGI**Methods and Assumptions**

Discount Rate	4.7%		
Incidence of disability	5.3%		
Average duration of disability	7.0 weeks		
Accounting method	FAS 43, LIFO		
Benefit schedule	Weeks at 100%	Weeks at 50%	
Service (years)			
Less than 1	1	0	
1 less than 2	3	0	
2 less than 5	5	8	
5 less than 10	8	18	
10 less than 15	12	14	
15 less than 20	17	9	
20+	26	0	
Average age	46.2		
Average years of service	16.6		
Percent male	63%		
Average salary	\$71,850		
Headcount	1,158		



COBRA

UGI

Methods and Assumptions

Discount Rate	4.7%
Accounting method	FAS 5
Average age	53.7
Percent male	55%
Expected utilization	150% of average
Headcount	33
Average monthly rate	\$965

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UGI Utilities, Inc. - Gas Division
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2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-44

Request:

Please provide all documentation supporting the uncollectible accrual rate reflected in the Company's filing.

Response:

Please refer to UGI Exhibit A (Historic), UGI Exhibit A (Future), and UGI Exhibit A (Fully Projected Future), Schedule D-11, for a calculation of the uncollectible accrual rate.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-45

Request:

Please provide all work papers and documentation supporting the Company's claimed balance of gas stored underground - current. Include support for the monthly injections and withdrawals and the gas cost rate.

Response:

Please see Attachment SDR-RR-45.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
GAS STORED UNDERGROUND - CURRENT
OCTOBER 2014 - SEPTEMBER 2015

Month	Injections DTH	Withdrawals DTH	Inventory Change DTH	Inventory Balance DTH	Injected Value	Withdrawn Value	Monthly \$ Change	Balance \$ Value	Average Weighted Cost of Inventory \$ per DTH
Beginning Balance				9,920,276				\$ 40,010,672	
October 2014	1,736,182	(53,912)	1,682,270	11,602,546	\$ 6,352,337	\$ (219,386)	6,132,951	46,143,624	\$ 3.9770
November 2014	243,947	(860,096)	(616,149)	10,986,397	\$ 860,680	\$ (3,532,339)	(2,671,659)	43,471,964	\$ 3.9569
December 2014	1,080,231	(3,335,748)	(2,255,517)	8,730,880	\$ 4,529,981	\$ (13,412,585)	(8,882,604)	34,589,361	\$ 3.9617
January 2015	95,792	(3,341,918)	(3,246,126)	5,484,754	\$ 201,294	\$ (13,218,453)	(13,017,159)	21,572,201	\$ 3.9331
February 2015	126,669	(3,346,192)	(3,219,523)	2,265,231	\$ 332,231	\$ (13,242,978)	(12,910,747)	8,661,454	\$ 3.8237
March 2015	194,179	(1,632,096)	(1,437,917)	827,314	\$ 450,028	\$ (5,964,967)	(5,514,939)	3,146,515	\$ 3.8033
April 2015	1,846,663	(323,598)	1,523,065	2,350,379	\$ 4,073,976	\$ (982,225)	3,091,751	6,238,266	\$ 2.6542
May 2015	1,698,303	(330,460)	1,367,843	3,718,222	\$ 3,379,449	\$ (839,944)	2,539,505	8,777,771	\$ 2.3607
June 2015	1,608,130	(380,259)	1,227,871	4,946,093	\$ 3,848,269	\$ (975,678)	2,872,591	11,650,362	\$ 2.3555
July 2015	1,824,682	(200,541)	1,624,141	6,570,234	\$ 4,166,533	\$ (502,945)	3,663,588	15,313,950	\$ 2.3308
August 2015	1,948,055	(217,819)	1,730,236	8,300,470	\$ 4,772,973	\$ (546,554)	4,226,420	19,540,370	\$ 2.3541
September 2015	1,851,522	(189,408)	1,662,114	9,962,584	\$ 4,302,397	\$ (475,092)	3,827,305	23,367,675	\$ 2.3455

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
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Responses to Standard Data Requests - Revenue Requirement
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SDR-RR-46

Request:

Please provide a comparison between actual and budgeted O&M expenses by budget cost element for the historical test year and explain any budget variances of 10 percent or more.

Response:

Please see Attachment SDR-RR-46.

Prepared by or under the supervision of: Ann P. Kelly

UGI UTILITIES, INC. - GAS DIVISION
Actual versus Budgeted Cost Element Comparison

Comparison – Actual to Budget FY 2015 (\$000)

	<u>Actual 2015</u>	<u>Budget 2015</u>	<u>Variance</u>	<u>% Variance</u>
Fuel Purchase Cost*	199,242	200,656	(1,414)	(0.70%)
Maintenance Expenses	16,324	17,751	(1,427)	(8.04%)
Other Operating Expenses	124,422	118,096	6,326	5.36%
Total Operating and Maintenance Expenses	339,988	336,503	3,485	1.04%

*Excludes fuel purchases related to off system sales

Maintenance and Other Operating Expenses

	<u>Actual 2015</u>	<u>Budget 2015</u>	<u>Variance</u>	<u>% Variance</u>
Payroll, Payroll Taxes & Deductions	35,486	34,587	899	2.60%
Benefits	10,560	10,407	153	1.47%
Material	1,993	1,656	337	20.35%
Transportation	4,281	4,053	228	5.63%
Customer Accounting	8,990	6,564	2,426	36.96%
Overhead	208	87	121	139.08%
Non-Payroll Other	33,009	31,561	1,448	4.59%
Contractors	8,914	9,363	(449)	(4.80%)
Depreciation/Amortization	31,858	31,939	(81)	(0.25%)
Taxes Other than Income Taxes	5,447	5,630	(183)	(3.25%)
	140,746	135,847	4,899	3.60%

Material

Materials expense was \$337k or 20.35% over budget. This is due primarily to an increase in Distribution Mains and Services Expenses driven by the colder than normal weather.

Customer Accounting

Customer accounting expense was \$2,426k or 36.96% over budget. Colder than normal weather resulted in an increase in uncollectable accounts due to the budget being based on weather normalized sales which in turn led to higher uncollectable expenses.

Overhead

Overhead expenses were \$121k or 139.08% over budget related to an increase in Stores Overhead Distributed. The Stores Overhead charges are positively correlated with material usage. Material expense increased more than anticipated in the budget driven primarily by colder than normal weather, resulting in an increase in Overhead.

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
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Responses to Standard Data Requests - Revenue Requirement
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SDR-RR-47

Request:

Please provide the most recent actual number of eligible participants in each of the employee medical and dental plans reflected in the Company's filing.

Response:

Please refer to Attachment SDR-RR-22.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-48

Request:

Please provide workpapers showing the derivation of future test year Social Security and Medicare FICA taxes based on future test year labor expense. Identify both the total and O&M amounts.

Response:

Please refer to Attachment SDR-RR-48.

Prepared by or under the supervision of: Ann P. Kelly

UGI UTILITIES, INC. - GAS DIVISION
SCHEDULE OF FICA PAYROLL TAXES
FOR THE TEST YEARS ENDING:
(thousands of dollars)

Line No.	Description	Reference	9/30/2016	9/30/2017
1	Budgeted O&M Labor Dollars		\$ 34,122	\$ 35,248
2	Budgeted Capital Labor Dollars		13,325	13,725
3	Budgeted Wages Subject to FICA	L 1 + L 2	<u>47,447</u>	<u>48,973</u>
4	Budgeted FICA Expense - O&M Labor		2,601	2,679
5	Budgeted FICA Expense - Capital Labor		1,016	1,043
6	Budgeted FICA Expense	L 4 + L 5	<u>3,616</u>	<u>3,722</u>
7	FICA Percentage	L 6 / L 3	7.62%	7.60%
8	Pro Forma Payroll Adjustments		845	1,941
9	Pro Forma FICA Expense	L 7 * L 8	<u>64</u>	<u>148</u>
10	Total Pro Forma FICA Expense - O&M Labor	L 4 + L 9	<u>\$ 2,665</u>	<u>\$ 2,827</u>

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
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SDR-RR-49

Request:

Please provide work papers showing the derivation of future test year federal and state unemployment taxes. Show both the total and O&M amounts.

Response:

Please refer to Attachment SDR-RR-49 for the requested workpaper.

Prepared by or under the supervision of: Ann P. Kelly

UGI UTILITIES, INC. - GAS DIVISION
SCHEDULE OF UNEMPLOYMENT TAXES
FOR THE TEST YEARS ENDING:
(thousands of dollars)

Line No.	Description	Reference	9/30/2016	9/30/2017
1	Budgeted O&M Labor Dollars		\$ 34,122	\$ 35,248
2	Budgeted Capital Labor Dollars		13,325	13,725
3	Budgeted Labor	L 1 + L 2	<u>47,447</u>	<u>48,973</u>
4	Budgeted FUTA Expense - O&M Labor		53	55
5	Budgeted FUTA Expense - Capital Labor		21	21
6	Budgeted FUTA Expense	L 4 + L 5	<u>74</u>	<u>76</u>
7	FUTA Percentage	L 6 / L 3	0.16%	0.16%
8	Pro Forma Payroll Adjustments		845	1,941
9	Pro Forma FUTA Expense	L 7 * L 8	<u>1</u>	<u>3</u>
10	Total Pro Forma FUTA Expense - O&M Labor	L 4 + L 9	<u>\$ 54</u>	<u>\$ 58</u>
11	Budgeted SUTA Expense - O&M Labor		471	485
12	Budgeted SUTA Expense - Capital Labor		183	189
13	Budgeted SUTA Expense	L 11 + L 12	<u>654</u>	<u>674</u>
14	SUTA Percentage	L 13 / L 3	1.38%	1.38%
15	Pro Forma Payroll Adjustments		845	1,941
16	Pro Forma SUTA Expense	L 14 * L 15	<u>12</u>	<u>27</u>
17	Total Pro Forma SUTA Expense - O&M Labor	L 11 + L 16	<u>\$ 483</u>	<u>\$ 512</u>

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-50

Request:

Please provide work papers showing the derivation of future test year capital stock taxes.

Response:

Please see Attachment SDR-RR-50 for calculation of the future test year capital stock taxes as listed in UGI Gas Exhibit A (Future), Schedule D-31.

The capital stock tax is set to phase out after tax year 2015 (i.e. after fiscal year ended 9/30/16). Due to the planned phase out, no calculation has been prepared for the fully projected future test year, i.e. fiscal year ending 9/30/17.

Prepared by or under the supervision of: Nicole M. McKinney

UGI UTILITIES, INC. - GAS DIVISION

FUTURE TEST YEAR CAPITAL STOCK TAX EXPENSE - 9/30/2016

	Budget
Book Income	9/30/2016
9/30/2012	58,720,231
9/30/2013	68,609,981
9/30/2014	77,071,387
9/30/2015	75,819,945
9/30/2016	62,188,000
Total Book Income (UGI Utilities, Inc.)	<u>342,409,544</u>
Divisor	5.000
Average Book Income	68,481,909
Divide Book by .095 (A)	720,862,198
Ending Net Worth	931,719,716
75% of Net Worth (B)	698,789,787
Total (A+B)	1,419,651,985
Divided by 2	709,825,993
\$160,000 Deduction	(160,000)
Capital Stock Value	709,665,993
Apportionment %	62.7286%
Taxable Value	445,163,542
Rate	0.045%
Estimate Capital Stock Tax	200,324
Allocation Factor	82.18%
UGI Gas Capital Stock Tax	164,626

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-51

Request:

If applicable, please provide a copy of the billing and payment terms for all contracts between the Company and its parent or an affiliated company for services. Further, to the extent that the parent or affiliated company provides service to non-affiliated companies, please provide the corresponding billing and payment terms.

Response:

Please see response to III-A-22 for contracts between UGI Gas and its affiliates and subsidiary companies.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-52

Request:

Please provide the annual level of outside services employed for the preceding three calendar years. Include in your response a breakdown of the test year amount indicating the service provider and the type of service performed.

Response:

Please see response to III-A-28 - Part 3: Account 923-Outside Service.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-53

Request:

Please describe each budgeted or planned cost savings program to be implemented during the historic or future year. Please identify the cost of implementing the program and the anticipated annual savings.

Response:

Please see the Direct Testimony of Paul J. Szykman, UGI Gas Statement No. 1.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-54

Request:

Please explain how the Company has treated reserve accruals and balances for ratemaking purposes and provide the requested level of any self-funded reserve accruals by type of item.

Response:

Please refer to Attachment SDR-RR-54.

Prepared by or under the supervision of: Ann P. Kelly

UGI Utilities, Inc. – Gas Division
 Schedule of Reserve Accruals and Balances
(Thousands of Dollars)

Reserve Type	HTY Balance 9/30/15	Expense Treatment for Ratemaking Purposes	Related Adjustment Schedules (1)
Environmental	\$3,735	Adjusted to the future estimated remediation costs	Schedule D-8
Bad Debt	\$3,158	Adjusted by applying the three-year historical average write-off percentage to adjusted revenues	Schedule D-11
Injuries & Damages	\$590	Adjusted to a three-year historical average	Schedule D-15
Workers' Compensation	\$283	No adjustment required (2)	None
Medical	\$129	No adjustment required (2)	None

(1) Each respective schedule is disclosed in UGI Exhibit A (Historic), UGI Exhibit A (Future) and UGI Exhibit A (Fully Projected).

(2) There are no related ratemaking adjustments required, as expenses are budgeted on a normalized basis.

UGI Utilities, Inc. - Gas Division
Docket No. R-2015-2518438
2016 Base Rate Case
Responses to Standard Data Requests - Revenue Requirement
Delivered on January 19, 2016

SDR-RR-55

Request:

Please provide a copy of the corporate federal tax returns and supporting schedules for the preceding three years and, if applicable, a copy of the calculation work papers for the Company's consolidated tax savings adjustment.

Response:

UGI Utilities, Inc. - Gas Division is included as part of a consolidated federal income tax return. Since the complete federal tax return is a voluminous document, only excerpts from the preceding three years' returns are provided. Please see Attachment SDR-RR-55 for these excerpts. The complete tax returns are available at UGI Corporation headquarters in King of Prussia, PA.

Please also see the response to II-A-26 for the calculation of a consolidated tax savings adjustment.

Prepared by or under the supervision of: Nicole M. McKinney

1120

U.S. Corporation Income Tax Return

For calendar year 2011 or tax year beginning 10/01/2011 ending 09/30/2012

2011

Department of the Treasury Internal Revenue Service

See separate instructions.

Check if: a Consolidated return (attach Form 951) [X] b Life/nonlife consolidated return Personal holding co (attach Sch. PH) Personal service corp. (see instructions) TYPE OR PRINT Name UGI Corporation & Subsidiaries Employer identification number 23-2668356 Date incorporated 12/20/1991 Total assets (see instructions) \$ 4,753,173,000. Schedule M-3 attached [X] E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Table with 3 columns: Line number, Description, and Amount. Includes lines 1a through 36 covering merchant card payments, gross receipts, deductions, and taxable income.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature section for Davinder S. Athwal, Vice President, dated 06/10/2013. Includes checkboxes for PTIN and self-employed status.

UGI Corporation & Subsidiaries

Form 1120 (2011)

Page 2

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	NONE	70	NONE
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8. See instructions for limitation			NONE
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members	NONE	100	NONE
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	5,680,150.		
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471).			
15 Foreign dividend gross-up	1,128,210.		
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	6,808,360.		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			NONE

Form 1120 (2011)

UGI Corporation & Subsidiaries

Form 1120 (2011)

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))		
2	Income tax. Check if a qualified personal service corporation (see instructions)		7,289,891.
3	Alternative minimum tax (attach Form 4626)		NONE
4	Add lines 2 and 3		7,289,891.
5a	Foreign tax credit (attach Form 1118)	5a	7,289,891.
b	Credit from Form 8834, line 30 (attach Form 8834)	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	7,289,891.
7	Subtract line 6 from line 4	7	
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method - completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method - income forecast method (attach Form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions - attach schedule)	9f	
10	Total. Add lines 9a through 9f	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	

Part II - Payments and Refundable Credits

12	2010 overpayment credited to 2011	12	17,986,930.
13	2011 estimated tax payments	13	5,100,000.
14	2011 refund applied for on Form 4466	14	()
15	Combine lines 12, 13, and 14	15	23,086,930.
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16, and 17	18	23,086,930.
19	Refundable credits from:		
a	Form 2439	19a	
b	Form 4136	19b	2,263.
c	Form 3800, line 17c and Form 8827, line 8c	19c	
d	Other (attach schedule - see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	2,263.
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	23,089,193.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ <u>551112</u>		
b	Business activity ▶ <u>Holding Company</u>		
c	Product or service ▶ <u>Management Services</u>		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Form 1120 (2011)

Schedule K Other Information continued (see instructions)

5 At the end of the tax year, did the corporation:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Yes	No
X	

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock
SEE SEPARATE SUBGROUPS			

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Yes	No
X	

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
SEE SEPARATE SUBGROUPS			

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) X

If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? X

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned _____ and (ii) Owner's country _____

(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount

If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) \$ _____

13 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? X

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$ _____

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? X

If "Yes," complete and attach Schedule UTP.

15a Did the corporation make any payments in 2011 that would require it to file Forms(s) 1099 (see instructions)? X

b If "Yes," did or will the corporation file all required Forms 1099? X

Form 1120 (2011)

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		119,455,000.		195,337,000.
2 Trade notes and accounts receivable	154,286,526.		155,172,007.	
3 Less allowance for bad debts	(8,671,526.)	145,615,000.	(6,259,007.)	148,913,000.
4 Inventories		148,989,000.		123,971,000.
5 U.S. government obligations				
6 Tax-exempt securities (see instructions)				
7 Other current assets (attach schedule)		73,863,000.		106,067,000.
8 Loans to shareholders				
9 Mortgage and real estate loans				
10 Other investments (attach schedule)		876,230,000.		1,299,229,000.
11 Buildings and other depreciable assets	2,628,775,025.		2,797,549,849.	
12 Less accumulated depreciation	(843,267,000.)	1,785,508,025.	(888,465,000.)	1,909,084,849.
13 Depreciable assets				
14 Less accumulated depletion	()	()	()	()
15 Land (net of any amortization)		29,533,975.		14,841,151.
16 Intangible assets (amortizable only)	222,572,909.		552,963,822.	
17 Less accumulated amortization	(8,100,909.)	214,472,000.	(8,944,822.)	544,019,000.
18 Other assets (attach schedule)		337,360,000.		411,711,000.
19 Total assets		3,731,026,000.		4,753,173,000.
Liabilities and Shareholders' Equity				
20 Accounts payable		118,618,000.		110,924,000.
21 Mortgages, notes, bonds payable in less than 1 year		64,771,000.		227,729,000.
22 Other current liabilities (attach schedule)		170,905,000.		157,876,000.
23 Loans from shareholders				
24 Mortgages, notes, bonds payable in 1 year or more		612,328,000.		967,905,000.
25 Other liabilities (attach schedule)		802,312,000.		1,057,401,000.
26 Capital stock: a Preferred stock				
b Common stock				
27 Additional paid-in capital		937,375,000.		1,157,667,000.
28 Retained earnings-Appropriated (attach schedule)				
29 Retained earnings - Unappropriated		1,085,844,000.		1,165,682,000.
30 Adjustments to shareholders' equity (attach schedule)		-33,340,000.		-63,317,000.
31 Less cost of treasury stock		(27,787,000.)		(28,694,000.)
32 Total liabilities and shareholders' equity		3,731,026,000.		4,753,173,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books		7 Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____
2 Federal income tax per books		
3 Excess of capital losses over capital gains		
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize): a Depreciation \$ _____ b Charitable contributions \$ _____
5 Expenses recorded on books this year not deducted on this return (itemize):		
a Depreciation \$ _____		
b Charitable contributions \$ _____		
c Travel and entertainment \$ _____		
6 Add lines 1 through 5		9 Add lines 7 and 8
		10 Income (page 1, line 28) - line 6 less line 9

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	1,085,844,000.	5 Distributions: a Cash	119,096,995.
2 Net income (loss) per books	152,912,177.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	392,288.
	46,415,106.	7 Add lines 5 and 6	119,489,283.
4 Add lines 1, 2, and 3	1,285,171,283.	8 Balance at end of year (line 4 less line 7)	1,165,682,000.

Form 1120 (2011)

SCHEDULE M-3
(Form 1120)

Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More

▶ Attach to Form 1120 or 1120-C.
▶ See separate instructions.

2011

Department of the Treasury
Internal Revenue Service

Name of corporation (common parent, if consolidated return)

Employer identification number

UGI Corporation

23-2668356

Check applicable box(es): (1) Non-consolidated return (2) Consolidated return (Form 1120 only)
(3) Mixed 1120/L/PC group (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

Did the corporation prepare a certified audited non-tax-basis income statement for that period?

Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.

Did the corporation prepare a non-tax-basis income statement for that period?

Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

Enter the income statement period: Beginning 10/01/2011 Ending 09/30/2012

Has the corporation's income statement been restated for the income statement period on line 2a?

Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?

Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

Is any of the corporation's voting common stock publicly traded?

Yes.
 No. If "No," go to line 4a.

Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

UGI

Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

902681105

Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1

4a 199,378,418.

Indicate accounting standard used for line 4a (see instructions):

(1) GAAP (2) IFRS (3) Statutory (4) Tax-basis (5) Other (specify)

Net income from nonincludible foreign entities (attach schedule)

5a (46,522,915)

Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)

5b

Net income from nonincludible U.S. entities (attach schedule)

6a

Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)

6b

Net income (loss) of other includible foreign disregarded entities (attach schedule)

7a

Net income (loss) of other includible U.S. disregarded entities (attach schedule)

7b

Net income (loss) of other includible entities (attach schedule)

7c

Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule)

8

Adjustment to reconcile income statement period to tax year (attach schedule)

9

Intercompany dividend adjustments to reconcile to line 11 (attach schedule)

10a

Other statutory accounting adjustments to reconcile to line 11 (attach schedule)

10b

Other adjustments to reconcile to amount on line 11 (attach schedule)

10c 56,674.

Net income (loss) per income statement of includible corporations. Combine lines 4 through 10.

11 152,912,177.

Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.

Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
Included on Part I, line 4	9,677,492,438.	6,358,788,391.
Removed on Part I, line 5	1,333,090,280.	839,392,172.
Removed on Part I, line 6		
Included on Part I, line 7		

Schedule M-3 (Form 1120) 2011

Name of corporation (common parent, if consolidated return) UGI Corporation		Employer identification number 23-2668356
Check applicable box(es): (1) <input checked="" type="checkbox"/> Consolidated group	(2) <input type="checkbox"/> Parent corp	(3) <input type="checkbox"/> Consolidated eliminations
(4) <input type="checkbox"/> Subsidiary corp	(5) <input checked="" type="checkbox"/> Mixed 1120/LPC group	
Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group		(7) <input type="checkbox"/> 1120 eliminations
Name of subsidiary (if consolidated return)		Employer identification number

Part II: Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach details)				
13 Interest income (attach Form 8916-A)				
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)	()			()
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach schedule)				
26 Total income (loss) items. Combine lines 1 through 25				
27 Total expense/deduction items (from Part III, line 38)				
28 Other items with no differences				
29a Mixed groups, see instructions. All others, combine lines 26 through 28	153,121,566.	-195,829,387.	63,723,888.	21,016,067.
b PC insurance subgroup reconciliation totals	-209,389.	133,512.	-111,931.	-187,808.
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	152,912,177.	-195,695,875.	63,611,957.	20,828,259.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return) UGI Corporation		Employer identification number 23-2668356
Check applicable boxes: (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input checked="" type="checkbox"/> Mixed 1120/LPC group		
Check if a sub-consolidated: (6) <input checked="" type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations		
Name of subsidiary (if consolidated return)		Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	47,560.	-47,560.		
2 Gross foreign dividends not previously taxed			5,680,150.	5,680,150.
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up			1,128,210.	1,128,210.
5 Gross foreign distributions previously taxed .				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations .				
9 Income (loss) from U.S. partnerships	25,639,577.	7,332,540.		32,972,117.
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach details)				
13 Interest income (attach Form 9916-A)	3,963,365.		16,293.	3,979,658.
14 Total accrual to cash adjustment				
15 Hedging transactions	-425,124.	1,469,817.	1,090,775.	2,135,468.
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 9916-A) (1,792,757,871)		-10,933,744.		(1,803,691,615)
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue	2,159,825.	-24,714.		2,135,111.
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest .				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	98,010.	47,431.	-145,441.	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-65,419.	266,994.	201,575.
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets other than inventory				
4 Capital loss limitation and carryforward used				
5 Other income (loss) items with differences (attach schedule)	-2,347,881.	2,314,831.	-108,093.	-141,143.
6 Total income (loss) items. Combine lines 1 through 25	-1,763,622,539.	93,182.	7,928,888.	-1,755,600,469.
7 Total expense/deduction items (from Part III, line 38)	-284,636,758.	-195,922,569.	55,795,000.	-424,764,327.
8 Other items with no differences	2,201,380,863.			2,201,380,863.
9a Mixed groups. See instructions. All others, combine lines 26 through 28	153,121,566.	-195,829,387.	63,723,888.	21,016,067.
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
10 Reconciliation totals. Combine lines 29a through 29c	153,121,566.	-195,829,387.	63,723,888.	21,016,067.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

* 1120 Subgroup *

Schedule M-3 (Form 1120) 2011

Name of corporation (common parent, if consolidated return)				Employer identification number	
UGI Corporation				23-2668356	
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group		(2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations		(4) <input type="checkbox"/> Subsidiary corp (5) <input checked="" type="checkbox"/> Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input checked="" type="checkbox"/> 1120 group		(7) <input type="checkbox"/> 1120 eliminations			
Name of subsidiary (if consolidated return)				Employer identification number	

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	-14,688,086.		14,688,086.	
2 U.S. deferred income tax expense	76,737,967.		-76,737,967.	
3 State and local current income tax expense	10,330,874.	3,083,935.		13,414,809.
4 State and local deferred income tax expense	4,627,783.	-4,627,783.		
5 Foreign current income tax expense (other than foreign withholding taxes)	-3,732,565.		3,732,565.	
6 Foreign deferred income tax expense	1,028,925.		-1,028,925.	
7 Foreign withholding taxes				
8 Interest expense (attach Form 9916-A)	69,982,793.		-524,794.	69,457,999.
9 Stock option expense	4,017,479.	-5,277,571.	6,364,366.	5,104,274.
10 Other equity-based compensation	2,983,824.	-1,364,959.		1,618,865.
11 Meals and entertainment	838,998.		-408,058.	430,940.
12 Fines and penalties	576,551.		-552,871.	23,680.
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation	2,292,712.		-900,819.	1,391,893.
16 Pension and profit-sharing	15,404,138.	4,593,652.		19,997,790.
17 Other post-retirement benefits	2,222,986.	-1,277,826.		945,160.
18 Deferred compensation				
19 Charitable contribution of cash and tangible property	715,975.	-3,503.	-2,000.	710,472.
20 Charitable contribution of intangible property	2,950.			2,950.
21 Charitable contribution limitation/carryforward				
22 Domestic production activities deduction				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees	1,357,229.	-1,033,152.		324,077.
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill		11,415,250.		11,415,250.
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs	4,114,353.	661,741.		4,776,094.
29 Section 198 environmental remediation costs	544,195.	222,853.		767,048.
30 Depletion				
31 Depreciation	68,267,530.	162,896,616.		231,164,146.
32 Bad debt expense	7,588,750.	2,412,518.		10,001,268.
33 Corporate owned life insurance premiums				
34 Purchase versus lease (for purchasers and/or lessees)	7,615.	42,293.		49,908.
35 Research and development costs				
36 Section 118 exclusion (attach schedule)				
37 Other expense/deduction items with differences (attach schedule)	29,413,782.	24,178,505.	-424,583.	53,167,704.
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	284,636,758.	195,922,569.	-55,795,000.	424,764,327.

Schedule M-3 (Form 1120) 2011

* 1120PC Subgroup *

Schedule M-3 (Form 1120-PC) 2011

Name of corporation (common parent, if consolidated return)

Employer identification number

UGI Corporation

23-2668356

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120-PC group (7) 1120-PC eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach details)				
13 Interest income (attach Form 9916-A)	40,243.			40,243.
14 Hedging transactions				
15 Mark-to-market income (loss)				
16 Premium income (attach schedule)	2,363,022.	101,686.		2,464,708.
17 Sale versus lease (for sellers and/or lessors)				
18 Section 481(a) adjustments				
19 Income from a special loss discount account				
20 Income recognition from long-term contracts				
21 Original issue discount and other imputed interest				
22 Reserved for future use				
23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach schedule)				
26 Total income (loss) items. Combine lines 1 through 25	2,403,265.	101,686.		2,504,951.
27 Total expense/deduction items (from Part III, line 41)	-586,379.	31,826.	-111,931.	-666,484.
28 Other items with no differences	-2,026,275.			-2,026,275.
29 a Mixed groups. See instructions. All others, combine lines 28 through 28	-209,389.	133,512.	-111,931.	-187,808.
b 1120 subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	-209,389.	133,512.	-111,931.	-187,808.

Note. Line 30, column (a) must equal the amount on Part I, line 11, and column (d) must equal Form 1120-PC, Schedule A, line 35.

Name of corporation (common parent, if consolidated return)

Employer identification number

UGI Corporation

23-2668356

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120L/PC group

Check if a sub-consolidated: (6) 1120-PC group (7) 1120-PC eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	-62,787.		62,787.	
2 U.S. deferred income tax expense	-49,144.		49,144.	
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Stock option expense				
9 Other equity-based compensation				
10 Meals and entertainment				
11 Fines and penalties				
12 Judgments, damages, awards, and similar costs				
13 Parachute payments				
14 Compensation with section 162(m) limitation				
15 Pension and profit-sharing				
16 Other post-retirement benefits				
17 Deferred compensation				
18 Charitable contribution of cash and tangible property				
19 Charitable contribution of intangible property				
20 Charitable contribution limitation/carryforward				
21 Write-off of premium receivables				
22 Guarantee fund assessments				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization of acquisition, reorganization, and start-up costs				
27 Amortization/impairment of goodwill, insurance in force, and ceding commissions				
28 Other amortization or impairment write-offs				
29 Discounting of unpaid losses (section 846) (attach schedule)	638,310.	17,829.		656,139.
30 Reduction of loss deduction (section 832(b)(5)(B))				
31 Depreciation				
32 Bad debt expense and/or agency balances written off				
33 Deduction from a special loss discount account				
34 Corporate owned life insurance premiums				
35 Purchase versus lease (for purchasers and/or lessees)				
36 Interest expense (attach Form 9916-A)				
37 Domestic production activities deduction				
38 Research and development costs				
39 Section 118 exclusion (attach schedule)				
40 Other expense/deduction items with differences (attach schedule)	60,000.	-49,655.		10,345.
41 Total expense/deduction items. Combine lines 1 through 40. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	586,379.	-31,826.	111,931.	666,484.

CONSOLIDATING WORKSHEET	TOTAL 1120, PAGE 1	ADJUSTMENTS	ELIMINATIONS	1120 SUBGROUPS	1120PC SUBGROUP
1a MERCHANT CARD & 3RD PARTY PMTS					
1b GROSS RECEIPTS	2,433,569,105.			2,431,104,397.	2,464,708.
c TOTAL. ADD LINES 1a & 1b	2,433,569,105.				
d RETURNS AND ALLOWANCES	130,933.			130,933.	
e SUBTRACT LINE 1d FROM LINE 1c	2,433,438,172.			2,430,973,464.	2,464,708.
2 COST OF GOODS SOLD	1,803,691,615.			1,803,691,615.	
3 GROSS PROFIT	629,746,557.			627,281,849.	2,464,708.
4 DIVIDENDS	6,808,360.			6,808,360.	NONE
5 INTEREST	11,016,761.			10,976,518.	40,243.
6 GROSS REVENUE	2,516,916.			2,516,916.	
7 GROSS ROYALTIES					
8 CAPITAL GAIN NET INCOME	2,714,606.			2,714,606.	
9 NET GAIN/LOSS FROM 4797	259,497.			259,497.	
10 OTHER INCOME	56,974,811.			56,974,811.	
11 TOTAL INCOME	710,037,508.			707,532,557.	2,504,951.
12 COMPENSATION OF OFFICERS	12,465,292.			12,465,292.	
13 SALARIES AND WAGES	82,219,438.			82,219,438.	
14 REPAIRS AND MAINTENANCE	56,646,084.			56,646,084.	
15 BAD DEBTS	10,001,268.			10,001,268.	
16 RENTS	2,967,817.			2,967,817.	
17 TAXES AND LICENSES	43,185,043.			43,148,944.	36,099.
18 INTEREST	69,499,374.			69,499,374.	
19 CHARITABLE CONTRIBUTIONS	756,259.			756,259.	
20 DEPRECIATION	231,164,146.			231,164,146.	
21 DEPLETION					
22 ADVERTISING	4,112,321.			4,112,321.	
23 PENSION, PROFIT SHARING, ETC.	19,997,790.			19,997,790.	
24 EMPLOYEE BENEFIT PROGRAMS	22,994,798.			22,994,798.	
25 DOMESTIC PRODUCTION ACTIVITIES DEDUCTION					
26 OTHER DEDUCTIONS	133,199,619.			130,542,959.	2,656,660.
27 TOTAL DEDUCTIONS	689,209,249.			686,516,490.	2,692,759.
28 TAXABLE INCOME BEFORE NOL/DRD	20,828,259.			21,016,067.	-187,808.

CONSOLIDATING WORKSHEET (continued)	TOTAL 1120, PAGE 1	ADJUSTMENTS	ELIMINATIONS	1120 SUBGROUP	1120PC SUBGROUP
28 TAXABLE INCOME BEFORE NOL/DRD	20,828,259.			21,016,067.	-187,808.
29a LESS NET OPERATING LOSS					
29b SPECIAL DEDUCTIONS	NONE	NONE			NONE
29c TOTAL NOLs AND SPECIAL DEDUCTIONS	NONE				NONE
30 TAXABLE INCOME	20,828,259.	NONE		21,016,067.	-187,808.

	UGI Corporation	AmeriGas Propane Inc.	AmeriGas Technology Group Inc.	AmeriGas, Inc.	Ashtola Production Company	Eastfield International Holdings, Inc.	Energy Services Funding Corporation	EuroGas Holdings Inc.
Consolidated Schedules								
1120 Page 1								
1a Merchant card, 3rd-party pmts								
1b Gross receipts not on 1a								
1d Returns and allowances								
1e Net gross receipts or sales								
2 Cost of goods sold								
3 Gross profit								
4 Dividends	159,986,923.	23,891,863.		78,587,000.				
5 Interest	156,158.	4,766,152.					10,161.	
6 Gross rents				61,000.				
7 Gross royalties								
8 Capital gain net income		1,350,818.						
9 Net gain or (loss) from Form 4797								
10 Other income	2,154,198.	18,512,914.					4,940,824.	
11 Total income	162,297,279.	48,511,747.		78,648,000.			4,950,985.	
12 Compensation of officers	5,734,808.	391,893.						
13 Salaries and wages	5,571,298.	690,148.						
14 Repairs and maintenance	5,675.							
15 Bad debts							695,198.	
16 Rents	166,392.							
17 Taxes and licenses	1,280,192.	1,626,472.		12,843.		125.	296,825.	125.
18 Interest	1.	551.						
19 Charitable contributions	127,516.	29,713.						
20 Depreciation	10,553.	18,957.						
21 Depletion								
22 Advertising	39,786.							
23 Pension, profit-sharing etc., plans	1,541,623.							
24 Employee benefit programs	996,836.							
25 Domestic production activities deduction								
26 Other deductions	-21,768,115.	-491,120.		3,726.		149.	1,245,894.	149.
27 Total deductions	-6,293,435.	2,266,614.		16,569.		274.	2,237,917.	274.
28 Taxable income before NOL & Spec. Deductions	168,590,714.	46,245,133.	NONE	78,631,431.	NONE	-274.	2,713,068.	-274.
29 NOL, Spec. deductions	159,986,923.	23,881,863.		78,587,000.				
30 Taxable income	8,603,791.	22,363,270.	NONE	44,431.	NONE	-274.	2,713,068.	-274.

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	Four Flags Drilling Company	Hellertown Pipeline Company	Homestead Holding Company	Newbury Holding Company	Petrolane Incorporated	UGI Asset Management, Inc.	UGI Black Sea Enterprises, Inc	UGI China, Inc.
Consolidated Schedules								
1120 Page 1								
1a	Merchant card, 3rd-party pmts							
1b	Gross receipts not on 1a	168,000.						
1d	Returns and allowances							
1e	Net gross receipts or sales	168,000.						
2	Cost of goods sold							
3	Gross profit	168,000.						
4	Dividends							
5	Interest			15,682,197.	2,074,309.			
6	Gross rents							
7	Gross royalties							
8	Capital gain net income				652,419.			
9	Net gain or (loss) from Form 4797							
10	Other income				5,678,327.			
11	Total income	168,000.		15,682,197.	8,405,055.			
12	Compensation of officers							
13	Salaries and wages							
14	Repairs and maintenance							
15	Bad debts							
16	Rents		2,015.	2,015.				
17	Taxes and licenses	28,340.		220.	200,983.			155.
18	Interest		10,161.					
19	Charitable contributions				12,929.			
20	Depreciation	51,432.						
21	Depletion							
22	Advertising							
23	Pension, profit-sharing etc. plans							
24	Employee benefit programs					-915.		
25	Domestic production activities deduction							
26	Other deductions		6,270.	7,529.	198,247.	915.		44,870.
27	Total deductions	79,772.	18,446.	9,764.	412,159.			45,025.
28	Taxable income before NOL & Spec. Deductions	NONE	88,228.	-18,446.	15,672,433.	7,992,896.	NONE	-45,025.
29	NOL, Spec. deductions							
30	Taxable income	NONE	88,228.	-18,446.	15,672,433.	7,992,896.	NONE	-45,025.

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	UGI Development Company	UGI Energy Services, Inc.	UGI Energy Ventures, Inc	UGI Enterprises, Inc.	UGI Ethanol Development Company	UGI Europe, Inc.	UGI Hunlock Development Company	UGI HVAC Enterprises, Inc
Consolidated Schedules								
1120 Page 1								
1a	Merchant card, 3rd-party pmts							
1b	Gross receipts not on 1a	43,048,285.	805,719,951.			585,971,371.		54,145,152.
1d	Returns and allowances							
1e	Net gross receipts or sales	43,048,285.	805,719,951.			585,971,371.		54,145,152.
2	Cost of goods sold	27,061,629.	708,057,442.			535,268,185.		35,563,873.
3	Gross profit	15,986,656.	97,662,509.			50,703,186.		18,581,279.
4	Dividends		5,400,000.	59,999,313.				
5	Interest	329.	77,620.	156,282.		2,761,271.		
6	Gross rents							
7	Gross royalties							
8	Capital gain net			769,291.				
9	income Net gain or (loss) from Form 4797							101,672.
10	Other income	580,325.	-1,957,377.	7,878.		4,798,253.		
11	Total income	16,567,310.	101,182,752.	60,932,764.		58,262,710.		18,682,951.
12	Compensation of officers		1,823,690.	984,214.				277,084.
13	Salaries and wages	1,929,857.	13,497,139.	106,022.				6,520,398.
14	Repairs and maintenance		44,779.					219,736.
15	Bad debts							158,518.
16	Rents	54,656.	732,217.					754,791.
17	Taxes and licenses	614,631.	10,654,546.	48,101.				1,718,262.
18	Interest	54.	3,742,464.	19,400.		39,214,889.		511,546.
19	Charitable contributions		31,515.	195.				18,922.
20	Depreciation	30,503,280.	17,231,929.					580,886.
21	Depletion							
22	Advertising		1,996,376.					998,121.
23	Pension, profit-sharing etc. plans	221,634.	708,865.	8,383.				261,267.
24	Employee benefit programs	788,508.	1,034,345.	-5,578.				5,193,718.
25	Domestic production activities deduction							
26	Other deductions	10,724,949.	13,245,379.	6,279,481.		18,736,817.		5,665,279.
27	Total deductions	44,837,569.	64,743,244.	7,440,216.		57,951,706.		22,878,528.
28	Taxable income before NOL & Spec Deductions	-28,270,259.	36,439,508.	NONE	53,492,546.	NONE	311,004.	NONE
29	NOL, Spec. deductions		5,400,000.		59,999,313.			
30	Taxable income	-28,270,259.	31,039,508.	NONE	-6,506,767.	NONE	311,004.	NONE

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Consolidated Schedules
1120 Page 1

	UGI HVAC Services, Inc	UGI International (China), Inc.	UGI International (Romania), Inc.	UGI International Enterprises, Inc	UGI LNG, Inc	UGI Penn HVAC Services, Inc	UGI Penn Natural Gas, Inc	UGI Petroleum Products of Delaware, Inc
1a Merchant card, 3rd-party prmts								
1b Gross receipts not on 1a	27,893,760.				3,869,664.	1,795,156.	247,554,500.	
1d Returns and allowances	130,933.							
1e Net gross receipts or sales	27,762,827.				3,869,664.	1,795,156.	247,554,500.	
2 Cost of goods sold	14,242,800.						144,287,333.	
3 Gross profit	13,520,027.				3,869,664.	1,795,156.	103,267,167.	
4 Dividends				7,119,364.				
5 Interest	1,009.						280,263.	
6 Gross rents						7,860.	21,333.	
7 Gross royalties								
8 Capital gain net income	13,955.							
9 Net gain or (loss) from Form 4797							5,848.	
10 Other income						-14,928.	3,920,760.	
11 Total income	13,534,991.			7,119,364.	3,869,664.	1,788,088.	107,495,371.	
12 Compensation of officers								
13 Salaries and wages	2,600,048.						14,667,014.	
14 Repairs and maintenance	12,417.				337,866.		12,464,283.	
15 Bad debts	57,432.						2,476,852.	
16 Rents	248,325.							
17 Taxes and licenses	1,091,015.	155.	300.	35.	225,542.	66,063.	5,151,322.	-1,586.
18 Interest	15,501.						11,737.	
19 Charitable contributions	4,574.						198,650.	
20 Depreciation	241,070.				60,722,380.		33,003,041.	
21 Depletion								
22 Advertising	672,974.							
23 Pension, profit-sharing etc. plans	539,453.						3,284,272.	
24 Employee benefit programs	2,104,014.						1,079,800.	
25 Domestic production activities deduction								
26 Other deductions	4,625,794.	-2,394.		331,090.	2,433,870.	1,150,894.	29,821,697.	869,820.
27 Total deductions	12,212,617.	-2,239.	300.	331,125.	63,719,658.	1,216,957.	102,158,668.	868,234.
28 Taxable income before NOL & Spec. Deductions	1,322,374.	2,239.	-300.	6,788,239.	-59,849,994.	571,131.	5,336,703.	-868,234.
29 NOL, Spec. deductions				311,004.				
30 Taxable income	1,322,374.	2,239.	-300.	6,477,235.	-59,849,994.	571,131.	5,336,703.	-868,234.

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Attachment SDR-RR-55
N.M. McKinney
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Consolidated Schedules
1120 Page 1

	UGI Properties, Inc.	UGI Romania, Inc	UGI Storage Company	UGID Holding Company	UGI Utilities, Inc.	UGI Central Penn Gas, Inc	UGI Eliminations
1a Merchant card, 3rd-party pnits							
1b Gross receipts not on 1a			15,349,976.		515,067,081.	130,521,501.	
1d Returns and allowances							
1e Net gross receipts or sales			15,349,976.		515,067,081.	130,521,501.	
2 Cost of goods sold					284,252,982.	54,957,371.	
3 Gross profit			15,349,976.		230,814,099.	75,564,130.	
4 Dividends					30,870,718.		-359,036,821.
5 Interest					450,594.		-15,439,827.
6 Gross rents	2,388,351.				38,372.		
7 Gross royalties							
8 Capital gain net income							
9 Net gain or (loss) from Form 4797					47,534.	32,566.	
10 Other income	33,403.				15,658,027.	2,704,972.	-42,767.
11 Total income	2,421,754.		15,349,976.		277,879,344.	78,301,668.	-374,519,415.
12 Compensation of officers					3,253,603.		
13 Salaries and wages	72,845.				24,824,345.	11,740,324.	
14 Repairs and maintenance	272,225.				36,519,335.	6,769,769.	
15 Bad debts					5,969,068.	644,200.	
16 Rents				2,015.	753,791.	251,600.	
17 Taxes and licenses	182,545.		1,350,360.		14,649,657.	3,951,716.	
18 Interest	906,056.				41,859,123.	174,420.	-16,966,529.
19 Charitable contributions	2,950.				205,422.	123,873.	
20 Depreciation	488,649.		1,846,786.		63,496,228.	22,968,955.	
21 Depletion							
22 Advertising			13,866.		384,483.	6,715.	
23 Pension, profit-sharing etc., plans	1,639.				10,895,427.	2,545,227.	
24 Employee benefit programs	9,314.				9,428,314.	2,366,442.	
25 Domestic production activities deduction							
26 Other deductions	488,342.		1,934,744.	6,064.	37,166,291.	16,289,625.	1,526,702.
27 Total deductions	2,424,565.		5,145,756.	8,079.	249,395,087.	67,832,866.	-15,439,827.
28 Taxable income before NOL & Spec. Deductions	-2,811.	NONE	10,204,220.	-8,079.	28,484,257.	10,468,802.	-359,079,588.
29 NOL, Spec. deductions					30,870,718.		-359,036,821.
30 Taxable income	-2,811.	NONE	10,204,220.	-8,079.	-2,386,461.	10,468,802.	-42,767.
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CONSOLIDATED SCHEDULE A - TAXABLE INCOME

INCOME	United Valley Insurance Company	UGI PC Eliminations
1 PREMIUMS EARNED	2,464,708.	
2 DIVIDENDS	51,720.	-51,720.
3 TAXABLE INTEREST	40,243.	
4 RENTS		
5 ROYALTIES		
6 CAPITAL GAIN		
7 NET GAIN (LOSS) 4797		
8 CERTAIN MUTUAL CO'S		
9 SPECIAL INCOME ACCTS		
10 PROT. AGAINST LOSS ACCT.		
11 DECREASE IN SUB. ACCT'S		
12 SP. LOSS DISCOUNT 8816		
13 OTHER INCOME		
14 GROSS INCOME	2,556,671.	-51,720.
DEDUCTIONS		
15 COMP. OF OFFICERS		
16 SALARIES & WAGES		
17 WORTHLESS BILLS		
18 RENTS		
19 TAXES	36,099.	
20 INTEREST		
21 CONTRIBUTIONS		
22 DEPRECIATION		
23 DEPLETION		
24 PENSION, PROFIT-SHARING		
25 EMPLOY. BENEFIT PROGRAMS		
26 LOSSES INCURRED	2,574,514.	NONE
27 ADDITIONAL DEDUCT.		
28 OTHER CAP LOSSES		
29 DIVIDENDS		
30 MUTUAL INTERINS.		
31 OTHER DEDUCTIONS	82,146.	
32 TOTAL DEDUCTIONS	2,692,759.	NONE
33 SUBTOTAL (LN 14 - LN 32)	-136,088.	-51,720.
34 LESS SP. DED. SEC 833		
35 SUBTOTAL	-136,088.	-51,720.
36 LESS DIV REC NOL DEDUCT	51,720.	-51,720.
37 TAXABLE INCOME	-187,808.	

1120
Form 1120
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return
For calendar year 2012 or tax year beginning 10/01/2012, ending 09/30/2013
Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

20 of 53
OMB No 1545-0123
2012

Check if: <input checked="" type="checkbox"/> Consolidated return (attach Form 990) <input type="checkbox"/> Life/nonlife consolidated return <input type="checkbox"/> Personal holding co (attach Sch. PH) <input type="checkbox"/> Personal service corp. (see instructions)	TYPE OR PRINT	Name UGI Corporation & Subsidiaries Number, street, and room or suite no. If a P.O. box, see instructions. P.O. Box 858 City or town, state, and ZIP code Valley Forge, PA 19482	B Employer identification number 23-2668356 C Date incorporated 12/20/1991 D Total assets (see instructions) \$ 5,078,688,382.
Schedule M-3 attached <input checked="" type="checkbox"/>	E Check if: <input type="checkbox"/> (1) <input type="checkbox"/> (2) <input type="checkbox"/> (3) <input type="checkbox"/> (4)	Initial return Final return Name change	Address change

1 a Gross receipts or sales	1a 2,565,338,763.	
b Returns and allowances	1b 10,030.	
c Balance. Subtract line 1b from line 1a	1c 2,565,328,733.	
2 Cost of goods sold (attach Form 1125-A)	2 1,849,212,933.	
3 Gross profit. Subtract line 2 from line 1c	3 716,115,800.	
4 Dividends (Schedule C, line 19)	4 26,979,390.	
5 Interest	5 9,388,736.	
6 Gross rents	6 2,516,829.	
7 Gross royalties	7	
8 Capital gain net income (attach Schedule D (Form 1120))	8 2,899,377.	
9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9 701,711.	
10 Other income (see instructions - attach statement)	10 See Statement 8	
11 Total income. Add lines 3 through 10	11 794,565,114.	
12 Compensation of officers (see instructions - attach Form 1125-E)	12 6,565,289.	
13 Salaries and wages (less employment credits)	13 121,515,708.	
14 Repairs and maintenance	14 67,381,599.	
15 Bad debts	15 9,836,755.	
16 Rents	16 3,999,355.	
17 Taxes and licenses	17 47,149,574.	
18 Interest	18 66,558,907.	
19 Charitable contributions	19 See Statement 12	
20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20 147,748,808.	
21 Depletion	21 590,461.	
22 Advertising	22 2,785,483.	
23 Pension, profit-sharing, etc., plans	23 25,488,409.	
24 Employee benefit programs	24 23,898,412.	
25 Domestic production activities deduction (attach Form 8903)	25	
26 Other deductions (attach statement)	26 See Statement 13	
27 Total deductions. Add lines 12 through 26	27 649,325,720.	
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28 145,239,394.	
29 a Net operating loss deduction (see instructions)	29a	
b Special deductions (Schedule C, line 20)	29b NONE	
c Add lines 29a and 29b	29c NONE	
30 Taxable income. Subtract line 29c from line 28 (see instructions)	30 145,239,394.	
31 Total tax (Schedule J, Part I, line 11)	31 36,660,510.	
32 Total payments and refundable credits (Schedule J, Part II, line 21)	32 37,189,682.	
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33	
34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	
35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35 529,172.	
36 Enter amount from line 35 you want: Credited to 2013 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>	36 529,172.	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: Davinder S. Athwal Date: 06/13/2014 Title: Vice President

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if PTIN self-employed
Firm's name			Firm's EIN
Firm's address			Phone no

Employer Work Reduction Act Notice, see separate instructions.

Form 1120 (2012)

JGI Corporation & Subsidiaries

Form 1120 (2012)

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	NONE	70	NONE
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Total. Add lines 1 through 8. See instructions for limitation			NONE
0	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
1	Dividends from affiliated group members	NONE	100	NONE
2	Dividends from certain FSCs		100	
3	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	25,199,882.		
4	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	236,373.		
5	Foreign dividend gross-up	1,527,106.		
6	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
7	Other dividends	16,029.		
8	Deduction for dividends paid on certain preferred stock of public utilities			
9	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	26,979,390.		
0	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			NONE

Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

Table with 11 rows for tax computation. Line 1: Check if the corporation is a member of a controlled group. Line 2: Income tax. Line 3: Alternative minimum tax. Line 4: Add lines 2 and 3. Lines 5a-5e: Foreign tax credit, credit from Form 8834, general business credit, credit for prior year minimum tax, bond credits. Line 6: Total credits. Line 7: Subtract line 6 from line 4. Line 8: Personal holding company tax. Lines 9a-9f: Recapture of investment credit, low-income housing credit, interest due under look-back method. Line 10: Total. Line 11: Total tax.

Part II - Payments and Refundable Credits

Table with 11 rows for payments and refundable credits. Line 12: 2011 overpayment credited to 2012. Line 13: 2012 estimated tax payments. Line 14: 2012 refund applied for on Form 4466. Line 15: Combine lines 12, 13, and 14. Line 16: Tax deposited with Form 7004. Line 17: Withholding. Line 18: Total payments. Line 19: Refundable credits from: 19a: Form 2439, 19b: Form 4136, 19c: Form 8827, line 8c, 19d: Other. Line 20: Total credits. Line 21: Total payments and credits.

Schedule K Other Information (see instructions)

Table with 4 rows for other information. Row 1: Check accounting method: a Cash, b Accrual (checked), c Other. Row 2: See the instructions and enter the: a Business activity code no. 551112, b Business activity Holding Company, c Product or service Management Services. Row 3: Is the corporation a subsidiary in an affiliated group or a parent-subsiary controlled group? (checked). Row 4: At the end of the tax year: a Did any foreign or domestic corporation, partnership, trust, or tax-exempt organization own directly 20% or more... (checked), b Did any individual or estate own directly 20% or more... (checked).

UGI Corporation & Subsidiaries

Form 1120 (2012)

Schedule K Other Information *continued* (see instructions)

Yes	No
X	

At the end of the tax year, did the corporation:

- a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock
Stmt 25			

- b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Yes	No
X	

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Stmt 27			

During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

Yes	No
	X

If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?

Yes	No
X	

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned _____ and (ii) Owner's country _____
 (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached _____

Check this box if the corporation issued publicly offered debt instruments with original issue discount

If checked, the corporation may have to file Form 8281, information Return for Publicly Offered Original Issue Discount Instruments.

Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____

Enter the number of shareholders at the end of the tax year (if 100 or fewer) _____

If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) \$ _____

Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?

Yes	No
X	

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year \$ _____

Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?

Yes	No
X	

If "Yes," complete and attach Schedule UTP.

Did the corporation make any payments in 2012 that would require it to file Form(s) 1099?

Yes	No
X	

If "Yes," did or will the corporation file required Forms 1099?

Yes	No
X	

During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?

Yes	No
	X

During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?

Yes	No
	X

Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?

Yes	No
X	

UGI Corporation & Subsidiaries

1120 (2012)

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
Cash		195,337,000.		267,458,000.
Trade notes and accounts receivable	155,172,007.		181,277,802.	
Less allowance for bad debts	(6,259,007.)	148,913,000.	(7,847,802.)	173,430,000.
Inventories		123,971,000.		133,673,000.
U.S. government obligations				
Tax-exempt securities (see instructions)				
Other current assets (attach schedule)		106,067,000.		52,830,000.
Loans to shareholders				
Mortgage and real estate loans				
Other investments (attach schedule)		1,299,229,000.		1,328,311,382.
Buildings and other depreciable assets	2,797,549,849.		3,111,399,217.	
Less accumulated depreciation	(888,465,000.)	1,909,084,849.	(944,799,000.)	2,166,600,217.
Depletable assets				
Less accumulated depletion	()		()	
Land (net of any amortization)		14,841,151.		14,858,783.
Intangible assets (amortizable only)	552,963,822.		607,538,425.	
Less accumulated amortization	(8,944,822.)	544,019,000.	(10,027,425.)	597,511,000.
Other assets (attach schedule)		411,710,998.		344,016,000.
Total assets		4,753,172,998.		5,078,688,382.
Liabilities and Shareholders' Equity				
Accounts payable		110,924,000.		178,256,000.
Mortgages, notes, bonds payable in less than 1 year		227,729,000.		105,123,900.
Other current liabilities (attach schedule)		157,876,000.		145,584,000.
Loans from shareholders				
Mortgages, notes, bonds payable in 1 year or more		967,905,000.		1,168,063,000.
Other liabilities (attach schedule)		1,057,401,000.		989,053,000.
Capital stock: a Preferred stock				
b Common stock			100.	100.
Additional paid-in capital		1,157,667,000.		1,208,055,000.
Retained earnings - Appropriated (attach schedule)				
Retained earnings - Unappropriated		1,165,681,998.		1,308,428,000.
Adjustments to shareholders' equity (attach schedule)		(63,317,000.)		8,417,000.
Less cost of treasury stock		(28,694,000.)		(32,291,618.)
Total liabilities and shareholders' equity		4,753,172,998.		5,078,688,382.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

Net income (loss) per books		7 Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$	
Federal income tax per books			
Excess of capital losses over capital gains			
Income subject to tax not recorded on books this year (itemize):			
Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
Depreciation \$		a Depreciation \$	
Charitable contributions \$		b Charitable contributions \$	
Travel and entertainment \$			
Add lines 1 through 5		9 Add lines 7 and 8	
		10 Income (page 1, line 28) - line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

Balance at beginning of year	1,165,681,998.	5 Distributions: a Cash	125,783,527.
Net income (loss) per books	196,156,311.	b Stock	
Other increases (itemize):		c Property	
		6 Other decreases (itemize):	9,497,352.
	81,870,570.	7 Add lines 5 and 6	135,280,879.
Add lines 1, 2, and 3	1,443,708,879.	8 Balance at end of year (line 4 less line 7)	1,308,428,000.

SCHEDULE M-3
(Form 1120)Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More

2012

Department of the Treasury
Internal Revenue Service▶ Attach to Form 1120 or 1120-C. ▶ Information about Schedule M-3 (Form 1120) and its
separate instructions is available at www.irs.gov/form1120.

Name of corporation (common parent, if consolidated return)

Employer identification number

UGI Corporation

23-2668356

Check applicable box(es):	(1)	Non-consolidated return	(2)	Consolidated return (Form 1120 only)
	(3)	<input checked="" type="checkbox"/> Mixed 1120/L/PC group	(4)	Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2 a Enter the income statement period: Beginning 10/01/2012 Ending 09/30/2013

b Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

3 a Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock UGI

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock 902681105

4 a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a	278,119,296.
b indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify)		
5 a Net income from nonincludible foreign entities (attach statement) Stmt. 43	5a	(81,870,570.
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b	
6 a Net income from nonincludible U.S. entities (attach statement)	6a	()
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b	
7 a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a	
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b	
c Net income (loss) of other includible entities (attach statement)	7c	
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8	
9 Adjustment to reconcile income statement period to tax year (attach statement)	9	
10 a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a	
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b	
c Other adjustments to reconcile to amount on line 11 (attach statement) Stmt. 44	10c	-92,415.
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10	11	196,156,311.

Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	10,020,445,199.	6,472,542,661.
b Removed on Part I, line 5	1,468,455,434.	937,016,516.
c Removed on Part I, line 6		
d Included on Part I, line 7		

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Schedule M-3 (Form 1120) 2012

Name of corporation (common parent, if consolidated return) **UGI Corporation** Employer identification number **23-2668356**

Check applicable boxes: (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/UFG group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return) _____ Employer identification number _____

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reparable transactions (attach statement)				
13 Interest income (attach Form 8916-A)				
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)	()			()
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach statement)				
26 Total income (loss) items. Combine lines 1 through 25				
27 Total expense/deduction items (from Part III, line 38)				
28 Other items with no differences				
28a Mixed groups, see instructions. All others, combine lines 26 through 28	196,431,778.	-152,326,194.	101,533,054.	145,638,638.
b PC insurance subgroup reconciliation totals	-275,467.	28,266.	-152,043.	-399,244.
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	196,156,311.	-152,297,928.	101,381,011.	145,239,394.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Schedule M-3 (Form 1120) 2012

Name of corporation (common parent, if consolidated return)

Employer identification number

UGI Corporation

23-2668356

Check applicable boxes: (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/LPC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	89,780.	-89,780.		
2 Gross foreign dividends not previously taxed			25,199,882.	25,199,882.
3 Subpart F, QEF, and similar income inclusions		236,373.		236,373.
4 Section 78 gross-up			1,527,106.	1,527,106.
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships	76,576,147.	-55,223,506.		21,352,641.
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach statement)				
13 Interest income (attach Form 9915-A)	3,494,287.	-70,913.	-2,152.	3,421,222.
14 Total accrual to cash adjustment				
16 Hedging transactions	-15,015,031.	-7,637,556.	206,266.	-22,446,321.
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 9915-A)	(1,833,643,478)	6,282,192.		(1,827,361,286)
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/delayed revenue	1,673,134.	50,285.		1,723,419.
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	-5,555,280.	5,637,353.	-82,073.	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities			1,944,426.	1,944,426.
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		676,535.	473,752.	1,150,287.
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach statement)	-214,337,374.	1,357,626.		-212,979,748.
26 Total income (loss) items. Combine lines 1 through 25	-1,986,717,815.	-48,781,391.	29,267,207.	-2,006,231,999.
27 Total expense/deduction items (from Part III, line 38)	-373,522,804.	-103,544,803.	72,265,847.	-404,801,760.
28 Other items with no differences	2,556,672,397.			2,556,672,397.
29a Mixed groups, see instructions. All others, combine lines 26 through 28	196,431,778.	-152,326,194.	101,533,054.	145,638,638.
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	196,431,778.	-152,326,194.	101,533,054.	145,638,638.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Schedule M-3 (Form 1120) 2012

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Name of corporation (common parent, if consolidated return)

Employer identification number

UGI Corporation

23-2668356

Check applicable boxes: (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	50,420,867.		-50,420,867.	
2 U.S. deferred income tax expense	57,336,275.		-57,336,275.	
3 State and local current income tax expense	22,701,163.	-5,273,772.		17,427,391.
4 State and local deferred income tax expense	-1,373,161.	1,373,159.		
5 Foreign current income tax expense (other than foreign withholding taxes)	-6,244,772.		6,244,772.	
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (attach Form 8918-A)	66,625,016.		-84,694.	66,540,322.
9 Stock option expense	4,303,418.	-5,199,720.	32,862,384.	31,966,082.
10 Other equity-based compensation	7,402,730.	-2,780,719.		4,622,011.
11 Meals and entertainment	1,029,181.		-454,236.	574,945.
12 Fines and penalties	1,268,542.		-1,268,542.	
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation	1,741,212.		-741,212.	1,000,000.
16 Pension and profit-sharing	20,252,010.	5,236,399.		25,488,409.
17 Other post-retirement benefits	2,262,400.	-1,857,689.		404,711.
18 Deferred compensation				
19 Charitable contribution of cash and tangible property	978,369.	-6,659.	-12,875.	958,835.
20 Charitable contribution of intangible property	1,500.			1,500.
21 Charitable contribution limitation/carryforward				
22 Domestic production activities deduction				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees	1,307,414.	984,591.		2,292,005.
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill		11,415,250.		11,415,250.
27 Amortization of acquisition, reorganization, and start-up costs	601,149.	-581,111.		20,038.
28 Other amortization or impairment write-offs	1,292,270.	674,928.		1,967,198.
29 Section 168 environmental remediation costs	1,100,000.	195,711.		1,295,711.
30 Depletion		590,461.		590,461.
31 Depreciation	76,095,884.	71,652,924.		147,748,808.
32 Bad debt expense	11,041,142.	-1,204,387.		9,836,755.
33 Corporate owned life insurance premiums				
34 Purchase versus lease (for purchasers and/or lessees)	77,672.	96,596.		176,268.
35 Research and development costs				
36 Section 118 exclusion (attach schedule)				
37 Other expense/deduction items with differences (attach schedule)	53,302,523.	28,226,841.	-1,054,302.	80,475,062.
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	373,522,804.	103,544,803.	-72,265,847.	404,801,760.

Schedule M-3 (Form 1120) 2012

Name of corporation (common parent, if consolidated return)

Employer identification number

UGI Corporation

23-2668356

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120-PC group (7) 1120-PC eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
Income (Loss) Items (Attach statements for lines 1 through 11)				
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach statement)				
13 Interest income (attach Form 8915-A)	42,856.			42,856.
14 Hedging transactions				
15 Mark-to-market income (loss)				
16 Premium income (attach statement)	2,724,191.	-6,765.		2,717,426.
17 Sale versus lease (for sellers and/or lessors)				
18 Section 481(a) adjustments				
19 Income from a special loss discount account				
20 Income recognition from long-term contracts				
21 Original issue discount and other imputed interest				
22 Reserved for future use				
23 a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach statement)				
26 Total income (loss) items. Combine lines 1 through 25	2,767,047.	-6,765.		2,760,282.
27 Total expense/deduction items (from Part III, line 41)	-196,584.	35,031.	-152,043.	-313,596.
28 Other items with no differences	-2,845,930.			-2,845,930.
29 a Mixed groups, see instructions. All others, combine lines 26 through 28	-275,467.	28,266.	-152,043.	-399,244.
b 1120 subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	-275,467.	28,266.	-152,043.	-399,244.

Note. Line 30, column (a) must equal the amount on Part I, line 11, and column (d) must equal Form 1120-PC, Schedule A, line 35.

Name of corporation (common parent, if consolidated return)

Employer identification number

UGI Corporation

23-2668356

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120-PC group (7) 1120-PC eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	-138,363.		138,363.	
2 U.S. deferred income tax expense	-13,680.		13,680.	
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Stock option expense				
9 Other equity-based compensation				
10 Meals and entertainment				
11 Fines and penalties				
12 Judgments, damages, awards, and similar costs				
13 Parachute payments				
14 Compensation with section 162(m) limitation				
15 Pension and profit-sharing				
16 Other post-retirement benefits				
17 Deferred compensation				
18 Charitable contribution of cash and tangible property				
19 Charitable contribution of intangible property				
20 Charitable contribution limitation/carryforward				
21 Write-off of premium receivables				
22 Guarantee fund assessments				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization of acquisition, reorganization, and start-up costs				
27 Amortization/impairment of goodwill, insurance in force, and ceding commissions				
28 Other amortization or impairment write-offs				
29 Discounting of unpaid losses (section 448) (attach statement)	331,062.	-28,437.		302,625.
30 Reduction of loss deduction (section 832(b)(5)(B))				
31 Depreciation				
32 Bad debt expense and/or agency balances written off				
33 Deduction from a special loss discount account				
34 Corporate owned life insurance premiums				
35 Purchase versus lease (for purchasers and/or lessees)				
36 Interest expense (attach Form 8916-A)				
37 Domestic production activities deduction				
38 Research and development costs				
39 Section 118 exclusion (attach statement)				
40 Other expense/deduction items with differences (attach statement)	17,565.	-6,594.		10,971.
41 Total expense/deduction items. Combine lines 1 through 40. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	196,584.	-35,031.	152,043.	313,596.

1120 Page 1 Detail

CONSOLIDATING WORKSHEET	TOTAL 1120, PAGE 1	ADJUSTMENTS	ELIMINATIONS	1120 SUBGROUP	1120PC SUBGROUP
1a GROSS RECEIPTS	2,565,338,763.			2,562,621,337.	2,717,426.
b RETURNS & ALLOWANCES	10,030.			10,030.	
c BALANCE	2,565,328,733.			2,562,611,307.	2,717,426.
2 COST OF GOOD SOLD	1,849,212,933.			1,849,212,933.	
3 GROSS PROFIT	716,115,800.			713,398,374.	2,717,426.
4 DIVIDENDS	26,979,390.			26,979,390.	NONE
5 INTEREST	9,388,736.			9,345,880.	42,856.
6 GROSS RENTS	2,516,829.			2,516,829.	
7 GROSS ROYALTIES					
8 CAPITAL GAIN NET INCOME	2,899,377.			2,899,377.	
9 NET GAIN/LOSS FORM 4797	701,711.			701,711.	
10 OTHER INCOME	35,963,271.			35,963,271.	
11 TOTAL INCOME	794,565,114.			791,804,832.	2,760,282.
12 COMPENSATION OF OFFICERS	6,565,289.			6,565,289.	
13 SALARIES & WAGES	121,515,708.			121,515,708.	
14 REPAIRS & MAINTENANCE	67,381,599.			67,381,599.	
15 BAD DEBTS	9,836,755.			9,836,755.	
16 RENTS	3,999,355.			3,999,355.	
17 TAXES & LICENSES	47,149,574.			47,122,925.	26,649.
18 INTEREST	66,558,907.			66,558,907.	
19 CHARITABLE CONTRIBUTIONS	1,001,298.			1,001,298.	
20 DEPRECIATION	147,748,808.			147,748,808.	
21 DEPLETION	590,461.			590,461.	
22 ADVERTISING	2,785,483.			2,785,483.	
23 PENSION, PROFIT SHARING	25,488,409.			25,488,409.	
24 EMPLOYEE BENEFIT SHARING	23,898,412.			23,898,412.	
25 DOMESTIC PROD. ACT. DEDUCTION					
26 OTHER DEDUCTIONS	124,805,662.			121,672,785.	3,132,877.
27 TOTAL DEDUCTIONS	649,325,720.			646,166,194.	3,159,526.
28 TAXABLE INCOME BEFORE NOL/DRD	145,239,394.			145,638,638.	-399,244.
29a LESS: NET OPERATING LOSS					
29b SPECIAL DEDUCTIONS	NONE	NONE			NONE
29c ADD LINES 29a & 29b	NONE	NONE			NONE
30 TAXABLE INCOME	145,239,394.	NONE		145,638,638.	-399,244.

Attachment SDR-RR-55
N. M. McKimney

	UGI Corporation	AmeriGas Propane Inc.	AmeriGas Technology Group Inc.	AmeriGas, Inc.	Ashtola Production Company	Eastfield International Holdings, Inc.	Energy Services Funding Corporation	EuroGas Holdings Inc.
1a	Gross receipts or sales							
1b	Returns and allowances							
1c	Balance							
2	Cost of goods sold							
3	Gross profit							
4	Dividends	89,231,256.		17,665,182.				
5	Interest	151,002.	4,239,880.					
6	Gross rents			113,000.				
7	Gross royalties							
8	Capital gain net income		145,693.					
9	Net gain or (loss) from Form 4797							
10	Other income	16,539.	15,301,919.		16.		4,768,377.	
11	Total income	89,398,797.	19,687,492.	17,778,182.	16.		4,768,377.	
12	Compensation of officers	6,565,289.	714,099.					
13	Salaries and wages	27,190,968.	6,118,875.					
14	Repairs and maintenance	3,808.						
15	Bad debts						1,538,908.	
16	Rents	668,924.						
17	Taxes and licenses	1,130,189.	370,888.	12,339.		125.	286,045.	125.
18	Interest						22,447.	
19	Charitable contributions	119,361.	28,569.					
20	Depreciation	10,553.	18,957.	8,076.				
21	Depletion							
22	Advertising	40,208.						
23	Pension, profit-sharing etc., plans	1,892,273.						
24	Employee benefit programs	1,130,984.						
25	Domestic production activities deduction							
26	Other deductions	-29,758,248.	-93,280.	2,660.		122.	881,849.	123.
27	Total deductions	8,994,309.	7,158,108.	23,075.		247.	2,729,249.	248.
28	Taxable income before NOL & Spec. Deductions	80,404,488.	12,529,384.	17,755,107.	16.	-247.	2,039,128.	-248.
29	NOL, Spec. deductions	89,231,256.		17,665,182.				
30	Taxable income	-8,826,768.	12,529,384.	89,925.	16.	-247.	2,039,128.	-248.

	Four Flags Drilling Company	Hellertown Pipeline Company	Homestead Holding Company	Newbury Holding Company	Petrolane Incorporated	UGI Asset Management, Inc.	UGI Black Sea Enterprises, Inc	UGI China, Inc.
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Consolidated Schedules

1120 Page 1

1a	Gross receipts or sales	168,000.							
1b	Returns and allowances								
1c	Balance	168,000.							
2	Cost of goods sold								
3	Gross profit	168,000.							
4	Dividends								
5	Interest		22,447.	15,405,514.	1,564,336.				
6	Gross rents								
7	Gross royalties								
8	Capital gain net income				2,099,288.				
9	Net gain or (loss) from Form 4797								
10	Other income				807,929.			38,370.	
11	Total income	168,000.	22,447.	15,405,514.	4,471,553.			38,370.	
12	Compensation of officers								
13	Salaries and wages								
14	Repairs and maintenance								
15	Bad debts								
16	Rents		2,269.	2,269.					
17	Taxes and licenses	500.	18,436.	125.	360.	1,005,617.	125.	125.	
18	Interest					451.			
19	Charitable contributions					10,538.			
20	Depreciation		51,519.						
21	Depletion								
22	Advertising								
23	Pension, profit-sharing etc., plans								
24	Employee benefit programs					-595.			
25	Domestic production activities deduction								
26	Other deductions		5,740.	6,827.	122,693.	470.		123.	
27	Total deductions	500.	69,955.	8,134.	9,456.	1,139,299.		248.	
28	Taxable income before NOL & Spec. Deductions	-500.	98,045.	14,313.	15,396,058.	3,332,254.	NONE	NONE	38,122.
29	NOL, Spec. deductions								
30	Taxable income	-500.	98,045.	14,313.	15,396,058.	3,332,254.	NONE	NONE	38,122.

Consolidated Schedules
1120 Page 1

	UGI Development Company	UGI Energy Services, Inc.	UGI Energy Ventures, Inc	UGI Enterprises, Inc.	UGI Ethanol Development Company	UGI Europe, Inc.	UGI Hunlock Development Company	UGI HVAC Enterprises, Inc
1a	Gross receipts or sales	70,317,937.	960,157,199.			693,646,286.		82,007,652.
1b	Returns and allowances							
1c	Balance	70,317,937.	960,157,199.			693,646,286.		82,007,652.
2	Cost of goods sold	38,785,078.	841,415,713.			652,587,242.		50,434,809.
3	Gross profit	31,532,859.	118,741,486.			41,059,044.		31,572,843.
4	Dividends		5,602,215.	16,029.		26,963,361.		
5	Interest	313.	20,743.	119,837.		2,755,779.		
6	Gross rents			173.				
7	Gross royalties							
8	Capital gain net income			205,820.				
9	Net gain or (loss) from Form 4797							95,849.
10	Other income	1,472,581.	-4,786,787.	-576,932.		150,099.		
11	Total income	33,005,753.	119,577,657.	-235,073.		70,928,283.		31,668,692.
12	Compensation of officers		2,238,737.	1,869,437.				421,816.
13	Salaries and wages	1,835,888.	13,719,141.	-172,275.				10,726,302.
14	Repairs and maintenance		23,131.					210,940.
15	Bad debts							300,434.
16	Rents	176,268.	992,955.					1,106,283.
17	Taxes and licenses	638,589.	12,218,898.	73,075.		1,736,354.		2,459,797.
18	Interest		2,523,076.	18,583.		40,111,136.		470,328.
19	Charitable contributions		91,143.	1,856.				13,707.
20	Depreciation	16,989,881.	2,413,370.					912,485.
21	Depletion		590,461.					
22	Advertising		867,493.					1,331,739.
23	Pension, profit-sharing etc. plans	259,063.	805,425.	-26,815.				379,562.
24	Employee benefit programs	368,705.	1,055,280.	1,163.				7,039,474.
25	Domestic production activities deduction							
26	Other deductions	12,502,329.	17,504,294.	7,089,316.		19,346,050.		8,120,077.
27	Total deductions	32,770,723.	55,043,404.	8,854,340.		61,193,540.		33,492,944.
28	Taxable income before NOL & Spec. Deductions	235,030.	64,534,253.	NONE	-9,089,413.	NONE	9,734,743.	NONE
29	NOL, Spec. deductions		5,602,215.					
30	Taxable income	235,030.	58,932,038.	NONE	-9,089,413.	NONE	9,734,743.	NONE

Consolidated Schedules
1120 Page 1

	UGI HVAC Services, Inc	UGI International (China), Inc.	UGI International (Romania), Inc.	UGI International Enterprises, Inc	UGI LNG, Inc	UGI Penn HVAC Services, Inc	UGI Penn Natural Gas, Inc	UGI Petroleum Products of Delaware, Inc
1a	Gross receipts or sales	2,411,389.			5,780,000.	1,726,923.	269,743,119.	
1b	Returns and allowances	10,030.						
1c	Balance	2,401,359.			5,780,000.	1,726,923.	269,743,119.	
2	Cost of goods sold	1,080,605.					146,227,849.	
3	Gross profit	1,320,754.			5,780,000.	1,726,923.	123,515,270.	
4	Dividends							
5	Interest	170.					4,133.	
6	Gross rents						5,269.	
7	Gross royalties							
8	Capital gain net income							
9	Net gain or (loss) from Form 4797						252,714.	
10	Other income	5,519.				-2,077.	4,405,407.	
11	Total income	1,320,924.	5,519.		5,780,000.	1,724,846.	128,182,793.	
12	Compensation of officers							
13	Salaries and wages	225,791.					14,308,355.	
14	Repairs and maintenance	131.			559,774.		14,180,636.	
15	Bad debts	-992.					1,744,028.	
16	Rents	19,107.						
17	Taxes and licenses	96,376.	125.	200.	117,581.	176,051.	5,583,327.	
18	Interest						286,810.	
19	Charitable contributions						186,739.	
20	Depreciation	103,043.			6,807,230.		27,904,064.	
21	Depletion							
22	Advertising	44,315.						
23	Pension, profit-sharing etc., plans	44,628.					4,112,981.	
24	Employee benefit programs	208,540.					3,348,193.	
25	Domestic production activities deduction							
26	Other deductions	372,622.	123.	2,397,820.	1,621,813.	979,652.	30,812,030.	10,245.
27	Total deductions	1,113,561.	248.	200.	2,397,820.	1,155,703.	102,467,163.	10,245.
28	Taxable income before NOL & Spec. Deductions	207,363.	5,271.	-200.	-2,397,820.	-3,326,398.	25,715,630.	-10,245.
29	NOL, Spec. deductions							
30	Taxable income	207,363.	5,271.	-200.	-2,397,820.	-3,326,398.	25,715,630.	-10,245.

	UGI Properties, Inc.	UGI Romania, Inc	UGI Storage Company	UGID Holding Company	UGI Utilities, Inc.	UGI Central Penn Gas, Inc	UGI Eliminations
1a			12,669,505.		539,587,674.	139,140,396.	-214,445,301.
1b							
1c			12,669,505.		539,587,674.	139,140,396.	-214,445,301.
2			75,000.		268,142,048.	53,556,403.	-202,727,249.
3			12,594,505.		271,445,626.	85,583,993.	-11,718,052.
4					18,850,777.		-131,349,430.
5					576,228.	12.	-15,514,514.
6	2,372,711.				25,676.		
7							
8			676,535.				
9					11,946.	113,243.	
10	33,690.			11.	11,759,470.	2,511,587.	57,553.
11	2,406,401.		13,271,040.	11.	302,669,723.	88,208,835.	-158,524,443.
12					5,123,823.		-10,367,912.
13	74,464.				25,163,403.	11,956,884.	10,367,912.
14	272,534.		54,182.		45,804,083.	6,272,380.	
15					5,387,023.	867,354.	
16				2,269.	730,720.	298,291.	
17	194,061.		922,271.	125.	15,283,934.	4,797,162.	
18	872,048.				38,497,618.	214,446.	-16,458,036.
19	1,500.				431,772.	116,113.	
20	468,433.		9,632,327.		61,972,909.	21,080,817.	-624,856.
21							
22					489,377.	12,351.	
23	1,676.				14,862,652.	3,156,964.	
24	-2,684.				8,809,480.	1,939,872.	
25							
26	549,845.		2,241,595.	5,553.	42,209,867.	14,328,327.	-9,587,852.
27	2,431,877.		12,850,375.	7,947.	264,766,661.	65,040,961.	-26,670,744.
28	-25,476.	NONE	420,665.	-7,936.	37,903,062.	23,167,874.	-131,853,699.
29					18,850,777.		-131,349,430.
30	-25,476.	NONE	420,665.	-7,936.	19,052,285.	23,167,874.	-504,269.

UGI Corporation & Subsidiaries
 CONSOLIDATED SCHEDULE A - TAXABLE INCOME

23-2668356

INCOME	United Valley Insurance Company PC	UGI PC Eliminations
1 PREMIUMS EARNED	2,717,426.	
2 DIVIDENDS	53,915.	-53,915.
3 TAXABLE INTEREST	42,856.	
4 RENTS		
5 ROYALTIES		
6 CAPITAL GAIN		
7 NET GAIN (LOSS) 4797		
8 CERTAIN MUTUAL CO'S		
9 SPECIAL INCOME ACCTS		
10 PROT. AGAINST LOSS ACCT.		
11 DECREASE IN SUB. ACCT'S		
12 SP. LOSS DISCOUNT 8816		
13 OTHER INCOME		
14 GROSS INCOME	2,814,197.	-53,915.
DEDUCTIONS		
15 COMP. OF OFFICERS		
16 SALARIES & WAGES		
17 WORTHLESS BILLS		
18 RENTS		
19 TAXES	26,649.	
20 INTEREST		
21 CONTRIBUTIONS		
22 DEPRECIATION		
23 DEPLETION		
24 PENSION, PROFIT-SHARING		
25 EMPLOY. BENEFIT PROGRAMS		
26 LOSSES INCURRED	3,017,519.	NONE
27 ADDITIONAL DEDUCT.		
28 OTHER CAP LOSSES		
29 DIVIDENDS		
30 MUTUAL INTERINS.		
31 OTHER DEDUCTIONS	115,358.	
32 TOTAL DEDUCTIONS	3,159,526.	NONE
33 SUBTOTAL (LN 14 - LN 32)	-345,329.	-53,915.
34 LESS SP. DED. SEC 833		
35 SUBTOTAL	-345,329.	-53,915.
36 LESS DIV REC NOL DEDUCT	53,915.	-53,915.
37 TAXABLE INCOME	-399,244.	

Attachment SDR-RR-55
 N. M. McKinney
 37 of 53

1120

U.S. Corporation Income Tax Return

2013

Form Department of the Treasury Internal Revenue Service

For calendar year 2013 or tax year beginning 10/01/2013, ending 09/30/2014

Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

Header section containing: A Check if: 1a Consolidated return, 2 Personal holding co., 3 Personal service corp., 4 Schedule M-3 attached; B Employer identification number 23-2668356; C Date incorporated 12/20/1991; D Total assets \$ 5,248,941,382; E Check if: (1) Initial return, (2) Final return, (3) Name change, (4) Address change.

Table with 11 rows (1a-11) for Income. Column 1: Description (e.g., Gross receipts or sales, Returns and allowances, Balance, Cost of goods sold, Gross profit, Dividends, Interest, Gross rents, Gross royalties, Capital gain net income, Net gain or loss, Other income, Total income). Column 2: Amount (e.g., 2,906,573,493, 2,025,113,009, 881,460,484, 27,641,032, 8,901,960, 3,054,811, 3,787,402, 890,244, 82,011,676, 1,007,747,609).

Table with 19 rows (12-29c) for Deductions. Column 1: Description (e.g., Compensation of officers, Salaries and wages, Repairs and maintenance, Bad debts, Rents, Taxes and licenses, Interest, Charitable contributions, Depreciation, Depletion, Advertising, Pension, profit-sharing, etc., plans, Employee benefit programs, Domestic production activities deduction, Other deductions, Total deductions, Taxable income before net operating loss deduction, Net operating loss deduction, Special deductions, Add lines 29a and 29b). Column 2: Amount (e.g., 21,237,532, 118,900,718, 75,369,255, 13,020,137, 3,770,139, 54,814,029, 62,663,423, 2,525,186, 229,125,728, 550,825, 3,277,729, 22,810,095, 20,325,179, 276,336, 154,370,135, 783,036,446, 224,711,163, NONE, NONE).

Table with 7 rows (30-36) for Tax, Refundable Credits, and Payments. Column 1: Description (e.g., Taxable income, Total tax, Total payments and refundable credits, Estimated tax penalty, Amount owed, Overpayment, Enter amount from line 35 you want). Column 2: Amount (e.g., 224,711,163, 64,472,533, 86,702,352, 22,229,819, 22,229,819).

Signature section: Sign Here, Signature of officer Davinder S. Athwal, Date 06/12/2015, Title Vice President. Includes a box for 'May the IRS discuss this return with the preparer shown below?' with Yes/No options.

Preparer section: Print/Type preparer's name, Preparer's signature, Date, Check self-employed if PTIN, Firm's name, Firm's EIN, Firm's address, Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Form 1120 (2013)

UGI Corporation & Subsidiaries

Form 1120 (2013)

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	NONE	70	NONE
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8. See instructions for limitation			NONE
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members	NONE	100	NONE
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	21,589,248.		
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471),	1,772,061.		
15 Foreign dividend gross-up	4,279,723.		
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	27,641,032.		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			NONE

UGI Corporation & Subsidiaries

Form 1120 (2013)

Schedule J Tax Computation and Payment (see instructions)

Part I-Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))		
2	Income tax. Check if a qualified personal service corporation (see instructions)		78,648,907.
3	Alternative minimum tax (attach Form 4626)		NONE
4	Add lines 2 and 3		78,648,907.
5a	Foreign tax credit (attach Form 1118)	5a	12,026,853.
5b	Credit from Form 8834 (see instructions)	5b	
5c	General business credit (attach Form 3800)	5c	2,149,521.
5d	Credit for prior year minimum tax (attach Form 8827)	5d	
5e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	14,176,374.
7	Subtract line 6 from line 4	7	64,472,533.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
9b	Recapture of low-income housing credit (attach Form 8611)	9b	
9c	Interest due under the look-back method - completed long-term contracts (attach Form 8697)	9c	
9d	Interest due under the look-back method - income forecast method (attach Form 8866)	9d	
9e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
9f	Other (see instructions - attach statement)	9f	
10	Total. Add lines 9a through 9f	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	64,472,533.

Part II-Payments and Refundable Credits

12	2012 overpayment credited to 2013	12	
13	2013 estimated tax payments	13	86,200,000.
14	2013 refund applied for on Form 4466	14	()
15	Combine lines 12, 13, and 14	15	86,200,000.
16	Tax deposited with Form 7004	16	500,000.
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16, and 17.	18	86,700,000.
19	Refundable credits from:		
19a	Form 2439	19a	
19b	Form 4136	19b	2,352.
19c	Form 8827, line 8c	19c	
19d	Other (attach statement - see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	2,352.
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	86,702,352.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ <u>551112</u>		
b	Business activity ▶ <u>Holding Company</u>		
c	Product or service ▶ <u>Management Services</u>		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G).		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G).		X

Form 1120 (2013)

UGI Corporation & Subsidiaries

Form 1120 (2013)

Schedule K Other Information continued (see instructions)

5 At the end of the tax year, did the corporation:

- a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Table with 4 columns: (i) Name of Corporation, (ii) Employer Identification Number (if any), (iii) Country of Incorporation, (iv) Percentage Owned in Voting Stock. Row 1: Stmt 25

- b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Table with 4 columns: (i) Name of Entity, (ii) Employer Identification Number (if any), (iii) Country of Organization, (iv) Maximum Percentage Owned in Profit, Loss, or Capital. Row 1: Stmt 27

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

Yes No X

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?

Yes No X

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount

Yes No

9 Enter the amount of tax-exempt interest received or accrued during the tax year

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer)

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here

Yes No

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.)

13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?

Yes No X

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?

Yes No X

15a Did the corporation make any payments in 2013 that would require it to file Form(s) 1099?

Yes No X

b If "Yes," did or will the corporation file required Forms 1099?

Yes No X

16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?

Yes No X

17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?

Yes No X

18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?

Yes No X

UGI Corporation & Subsidiaries

Form 1120 (2013)

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		267,458,000.		316,719,000.
2a Trade notes and accounts receivable	180,888,004.		180,895,649.	
b Less allowance for bad debts	(7,458,004.)	173,430,000.	(8,934,649.)	171,961,000.
3 Inventories		133,673,000.		140,429,000.
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)		52,830,000.		70,571,000.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)		1,328,311,382.		1,313,774,382.
10a Buildings and other depreciable assets	3,112,142,068.		3,336,150,799.	
b Less accumulated depreciation	(945,541,851.)	2,166,600,217.	(998,858,000.)	2,337,292,799.
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)		14,858,783.		16,088,201.
13a Intangible assets (amortizable only)	607,527,594.		527,981,699.	
b Less accumulated amortization	(10,016,594.)	597,511,000.	(11,211,699.)	516,770,000.
14 Other assets (attach statement)		344,016,000.		365,336,000.
15 Total assets		5,078,688,382.		5,248,941,382.
Liabilities and Shareholders' Equity				
16 Accounts payable		178,256,000.		188,618,000.
17 Mortgages, notes, bonds payable in less than 1 year		105,123,900.		114,460,000.
18 Other current liabilities (attach statement)		145,584,000.		181,903,000.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		1,168,063,000.		1,065,494,000.
21 Other liabilities (attach statement)		989,053,000.		1,038,692,303.
22 Capital stock: a Preferred stock				
b Common stock	100.	100.		
23 Additional paid-in capital		1,208,055,000.		1,216,238,000.
24 Retained earnings - Appropriated (attach statement)				
25 Retained earnings - Unappropriated		1,308,428,000.		1,509,443,000.
26 Adjustments to shareholders' equity (attach statement)		8,417,000.		-21,203,000.
27 Less cost of treasury stock		(32,291,618.)		(44,703,921.)
28 Total liabilities and shareholders' equity		5,078,688,382.		5,248,941,382.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books		7 Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$	
2 Federal income tax per books			
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize): a Depreciation \$ b Charitable contributions . \$	
5 Expenses recorded on books this year not deducted on this return (itemize): a Depreciation \$ b Charitable contributions . \$ c Travel and entertainment . \$		9 Add lines 7 and 8	
6 Add lines 1 through 5		10 Income (page 1, line 28) - line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	1,308,428,000.	5 Distributions: a Cash	136,263,074.
2 Net income (loss) per books	277,321,236.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	-121,322.
	59,835,516.	7 Add lines 5 and 6	136,141,752.
4 Add lines 1, 2, and 3	1,645,584,752.	8 Balance at end of year (line 4 less line 7)	1,509,443,000.

**SCHEDULE M-3
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

2013

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120 or 1120-C. ▶ Information about Schedule M-3 (Form 1120) and its separate instructions is available at www.irs.gov/form1120.

Name of corporation (common parent, if consolidated return) <u>UGI Corporation</u>		Employer identification number <u>23-2668356</u>
Check applicable box(es):	(1) <input type="checkbox"/> Non-consolidated return	(2) <input type="checkbox"/> Consolidated return (Form 1120 only)
	(3) <input checked="" type="checkbox"/> Mixed 1120/L/PC group	(4) <input type="checkbox"/> Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2 a Enter the income statement period: Beginning 10/01/2013 Ending 09/30/2014

b Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.

3 a Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock UGI

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock 902681105

4 a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1	4a <u>337,204,271.</u>
b Indicate accounting standard used for line 4a (see instructions): (1) <input checked="" type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____	
5 a Net income from nonincludible foreign entities (attach statement) Stmt. A3.	5a <u>(59,835,519.</u>
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount)	5b _____
6 a Net income from nonincludible U.S. entities (attach statement)	6a <u>(_____)</u>
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount)	6b _____
7 a Net income (loss) of other includible foreign disregarded entities (attach statement)	7a _____
b Net income (loss) of other includible U.S. disregarded entities (attach statement)	7b _____
c Net income (loss) of other includible entities (attach statement)	7c _____
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach statement)	8 _____
9 Adjustment to reconcile income statement period to tax year (attach statement)	9 _____
10 a Intercompany dividend adjustments to reconcile to line 11 (attach statement)	10a _____
b Other statutory accounting adjustments to reconcile to line 11 (attach statement)	10b _____
c Other adjustments to reconcile to amount on line 11 (attach statement) Stmt. A4.	10c <u>-47,520.</u>
11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10	11 <u>277,321,236.</u>

Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4 ▶	<u>10,092,049,000.</u>	<u>6,428,755,000.</u>
b Removed on Part I, line 5 ▶	<u>1,364,917,240.</u>	<u>875,844,685.</u>
c Removed on Part I, line 6 ▶		
d Included on Part I, line 7 ▶		

For Paperwork Reduction Act Notice, see the instructions for Form 1120.

Schedule M-3 (Form 1120) 2013

Name of corporation (common parent, if consolidated return) **UGI Corporation** Employer identification number **23-2668356**

Check applicable boxes: (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return) _____ Employer identification number _____

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U S corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach statement)				
13 Interest income (attach Form 8916-A)				
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)	()			()
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
26 Other income (loss) items with differences (attach statement)				
26 Total income (loss) items. Combine lines 1 through 25				
27 Total expense/deduction items (from Part III, line 38)				
28 Other items with no differences				
29a Mixed groups, see instructions All others, combine lines 26 through 28	276,928,404.	-209,533,962.	156,946,231.	224,340,673.
b PC insurance subgroup reconciliation totals	392,832.	-228,040.	205,698.	370,490.
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	277,321,236.	-209,762,002.	157,151,929.	224,711,163.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Schedule M-3 (Form 1120) 2013

Name of corporation (common parent, if consolidated return) UGI Corporation				Employer identification number 23-2668356	
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group	(2) <input type="checkbox"/> Parent corp	(3) <input type="checkbox"/> Consolidated eliminations	(4) <input type="checkbox"/> Subsidiary corp	(5) <input checked="" type="checkbox"/> Mixed 1120/LPC group	
Check if a sub-consolidated: (6) <input checked="" type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations					
Name of subsidiary (if consolidated return)				Employer identification number	

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach statements for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations	-235,368.	235,368.		
2 Gross foreign dividends not previously taxed			21,589,248.	21,589,248.
3 Subpart F, QEF, and similar income inclusions		1,772,061.		1,772,061.
4 Section 78 gross-up		104,149.	4,175,574.	4,279,723.
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U S corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U S partnerships	98,599,426.	-34,493,709.		64,105,717.
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach statement)				
13 Interest income (attach Form 8916-A)	3,348,038.	-11,458.		3,336,580.
14 Total accrual to cash adjustment				
15 Hedging transactions	-32,021,757.	10,007,632.		-22,014,125.
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)	(2,005,551,796.)	-19,470,686.		(2,025,022,482.)
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue		106,114.		106,114.
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	-3,425.	-650.	4,075.	
b Gross capital gains from Schedule D, excluding amounts from pass-through entities			3,170,155.	3,170,155.
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		650.	660,909.	661,559.
e Abandonment losses				
f Worthless stock losses (attach statement)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach statement)	-340,633,459.	-213,658.		-340,847,117.
26 Total income (loss) items. Combine lines 1 through 25	-2,276,498,341.	-41,964,187.	29,599,961.	-2,288,862,567.
27 Total expense/deduction items (from Part III, line 38)	-466,079,436.	-167,569,775.	127,346,270.	-506,302,941.
28 Other items with no differences	3,019,506,181.			3,019,506,181.
29a Mixed groups, see instructions. All others, combine lines 26 through 28	276,928,404.	-209,533,962.	156,946,231.	224,340,673.
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	276,928,404.	-209,533,962.	156,946,231.	224,340,673.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Schedule M-3 (Form 1120) 2013

Name of corporation (common parent, if consolidated return)					Employer identification number	
UGI Corporation					23-2668356	
Check applicable boxes: (1) <input type="checkbox"/>	Consolidated group (2) <input type="checkbox"/>	Parent corp (3) <input type="checkbox"/>	Consolidated eliminations (4) <input type="checkbox"/>	Subsidiary corp (5) <input checked="" type="checkbox"/>	Mixed 1120/L/PC group	
Check if a sub-consolidated: (6) <input checked="" type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations						
Name of subsidiary (if consolidated return)					Employer identification number	

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	97,668,662.		-97,668,662.	
2 U.S. deferred income tax expense	62,534,512.		-62,534,512.	
3 State and local current income tax expense	30,259,915.	-4,866,049.		25,393,866.
4 State and local deferred income tax expense	7,249,589.	-7,249,589.		
5 Foreign current income tax expense (other than foreign withholding taxes)	4,023,040.	-4,023,040.		
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (attach Form 8916-A)	62,767,420.		-106,950.	62,660,470.
9 Stock option expense	4,959,597.	-6,088,069.	35,824,144.	34,695,672.
10 Other equity-based compensation	14,664,570.	-6,774,296.		7,890,274.
11 Meals and entertainment	1,326,749.		-663,767.	662,982.
12 Fines and penalties	117,996.		-117,996.	
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation	3,806,454.		-1,982,662.	1,823,792.
16 Pension and profit-sharing	11,127,956.	11,682,139.		22,810,095.
17 Other post-retirement benefits	1,080,857.	-605,863.		474,994.
18 Deferred compensation				
19 Charitable contribution of cash and tangible property	2,497,560.	-5,000.	-12,199.	2,480,361.
20 Charitable contribution of intangible property	1,000.			1,000.
21 Charitable contribution limitation/carryforward				
22 Domestic production activities deduction			276,336.	276,336.
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/reorganization other costs				
26 Amortization/impairment of goodwill	3,030,939.	9,966,024.		12,996,963.
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs	3,856,946.	142,617.		3,999,563.
29 Reserved				
30 Depletion		550,825.		550,825.
31 Depreciation	84,927,189.	144,198,539.		229,125,728.
32 Bad debt expense	14,496,783.	-1,476,646.		13,020,137.
33 Corporate owned life insurance premiums				
34 Purchase versus lease (for purchasers and/or lessees)	43,748.	103,125.		146,873.
35 Research and development costs				
36 Section 118 exclusion (attach statement)				
37 Other expense/deduction items with differences (attach statement)	55,637,954.	32,015,058.	-360,002.	87,293,010.
38 Total expense/deduction items. Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	466,079,436.	167,569,775.	-127,346,270.	506,302,941.

Schedule M-3 (Form 1120) 2013

1120 Page 1 Detail

CONSOLIDATING WORKSHEET	TOTAL 1120, PAGE 1	ADJUSTMENTS	ELIMINATIONS	1120 SUBGROUP	1120PC SUBGROUP
1a GROSS RECEIPTS	2,906,573,493.			2,904,558,795.	2,014,698.
b RETURNS & ALLOWANCES					
c BALANCE	2,906,573,493.			2,904,558,795.	2,014,698.
2 COST OF GOOD SOLD	2,025,113,009.			2,025,113,009.	
3 GROSS PROFIT	881,460,484.			879,445,786.	2,014,698.
4 DIVIDENDS	27,641,032.			27,641,032.	NONE
5 INTEREST	8,901,960.			8,864,423.	37,537.
6 GROSS RENTS	3,054,811.			3,054,811.	
7 GROSS ROYALTIES					
8 CAPITAL GAIN NET INCOME	3,787,402.			3,787,402.	
9 NET GAIN/LOSS FORM 4797	890,244.			890,244.	
10 OTHER INCOME	82,011,676.			82,011,676.	
11 TOTAL INCOME	1,007,747,609.			1,005,695,374.	2,052,235.
12 COMPENSATION OF OFFICERS	21,237,532.			21,237,532.	
13 SALARIES & WAGES	118,900,718.			118,900,718.	
14 REPAIRS & MAINTENANCE	75,369,255.			75,369,255.	
15 BAD DEBTS	13,020,137.			13,020,137.	
16 RENTS	3,770,139.			3,770,139.	
17 TAXES & LICENSES	54,814,029.			54,783,240.	30,789.
18 INTEREST	62,663,423.			62,663,423.	
19 CHARITABLE CONTRIBUTIONS	2,525,186.			2,525,186.	
20 DEPRECIATION	229,125,728.			229,125,728.	
21 DEPLETION	550,825.			550,825.	
22 ADVERTISING	3,277,729.			3,277,729.	
23 PENSION, PROFIT SHARING	22,810,095.			22,810,095.	
24 EMPLOYEE BENEFIT SHARING	20,325,179.			20,325,179.	
25 DOMESTIC PROD. ACT. DEDUCTION	276,336.			276,336.	
26 OTHER DEDUCTIONS	154,370,135.			152,719,179.	1,650,956.
27 TOTAL DEDUCTIONS	783,036,446.			781,354,701.	1,681,745.
28 TAXABLE INCOME BEFORE NOL/DRD	224,711,163.			224,340,673.	370,490.
29a LESS: NET OPERATING LOSS					
29b SPECIAL DEDUCTIONS	NONE	NONE			NONE
29c ADD LINES 29a & 29b	NONE	NONE			NONE
30 TAXABLE INCOME	224,711,163.	NONE		224,340,673.	370,490.

Consolidated Schedules
1120 Page 1

	UGI Corporation	AmeriGas Propane Inc.	AmeriGas Technology Group Inc.	AmeriGas, Inc.	Ashtola Production Company	Eastfield International Holdings, Inc.	Energy Services Funding Corporation	EuroGas Holdings Inc.
1a	Gross receipts or sales							
1b	Returns and allowances							
1c	Balance							
2	Cost of goods sold							
3	Gross profit							
4	Dividends	132,244,414.	8,880,525.		32,738,545.			
5	Interest	170,133.	3,971,799.					
6	Gross rents				87,000.			
7	Gross royalties							
8	Capital gain net income		475,464.					
9	Net gain or (loss) from Form 4797							
10	Other income	-33,212.	47,778,780.		20.		6,370,148.	
11	Total income	132,381,335.	61,106,568.		32,825,545.	20.	6,370,148.	
12	Compensation of officers	8,631,683.	3,107,068.					
13	Salaries and wages	33,412,348.	4,687,344.					
14	Repairs and maintenance	5,348.						
15	Bad debts						690,915.	
16	Rents	687,485.						
17	Taxes and licenses	1,228,389.	2,829,048.		12,732.		495,146.	
18	Interest		538.				45,112.	
19	Charitable contributions	127,989.	31,716.					
20	Depreciation	10,553.	18,957.		4,038.			
21	Depletion							
22	Advertising	35,854.						
23	Pension, profit-sharing etc., plans	1,067,429.						
24	Employee benefit programs	1,157,822.						
25	Domestic production activities deduction							
26	Other deductions	-36,224,829.	-856,349.		3,681.	662.	789,604.	
27	Total deductions	10,140,071.	9,818,322.		20,451.	662.	2,020,777.	
28	Taxable income before NOL & Spec. Deductions	122,241,264.	51,288,246.	NONE	32,805,094.	-642.	4,349,371.	NONE
29	NOL, Spec. deductions	132,244,414.	8,880,525.		32,738,545.			
30	Taxable income	-10,003,150.	42,407,721.	NONE	66,549.	-642.	4,349,371.	NONE

JSA

UGI Corporation & Subsidiaries

23-2668356

Four Flags Drilling Company	Hellertown Pipeline Company	Homestead Holding Company	Newbury Holding Company	Petrolane Incorporated	UGI Asset Management, Inc.	UGI Black Sea Enterprises, Inc	UGI China, Inc.
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Consolidated Schedules

1120 Page 1

1a	Gross receipts or sales	28,000.							
1b	Returns and allowances								
1c	Balance	28,000.							
2	Cost of goods sold								
3	Gross profit	28,000.							
4	Dividends								
5	Interest		47,776.	7,792,423.	1,462,400.				
6	Gross rents								
7	Gross royalties								
8	Capital gain net income				3,486,828.				
9	Net gain or (loss) from Form 4797								
10	Other income				11,368,618.			-273,831.	
-----		-----		-----		-----		-----	
11	Total income	28,000.	47,776.	7,792,423.	16,317,846.			-273,831.	
-----		-----		-----		-----		-----	
12	Compensation of officers								
13	Salaries and wages								
14	Repairs and maintenance								
15	Bad debts								
16	Rents		1,960.	1,960.					
17	Taxes and licenses	6,265.	125.	233.	321,275.	125.			
18	Interest				9,900.				
19	Charitable contributions				11,683.				
20	Depreciation	8,572.							
21	Depletion								
22	Advertising								
23	Pension, profit-sharing etc., plans								
24	Employee benefit programs					-910.			
25	Domestic production activities deduction								
26	Other deductions	42,140.	5,477.	5,279.	119,308.	785.			
-----		-----		-----		-----		-----	
27	Total deductions	56,977.	7,562.	7,472.	462,166.				
-----		-----		-----		-----		-----	
28	Taxable income before NOL & Spec. Deductions	NONE	-28,977.	40,214.	7,784,951.	15,855,680.	NONE	NONE	-273,831.
=====		=====		=====		=====		=====	
29	NOL, Spec. deductions								
-----		-----		-----		-----		-----	
30	Taxable income	NONE	-28,977.	40,214.	7,784,951.	15,855,680.	NONE	NONE	-273,831.
=====		=====		=====		=====		=====	

Consolidated Schedules
1120 Page 1

	UGI Development Company	UGI Energy Ventures, Inc	UGI Ethanol Development Company	UGI Europe, Inc.	UGI Hunlock Development Company	UGI HVAC Enterprises, Inc	UGI International (China), Inc.	UGI International (Romania), Inc.
1a Gross receipts or sales	85,096,720.			667,505,573.		83,060,389.		
1b Returns and allowances								
1c Balance	85,096,720.			667,505,573.		83,060,389.		
2 Cost of goods sold	39,618,929.			620,583,039.		51,337,225.		
3 Gross profit	45,477,791.			46,922,534.		31,723,164.		
4 Dividends				12,001,797.				
5 Interest	16,521.			2,212,657.				
6 Gross rents	1,433.							
7 Gross royalties								
8 Capital gain net income								
9 Net gain or (loss) from Form 4797						91,083.		
10 Other income	73,106.			1,045,487.			-5,773.	
11 Total income	45,568,851.			62,182,475.		31,814,247.	-5,773.	
12 Compensation of officers						454,262.		
13 Salaries and wages	2,238,344.					10,982,134.		
14 Repairs and maintenance						197,296.		
15 Bad debts						443,083.		
16 Rents	146,873.					968,782.		
17 Taxes and licenses	1,474,521.			1,887,212.		2,490,528.		
18 Interest				31,854,587.		490,804.		
19 Charitable contributions						39,692.		
20 Depreciation	15,643,366.					1,165,950.		
21 Depletion								
22 Advertising						1,607,469.		
23 Pension, profit-sharing etc., plans	167,467.					403,607.		
24 Employee benefit programs	496,571.					6,211,626.		
25 Domestic production activities deduction	276,336.							
26 Other deductions	14,321,322.			18,396,669.		8,843,949.		
27 Total deductions	34,764,800.			52,138,468.		34,299,182.		
28 Taxable income before NOL & Spec Deductions	10,804,051.	NONE	NONE	10,044,007.	NONE	-2,484,935.	-5,773.	NONE
29 NOL, Spec. deductions								
30 Taxable income	10,804,051.	NONE	NONE	10,044,007.	NONE	-2,484,935.	-5,773.	NONE

UGI Corporation & Subsidiaries

23-2668356

Consolidated Schedules
1120 Page 1

	UGI International Enterprises, Inc	UGI LNG, Inc	UGI Penn HVAC Services, Inc	UGI Penn Natural Gas, Inc	UGI Petroleum Products of Delaware, Inc	UGI Properties, Inc.	UGI Romania, Inc	UGI Storage Company
1a		6,490,000.	1,590,299.	307,579,734.				14,787,259.
1b								
1c		6,490,000.	1,590,299.	307,579,734.				14,787,259.
2				188,392,779.				-75,000.
3		6,490,000.	1,590,299.	119,186,955.				14,862,259.
4	15,639,235.							
5				510,628.				
6				3,519.		2,930,638.		
7								
8								
9		650.		182,364.				
10	-17,823.	30,535.	-13,504.	8,654,068.		33,986.		885.
11	15,621,412.	6,521,185.	1,576,795.	128,537,534.		2,964,624.		14,863,144.
12								
13				13,810,751.		76,411.		
14		745,598.		17,546,415.		387,309.		330.
15			4,405.	2,987,506.				
16								
17		108,345.	62,631.	5,235,343.		220,299.		647,447.
18				597,931.		840,037.		
19		250.		158,802.		1,000.		200,000.
20		5,670,193.		42,009,850.		474,992.		6,989,222.
21								
22								
23				2,799,101.		1,719.		
24				1,916,515.		-3,293.		
25								
26	3,040,857.	1,917,872.	956,534.	36,503,553.	10,021.	575,338.		3,142,411.
27	3,040,857.	8,442,258.	1,023,570.	123,565,767.	10,021.	2,573,812.		10,979,410.
28	12,580,555.	-1,921,073.	553,225.	4,971,767.	-10,021.	390,812.	NONE	3,883,734.
29								
30	12,580,555.	-1,921,073.	553,225.	4,971,767.	-10,021.	390,812.	NONE	3,883,734.

	UGID Holding Company	UGI Utilities, Inc.	UGI Central Penn Gas, Inc	UGI Enterprises, Inc.	UGI Eliminations	UGI Eliminations Top Consolidation
1a		627,812,486.	159,036,097.	1,292,376,100.	-340,803,862.	
1b						
1c		627,812,486.	159,036,097.	1,292,376,100.	-340,803,862.	
2		337,171,364.	63,437,506.	1,058,961,029.	-334,313,862.	
3		290,641,122.	95,599,591.	233,415,071.	-6,490,000.	
4		48,807,928.		20,508,804.	-243,180,216.	
5		904,279.	35.	101,855.	-8,326,083.	
6		32,144.		77.		
7						
8				53,795.		
9		99,768.	287,694.			
10	16.	11,851,645.	1,853,873.	-6,662,093.	-43,255.	
11	16.	352,336,886.	97,740,193.	247,417,509.	-258,039,554.	
12		5,157,204.		3,887,315.		
13		25,011,918.	12,315,045.	16,366,423.		
14		48,618,058.	7,868,901.			
15		7,349,574.	1,544,654.			
16	1,960.	752,002.	250,701.	958,416.		
17	253.	16,035,188.	5,662,001.	16,066,134.		
18		37,516,457.	274,714.	2,362,765.	-11,329,422.	
19		1,450,564.	103,881.	399,609.		
20		60,826,712.	19,370,749.	77,099,202.	-166,628.	
21				550,825.		
22		542,921.	13,532.	1,077,953.		
23		14,684,370.	2,866,427.	819,975.		
24		7,901,923.	1,643,535.	1,001,390.		
25						
26	5,306.	53,118,099.	16,587,624.	34,900,527.	-3,486,661.	
27	7,519.	278,964,990.	68,501,764.	155,490,534.	-14,982,711.	
28	-7,503.	73,371,896.	29,238,429.	91,926,975.	-243,056,843.	NONE
29		48,807,928.		20,508,804.	-243,180,216.	
30	-7,503.	24,563,968.	29,238,429.	71,418,171.	123,373.	

JSA -

UGI Corporation & Subsidiaries
CONSOLIDATED SCHEDULE A - TAXABLE INCOME

23-2668356

INCOME	United Valley Insurance Company PC	UGI PC Eliminations
1 PREMIUMS EARNED	2,014,698.	
2 DIVIDENDS	57,880.	-57,880.
3 TAXABLE INTEREST	37,537.	
4 RENTS		
5 ROYALTIES		
6 CAPITAL GAIN		
7 NET GAIN (LOSS) 4797		
8 CERTAIN MUTUAL CO'S		
9 SPECIAL INCOME ACCTS		
10 PROT. AGAINST LOSS ACCT.		
11 DECREASE IN SUB. ACCT'S		
12 SP. LOSS DISCOUNT 8816		
13 OTHER INCOME		
14 GROSS INCOME	2,110,115.	-57,880.
DEDUCTIONS		
15 COMP. OF OFFICERS		
16 SALARIES & WAGES		
17 WORTHLESS BILLS		
18 RENTS		
19 TAXES	30,789.	
20 INTEREST		
21 CONTRIBUTIONS		
22 DEPRECIATION		
23 DEPLETION		
24 PENSION, PROFIT-SHARING		
25 EMPLOY. BENEFIT PROGRAMS		
26 LOSSES INCURRED	1,521,755.	NONE
27 ADDITIONAL DEDUCT.		
28 OTHER CAP LOSSES		
29 DIVIDENDS		
30 MUTUAL INTERINS.		
31 OTHER DEDUCTIONS	129,201.	
32 TOTAL DEDUCTIONS	1,681,745.	NONE
33 SUBTOTAL (LN 14 - LN 32)	428,370.	-57,880.
34 LESS SP. DED. SEC 833		
35 SUBTOTAL	428,370.	-57,880.
36 LESS DIV REC NOL DEDUCT	57,880.	-57,880.
37 TAXABLE INCOME	370,490.	

INDEX OF ATTACHMENTS ON CD

**UGI UTILITIES, INC. – GAS DIVISION
2016 BASE RATE CASE
DOCKET NO. R-2015-2518438**

BOOK II

INDEX OF ATTACHMENTS ON CD

CD 1 of 2

Attachments SDR-COS-8.1 through SDR-COS-8.3

Attachments SDR-ROR-1.1-1 through SDR-ROR-1.11

Attachment SDR-ROR-6-1 through SDR-ROR-6-11

CD 2 of 2

Attachments SDR-ROR-10-1 through SDR-ROR-10-57

Attachments SDR-RR-11(a) through SDR-RR-11(f)

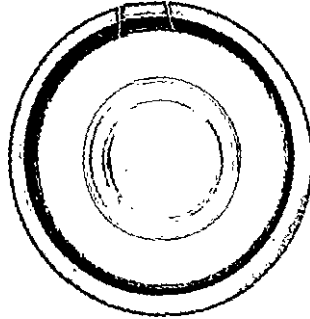
Attachment SDR-RR-27

CDs CONTAINING ATTACHMENTS

UGI UTILITIES, INC. -- GAS DIVISION
2016 BASE RATE CASE
DOCKET NO. R-2015-2518438



Energy to do more®

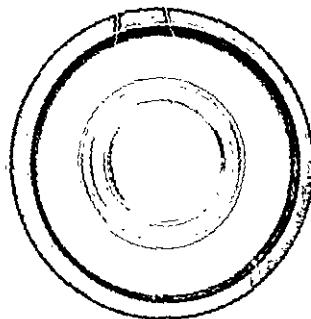


BOOK II
ATTACHMENTS
CD 1 of 2

UGI UTILITIES, INC. -- GAS DIVISION
2016 BASE RATE CASE
DOCKET NO. R-2015-2518438



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CD 2

BOOK II
ATTACHMENTS
CD 2 of 2

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

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

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

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

Exhibit E
D. Lahoff
Page 2 of 7

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

Notes:

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

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

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

Notes:

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

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

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

Notes:

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

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

Exhibit E
D. Lahoff
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Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Large Firm Delivery Service								
Customer Charge								
N/NT - LFD	780		\$ 8.55	\$ 6,669	\$ 700.00	\$ 546,000	\$ 539,331	
DS - LFD	1,728		\$ 290.00	\$ 501,120	\$ 700.00	\$ 1,209,600	\$ 708,480	
LFD - LFD	3,060		\$ 700.00	\$ 2,142,000	\$ 700.00	\$ 2,142,000	\$ -	
	<u>5,568</u>			<u>\$ 2,649,789</u>		<u>\$ 3,897,600</u>	<u>\$ 1,247,811</u>	
Distribution Charges								
<i>N/NT - LFD</i>								
First 25		267,999	\$ 4.0268	\$ 1,079,179	\$ 1.2133	\$ 325,163	\$ (754,016)	
Next 475		412,219	\$ 3.5309	\$ 1,455,503	\$ 1.2133	\$ 500,145	\$ (955,358)	
All ove 500 Winter		67,618	\$ 2.4374	\$ 164,812	\$ 1.2133	\$ 82,041	\$ (82,771)	
All ove 500 Summer		<u>3,810</u>	\$ 2.2902	<u>\$ 8,726</u>	\$ 1.2133	<u>\$ 4,623</u>	<u>\$ (4,103)</u>	
Subtotal		<u>751,646</u>		<u>\$ 2,708,220</u>		<u>\$ 911,972</u>	<u>\$ (1,796,248)</u>	
<i>DS - LFD</i>								
First 500		1,211,433	\$ 2.3000	\$ 2,786,297	\$ 1.2133	\$ 1,469,832	\$ (1,316,465)	
All ove 500 Winter		832,152	\$ 2.0700	\$ 1,722,555	\$ 1.2133	\$ 1,009,650	\$ (712,905)	
All ove 500 Summer		<u>224,122</u>	\$ 1.9500	<u>\$ 437,038</u>	\$ 1.2133	<u>\$ 271,927</u>	<u>\$ (165,111)</u>	
Subtotal		<u>2,267,707</u>		<u>\$ 4,945,889</u>		<u>\$ 2,751,409</u>	<u>\$ (2,194,480)</u>	
<i>LFD - LFD</i>								
First 1,000		2,873,187	\$ 1.8430	\$ 5,295,283	\$ 1.2133	\$ 3,486,037	\$ (1,809,246)	
Next 4,000		5,653,932	\$ 1.1530	\$ 6,518,983	\$ 1.2133	\$ 6,859,915	\$ 340,932	
All ove 5,000 Winter		1,784,284	\$ 0.7860	\$ 1,402,447	\$ 1.2133	\$ 2,164,871	\$ 762,424	
All ove 5,000 Summer		<u>1,233,829</u>	\$ 0.5280	<u>\$ 648,994</u>	\$ 1.2133	<u>\$ 1,497,005</u>	<u>\$ 848,011</u>	
Subtotal		<u>11,545,232</u>		<u>\$ 13,865,707</u>		<u>\$ 14,007,830</u>	<u>\$ 142,123</u>	
Demand Charges		878,577	\$ -	\$ -	\$ 5.4500	\$ 4,788,247	\$ 4,788,247	
State Tax Adjustment Surcharge (STAS) - Rider A			0.00%	\$ -	0.00%	\$ -	\$ -	
Purchased Gas Costs (PGC) (N - LFD) - Rider B	1/	184,541	\$ 4.2662	\$ 787,289	\$ 4.2662	\$ 787,289	\$ (0)	
Merchant Function Charge (MFC) (N - LFD) - Rider D	2/	184,541	0.36%	\$ 2,834	0.00%	\$ -	\$ (2,834)	
Gas Procurement Charge (GPC) (N - LFD) - Rider E	3/	184,541	\$ 0.0400	\$ 7,382	\$ -	\$ -	\$ (7,382)	
Energy Efficiency & Conservation Rider (EEC) - Rider G		14,564,585	\$ -	\$ -	\$ 0.0278	\$ 405,463	\$ 405,463	
Pooling/Minimum Bills		-		\$ 828,463	\$ -	\$ -	\$ (828,463)	
Total Rate LFD		<u>14,564,585</u>		<u>\$ 25,795,573</u>		<u>\$ 27,549,810</u>	<u>\$ 1,754,237</u>	<u>8.8%</u>

Notes:

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

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

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

Notes:

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

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

Notes:

UGI UTILITIES, INC. - GAS DIVISION

SUMMARY OF COST OF SERVICE BY SERVICE CLASSIFICATION

<u>Cost Function</u> (1)	<u>Cost of Service</u> <u>(Schedule E)</u> (2)	<u>Rate R</u> (3)	<u>Rate N</u> (4)	<u>Rate DS</u> (5)	<u>Rate LFD</u> (6)	<u>Rate XD Firm</u> (7)	<u>Interruptible</u> (8)
<u>Volumetric Costs</u>							
Rate R	\$ 60,943,699	\$ 60,943,699					
Rate N	35,368,225		\$ 35,368,225				
Rate DS	5,938,246			\$ 5,938,246			
Rate LFD	8,681,850				\$ 8,681,850		
Rate XD Firm	3,244,864					\$ 3,244,864	
Rate IS/IL	7,938,217						\$ 7,938,217
Total Volumetric Costs	122,115,101	60,943,699	35,368,225	5,938,246	8,681,850	3,244,864	7,938,217
<u>Customer Costs</u>							
Rate R	\$ 120,676,213	\$ 120,676,213					
Rate N	28,197,769		\$ 28,197,769				
Rate DS	923,694			\$ 923,694			
Rate LFD	2,010,897				\$ 2,010,897		
Rate XD Firm	176,751					\$ 176,751	
Rate IS/IL	529,529						\$ 529,529
Total Customer Costs	152,514,853	120,676,213	28,197,769	923,694	2,010,897	176,751	529,529
Total Excluding Gas Costs	<u>\$ 274,629,954</u>	<u>\$ 181,619,912</u>	<u>\$ 63,565,994</u>	<u>\$ 6,861,940</u>	<u>\$ 10,692,747</u>	<u>\$ 3,421,615</u>	<u>\$ 8,467,746</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH LARGE DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 4 (7)=(4)+(6)
	Interruptible	Allocation Factor	Weighted Factor*	Allocation Factor 3A	Weighted Factor	
(1)	(2)	(3)	(4)=(3)x 0.4287	(5)	(6)=(5)x 0.5713	
<u>Volumetric Costs</u>						
Rate R	62,313	0.3470	0.1488	0.5698	0.3255	0.4743
Rate N	38,743	0.2157	0.0924	0.3519	0.2010	0.2934
Rate DS	8,875	0.0494	0.0212	0.0509	0.0291	0.0503
Rate LFD	39,903	0.2222	0.0953	0.0274	0.0157	0.1110
Rate XD Firm	-	-	-	-	-	-
Interruptible	29,762	0.1657	0.0710	-	-	0.0710
Total	179,596	1.0000	0.4287	1.0000	0.5713	1.0000

* The weighting of the factors is based on the percentage of average daily throughput of 335,300 mcf divided by peak day demand of 782,198 mcf. (335,300 / 782,198 = 42.87%)

FACTOR 4A. ALLOCATION OF COSTS ASSOCIATED WITH LOAD DISPATCHING AND M&R STATION EQUIPMENT.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Throughput	Average Daily Throughput		Maximum Day Extra Demand		Allocation Factor (7)=(4)+(6)
		Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	
(1)	(2)	(3)	(4)=(3)x 0.4287	(5)	(6)=(5)x 0.5713	
<u>Volumetric</u>						
Rate R	62,313	0.1859	0.0798	0.5157	0.2945	0.3743
Rate N	38,743	0.1155	0.0494	0.3185	0.1820	0.2314
Rate DS	8,875	0.0265	0.0114	0.0460	0.0263	0.0377
Rate LFD	39,903	0.1190	0.0510	0.0248	0.0142	0.0652
Rate XD-Firm	47,722	0.1423	0.0610	0.0950	0.0543	0.1153
Interruptible	137,744	0.4108	0.1761	-	-	0.1761
Total	335,300	1.0000	0.4287	1.0000	0.5713	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH ACCOUNT 381, METERS.

Factors are based on the cost of meters by class included in Account 381, Meters.

<u>Service Classification</u> (1)	<u>Cost of Meters</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 15,645,801	0.3453
Rate N	28,616,967	0.6317
Rate DS	800,115	0.0177
Rate LFD	-	-
Interruptible	<u>240,109</u>	<u>0.0053</u>
Total	<u>\$ 45,302,992</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6B. ALLOCATION OF COSTS ASSOCIATED WITH INDUSTRIAL MEASURING AND REGULATING EQUIPMENT, ACCOUNT 385.

Factors are based on the cost of M&R equipment by class included in Account 385, Industrial Measuring and Regulating Equipment.

<u>Service Classification</u> (1)	<u>Cost of M&R Equipment</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate N	\$ 1,223,583	0.2331
Rate LFD	3,702,212	0.7051
Rate XD - Firm	316,174	0.0602
Interruptible	8,475	0.0016
Total	<u>\$ 5,250,444</u>	<u>1.0000</u>

FACTOR 6C. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the cost of services by class included in Account 380, Service Lines.

<u>Service Classification</u> (1)	<u>Cost of Services</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 436,652,618	0.8596
Rate N	61,565,658	0.1213
Rate DS	3,993,767	0.0079
Rate LFD	3,130,250	0.0062
Rate XD - Firm	372,098	0.0007
Interruptible	2,172,285	0.0043
Total	<u>\$ 507,886,676</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH SMALL DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification (1)	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 5 (7)
	Volumes (Mcf) (2)	Allocation Factor (3)	Weighted Factor (4)=(3)x 0.4287	Allocation Factor 3B (5)	Weighted Factor (6)=(5)x 0.5713	
<u>Volumetric Costs</u>						
Rate R	62,313	0.4624	0.1982	0.5828	0.3330	0.5312
Rate N	38,743	0.2874	0.1232	0.3599	0.2056	0.3288
Rate DS	8,875	0.0658	0.0282	0.0520	0.0297	0.0579
Rate LFD	7,582	0.0562	0.0241	0.0053	0.0030	0.0271
Rate XD - Firm Interruptible (IS)	17,284	-	-	-	-	-
		0.1282	0.0550	-	-	0.0550
Total	134,797	1.0000	0.4287	1.0000	0.5713	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH CUSTOMER ACCOUNTING. AND METER READING

Factors are based on the number of customers for each classification, as follows.

Service Classification	Number of Customers	Allocation Factor 7
(1)	(2)	(3)
<u>Customer Costs</u>		
Rate R	348,120	0.8974
Rate N	38,394	0.0990
Rate DS	592	0.0015
Rate LFD	464	0.0012
Rate XD Firm	27	0.0001
Interruptible	322	0.0008
Total	387,919	1.0000

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH SALES EXPENSES.

Factors are based on the number of Rate R and Rate N customers.

Service Classification	Number of Customers	Allocation Factor
(1)	(2)	(3)
<u>Customer Costs</u>		
Rate R	348,120	0.9007
Rate N	38,394	0.0993
Total	386,514	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 9 (DA). ALLOCATION OF CUSTOMER ASSISTANCE EXPENSES.

These costs are directly assigned to the Residential Classification.

<u>Service Classification</u>	<u>Allocation Factor</u>
(1)	(3)
<u>Customer Costs</u> Rate R	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 10. ALLOCATION OF DISTRIBUTION OPERATION OTHER EXPENSES AND RENT.

Factors are based on distribution operation expenses other than those being allocated.

Service Classification <hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 5px;"/> (1)	Operation Expenses <hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 5px;"/> (2)	Allocation Factor <hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 5px;"/> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 3,041,606	0.1965
Rate N	1,881,836	0.1216
Rate DS	323,111	0.0209
Rate LFD	480,191	0.0310
Rate XD Firm	279,617	0.0181
Interruptible	568,642	0.0367
<u>Customer Costs</u>		
Rate R	5,629,093	0.3636
Rate N	2,780,372	0.1796
Rate DS	98,799	0.0064
Rate LFD	326,558	0.0211
Rate XD Firm	28,776	0.0019
Interruptible	40,401	0.0026
Total	<u>\$ 15,479,002</u>	<u>1.0000</u>

FACTOR 11. ALLOCATION OF DISTRIBUTION MAINTENANCE OTHER EXPENSES.

Factors are based on distribution maintenance expenses other than those being allocated.

Service Classification <hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 5px;"/> (1)	Maintenance Expenses <hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 5px;"/> (2)	Allocation Factor <hr style="width: 100%; border: none; border-top: 1px solid black; margin-bottom: 5px;"/> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 6,702,697	0.4073
Rate N	4,147,440	0.2520
Rate DS	717,730	0.0436
Rate LFD	1,041,008	0.0633
Rate XD Firm	391,429	0.0238
Interruptible	957,696	0.0582
<u>Customer Costs</u>		
Rate R	1,622,794	0.0984
Rate N	645,101	0.0392
Rate DS	23,877	0.0015
Rate LFD	180,802	0.0110
Rate XD Firm	15,716	0.0010
Interruptible	10,709	0.0007
Total	<u>\$ 16,456,999</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 12. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES.

Factors are based on the allocation of operation and maintenance expenses.

Service Classification (1)	Operation & Maintenance Expenses (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 12,799,346	0.1973
Rate N	6,952,342	0.1072
Rate DS	1,176,498	0.0181
Rate LFD	1,721,434	0.0265
Rate XD Firm	778,530	0.0120
Interruptible	1,751,394	0.0270
<u>Customer Costs</u>		
Rate R	32,064,283	0.4941
Rate N	6,580,846	0.1014
Rate DS	214,099	0.0033
Rate LFD	684,736	0.0106
Rate XD Firm	56,347	0.0009
Interruptible	104,147	0.0016
Total	\$ 64,884,002	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 13. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of total operation and maintenance direct labor expense to service classifications as shown on the following page.

Service Classification (1)	Total Labor Expense (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 6,313,030	0.1817
Rate N	3,747,088	0.1079
Rate DS	638,573	0.0184
Rate LFD	939,499	0.0270
Rate XD Firm	468,679	0.0135
Interruptible	1,011,849	0.0291
<u>Customer Costs</u>		
Rate R	16,437,559	0.4731
Rate N	4,535,978	0.1306
Rate DS	138,727	0.0040
Rate LFD	417,239	0.0120
Rate XD Firm	36,457	0.0010
Interruptible	58,325	0.0017
Total	<u>\$ 34,743,003</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS, MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation excluding the items being allocated, as follows:

Service Classification (1)	Original Cost Less Depreciation (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 319,134,206	0.2594
Rate N	190,874,528	0.1552
Rate DS	31,732,605	0.0258
Rate LFD	46,304,412	0.0376
Rate XD Firm	15,165,501	0.0123
Interruptible	39,300,883	0.0319
<u>Customer Costs</u>		
Rate R	455,139,051	0.3701
Rate N	119,117,959	0.0968
Rate DS	5,281,401	0.0043
Rate LFD	5,124,401	0.0042
Rate XD Firm	511,205	0.0004
Interruptible	2,470,732	0.0020
Total	<u>\$ 1,230,156,884</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 15. ALLOCATION OF RETURN AND TAXES.

Factors are based on the result of allocating the original cost measure of value, as presented on the following page.

Service Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 239,559,432	0.2594
Rate N	143,264,639	0.1552
Rate DS	23,818,075	0.0258
Rate LFD	34,770,057	0.0377
Rate XD Firm	11,392,295	0.0123
Interruptible	29,515,088	0.0320
<u>Customer Costs</u>		
Rate R	341,605,418	0.3699
Rate N	89,423,131	0.0968
Rate DS	3,962,313	0.0043
Rate LFD	3,835,990	0.0042
Rate XD Firm	388,500	0.0004
Interruptible	1,857,203	0.0020
Total	<u>\$ 923,392,141</u>	<u>1.0000</u>

FACTOR 16. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER REVENUES.

Factors are based on the allocated cost of service excluding those items being allocated.

Service Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 60,611,234	0.2191
Rate N	35,174,164	0.1271
Rate DS	5,905,748	0.0213
Rate LFD	8,634,243	0.0312
Rate XD Firm	3,227,351	0.0117
Interruptible	7,895,190	0.0285
<u>Customer Costs</u>		
Rate R	122,222,336	0.4420
Rate N	29,131,508	0.1053
Rate DS	1,130,014	0.0041
Rate LFD	2,003,855	0.0072
Rate XD Firm	176,262	0.0006
Interruptible	530,049	0.0019
Total	<u>\$ 276,641,954</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 17. ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES ASSOCIATED WITH LARGE MAINS.

Factors are based on the allocation of rate base for large and directly assigned mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 155,835,564	0.4547
Rate N	96,399,229	0.2813
Rate DS	16,526,521	0.0482
Rate LFD	36,470,056	0.1064
Rate XD Firm	13,686,419	0.0399
Interruptible	23,834,349	0.0695
 Total	 <u>\$ 342,752,138</u>	 <u>1.0000</u>

FACTOR 18. ALLOCATION OF RATE BASE ASSOCIATED M&R STATION EQUIPMENT.

Factors are based on the composite allocation of all mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 270,215,061	0.4842
Rate N	167,197,382	0.2996
Rate DS	28,993,714	0.0520
Rate LFD	42,305,305	0.0758
Rate XD Firm	13,686,419	0.0245
Interruptible	35,677,106	0.0639
 Total	 <u>\$ 558,074,987</u>	 <u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 19. ALLOCATION OF UNCOLLECTIBLE ACCOUNTS

Factors are based on history of net write-offs by class.

<u>Service Classification</u> (1)	<u>5-Yr. Average of Write-offs</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 6,527,255	0.9186
Rate N	446,108	0.0628
Rate DS	42,855	0.0060
Rate LFD	56,327	0.0079
Rate XD Firm	-	0.0000
Interruptible	33,323	0.0047
 Total	 \$ 7,105,868	 1.0000

FACTOR 20. ALLOCATION OF PENALTY REVENUE

Factors are based on an analysis of penalty revenue, by class.

<u>Service Classification</u> (1)	<u>Penalty Revenue</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 1,756,329	0.5863
Rate N	1,029,704	0.3437
Rate DS	208,436	0.0696
Rate LFD	-	0.0000
Rate XD Firm	-	0.0000
Interruptible	1,200	0.0004
 Total	 \$ 2,995,668	 1.0000

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
<u>Fully Allocated Customer Costs</u>							
Customer Costs	151,985,324	\$ 120,676,213	\$ 28,197,769	\$ 923,694	\$ 2,010,897	\$ 176,751	\$ 529,529
Number of bills	4,651,164	4,177,440	460,728	7,104	5,568	324	3,864
Customer Cost per bill		\$ 28.89	\$ 61.20	\$ 130.02	\$ 361.15	\$ 545.53	\$ 137.04
<u>Direct Customer Costs</u>							
O & M Expenses:							
874 Mains And Services Expenses							
Mains	-	-	-	-	-	-	-
Services	5,224,437	4,510,321	636,461	41,451	32,531	3,673	22,562
876 M & R Station Expenses - Industrial	416,333	-	97,203	-	294,027	25,103	667
878 Meter and House Regulator Expenses	1,948,617	676,443	1,237,500	34,674	-	-	10,383
879 Customer Installations Expenses	1,274,211	442,329	809,208	22,674	-	-	6,789
890 M & R Equip - Industrial	241,612	-	56,410	-	170,634	14,568	387
892 Services	1,632,948	1,409,744	198,932	12,956	10,168	1,148	7,052
893 Meters & House Regulators	613,730	213,050	389,759	10,921	-	-	3,270
901 Supervision	424,661	381,395	42,075	638	510	43	340
902 Meter Reading Expenses	1,000,199	898,297	99,099	1,502	1,201	100	801
903 Customer Records & Coll Expenses	13,670,055	12,277,329	1,354,419	20,522	16,417	1,368	10,945
904 Uncollectible Accounts	3,668,158	3,372,781	217,384	33,666	44,327	-	26,372
905 Miscellaneous Cust Accts Expenses	357,714	321,269	35,442	537	430	36	286
907 Supervision	163,868	147,173	16,236	246	197	16	131
908 Customer Assistance Expenses	1,308,000	1,308,000	-	-	-	-	-
910 Miscellaneous Customer Service Exp.	115,907	104,098	11,484	174	139	12	93
911 Supervision	-	-	-	-	-	-	-
912 Demonstrating and Selling Expenses	3,635,001	3,274,045	360,956	-	-	-	-
913 Advertising Expenses	111,000	99,978	11,022	-	-	-	-
916 Miscellaneous	104,000	93,673	10,327	-	-	-	-
926 Employee Pensions and Benefits	6,996,530 *	5,332,783	1,472,123	45,088	135,264	11,272	19,162
408 Payroll Taxes	2,108,518 *	1,607,121	443,648	13,588	40,764	3,397	5,775
Subtotal O & M Expenses	45,015,499	36,469,829	7,499,688	238,637	746,609	60,736	115,015

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Depreciation Expense							
380 Services	18,361,237	15,851,481	2,236,837	145,680	114,331	12,908	79,294
381 Meters	1,545,565	536,527	981,536	27,502	-	-	8,235
382 Meter Installations	1,570,413	545,152	997,317	27,944	-	-	8,368
383 House Regulators	402,170	139,609	255,405	7,156	-	-	2,143
384 House Regulator Installations	267,570	92,884	169,925	4,761	-	-	1,426
385 Industrial M & R Equipment	128,474	-	29,995	-	90,732	7,747	206
390 Structures and Improvements	686,526 *	555,813	114,065	3,712	11,924	1,012	1,800
391 Office Furniture And Equipment	3,890,321 *	3,403,191	454,232	9,847	21,252	1,799	4,983
Subtotal Depreciation	26,852,276	21,124,657	5,239,312	226,602	238,239	23,466	106,455
Rate Base							
380 Services	431,281,987	372,331,019	52,540,429	3,421,842	2,685,496	303,201	1,862,521
381 Meters	35,929,948	12,472,716	22,817,883	639,349	-	-	191,443
382 Meter Installations	41,818,318	14,516,804	26,557,386	744,128	-	-	222,818
383 House Regulators	5,706,646	1,981,004	3,624,096	101,546	-	-	30,406
384 House Regulator Installations	6,892,219	2,392,564	4,377,013	122,642	-	-	36,723
385 Industrial M & R Equipment	2,572,849	-	600,692	-	1,817,023	155,134	4,123
390 Structures And Improvements	9,991,022 *	8,088,750	1,659,986	54,023	173,529	14,734	26,193
391 Office Furniture and Equipment	49,540,412 *	43,911,710	5,348,988	100,029	165,697	13,988	51,626
Deferred Taxes	(146,163,857) *	(113,693,240)	(29,736,573)	(1,320,943)	(1,290,223)	(122,878)	(614,392)
Customer Deposits	(14,517,000)	(13,075,462)	(1,441,538)	-	-	-	-
Subtotal Rate Base	423,052,544	328,925,865	86,348,362	3,862,616	3,551,522	364,179	1,811,461
Taxes and Return							
@ 12.3%	51,901,631	40,353,826	10,593,532	473,880	435,714	44,679	222,237
Total Direct Customer Costs	\$ 123,769,405	\$ 97,948,312	\$ 23,332,532	\$ 939,119	\$ 1,420,562	\$ 128,881	\$ 443,707
Less: USP and EEC Recovery	9,015,112	8,125,794	393,673	90,181	405,463	-	-
Total	\$ 114,754,294	\$ 89,822,518	\$ 22,938,859	\$ 848,938	\$ 1,015,098	\$ 128,881	\$ 443,707
Number of bills	4,651,164	4,177,440	460,728	7,104	5,568	324	3,864
Direct Costs per bill		\$ 21.50	\$ 49.79	\$ 119.50	\$ 182.31	\$ 397.78	\$ 114.83

* Customer cost portion of account.

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF COSTS RELATED TO LFD AND XD DEMAND CHARGES

<u>Capital Costs</u>	<u>Rate LFD</u>	<u>Rate XD Firm</u>
Depreciation	\$ 1,165,220	\$ 370,654
Taxes Other Than Income	168,467	73,698
Income Taxes	1,427,209	465,641
Income Available for Return	<u>2,845,106</u>	<u>928,244</u>
Total	<u>\$ 5,606,002</u>	<u>\$ 1,838,237</u>
Cost Per Month	\$ 467,167	\$ 153,186
Demand Volume Units per Month	73,215	103,283
Demand Costs per MCF	\$ 6.38	\$ 1.48

UGI UTILITIES, INC. - GAS DIVISION

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
BY SERVICE CLASSIFICATION FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2017
WITHOUT GAS COSTS

Service Classification (1)	Pro Forma Cost of Service		Pro Forma Margin Revenues,				Revenue Increase	
	Amount (2)	Percent (3)	Under Present Rates		Under Proposed Rates		Amount (8)	Percent Increase (9)
			Amount (4)	Percent (5)	Amount (6)	Percent (7)		
Rate R	\$ 184,799,510	67.3%	\$ 108,668,733 *	50.2%	\$ 152,001,162	55.4%	\$ 43,332,429	39.9%
Rate N	65,532,397	23.9%	55,100,277	25.5%	67,596,056	24.6%	12,495,779	22.7%
Rate DS	7,310,922	2.7%	10,602,234	4.9%	11,583,714	4.2%	981,480	9.3%
Rate LFD	12,074,119	4.4%	25,008,284	11.6%	26,762,521	9.7%	1,754,237	7.0%
Rate XD Firm	3,421,615	1.2%	11,785,496	5.5%	11,785,496	4.3%	-	0.0%
Interruptible	<u>1,491,389</u>	<u>0.5%</u>	<u>4,900,000</u>	<u>2.3%</u>	<u>4,900,000</u>	<u>1.8%</u>	<u>-</u>	<u>0.0%</u>
Total	<u>\$ 274,629,952</u>	<u>100.0%</u>	<u>\$ 216,065,024</u>	<u>100.0%</u>	<u>\$ 274,628,950</u>	<u>100.0%</u>	<u>\$ 58,563,925</u>	<u>27.1%</u>
Other Operating Revenues	<u>4,480,000</u>		<u>4,480,000</u>		<u>4,480,000</u>		<u>0</u>	
Total	<u>\$279,109,952</u>		<u>\$220,545,024</u>		<u>\$279,108,950</u>		<u>\$58,563,925</u>	<u>26.6%</u>

* Includes GL.

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 2 . ALLOCATION OF COMPRESSOR STATION FUEL.

Factors are based on the pro forma average daily throughput volumes for each service classification.

<u>Service Classification</u> (1)	<u>Pro Forma Average Daily Throughput Volumes (Mcf)</u> (2)	<u>Allocation Factor 2</u> (3)
<u>Volumetric Costs</u>		
Rate R	62,313	0.1859
Rate N	38,743	0.1155
Rate DS	8,875	0.0265
Rate LFD	39,903	0.1190
Rate XD Firm	47,722	0.1423
Interruptible	<u>137,744</u>	<u>0.4108</u>
 Total	 <u><u>335,300</u></u>	 <u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH LARGE DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 4 (7)=(4)+(6)
	Interruptible	Allocation Factor	Weighted Factor*	Allocation Factor 3A	Weighted Factor	
(1)	(2)	(3)	(4)=(3)x 0.4287	(5)	(6)=(5)x 0.5713	
<u>Volumetric Costs</u>						
Rate R	62,313	0.4159	0.1783	0.5698	0.3255	0.5038
Rate N	38,743	0.2586	0.1108	0.3519	0.2010	0.3118
Rate DS	8,875	0.0592	0.0254	0.0509	0.0291	0.0545
Rate LFD	39,903	0.2663	0.1142	0.0274	0.0157	0.1299
Rate XD Firm Interruptible	-	-	-	-	-	-
Total	149,834	1.0000	0.4287	1.0000	0.5713	1.0000

* The weighting of the factors is based on the percentage of average daily throughput of 335,300 mcf divided by peak day demand of 782,198 mcf. (335,300 / 782,198 = 42.87%)

FACTOR 4A. ALLOCATION OF COSTS ASSOCIATED WITH LOAD DISPATCHING AND M&R STATION EQUIPMENT.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Throughput	Average Daily Throughput		Maximum Day Extra Demand		Allocation Factor (7)=(4)+(6)
		Allocation Factor 2	Weighted Factor	Allocation Factor 3	Weighted Factor	
(1)	(2)	(3)	(4)=(3)x 0.4287	(5)	(6)=(5)x 0.5713	
<u>Volumetric</u>						
Rate R	62,313	0.1859	0.0798	0.5157	0.2945	0.3743
Rate N	38,743	0.1155	0.0494	0.3185	0.1820	0.2314
Rate DS	8,875	0.0265	0.0114	0.0460	0.0263	0.0377
Rate LFD	39,903	0.1190	0.0510	0.0248	0.0142	0.0652
Rate XD-Firm Interruptible	47,722	0.1423	0.0610	0.0950	0.0543	0.1153
	137,744	0.4108	0.1761	-	-	0.1761
Total	335,300	1.0000	0.4287	1.0000	0.5713	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH ACCOUNT 381, METERS.

Factors are based on the cost of meters by class included in Account 381, Meters.

<u>Service Classification</u> (1)	<u>Cost of Meters</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 15,645,801	0.3453
Rate N	28,616,967	0.6317
Rate DS	800,115	0.0177
Rate LFD	-	-
Interruptible	<u>240,109</u>	<u>0.0053</u>
Total	<u>\$ 45,302,992</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6B. ALLOCATION OF COSTS ASSOCIATED WITH INDUSTRIAL MEASURING AND REGULATING EQUIPMENT. ACCOUNT 385.

Factors are based on the cost of M&R equipment by class included in Account 385, Industrial Measuring and Regulating Equipment.

<u>Service Classification</u> (1)	<u>Cost of M&R Equipment</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate N	\$ 1,223,583	0.2331
Rate LFD	3,702,212	0.7051
Rate XD - Firm	316,174	0.0602
Interruptible	<u>8,475</u>	<u>0.0016</u>
Total	<u>\$ 5,250,444</u>	<u>1.0000</u>

FACTOR 6C. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the cost of services by class included in Account 380, Service Lines.

<u>Service Classification</u> (1)	<u>Cost of Services</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 436,652,618	0.8596
Rate N	61,565,658	0.1213
Rate DS	3,993,767	0.0079
Rate LFD	3,130,250	0.0062
Rate XD - Firm	372,098	0.0007
Interruptible	<u>2,172,285</u>	<u>0.0043</u>
Total	<u>\$ 507,886,676</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH SMALL DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification <u>(1)</u>	<u>Average Daily Throughput</u>			<u>Maximum Day Extra Demand</u>		Allocation Factor 5 <u>(7)</u>
	<u>Volumes (Mcf) (2)</u>	<u>Allocation Factor (3)</u>	<u>Weighted Factor (4)=(3)x 0.4287</u>	<u>Allocation Factor 3B (5)</u>	<u>Weighted Factor (6)=(5)x 0.5713</u>	
<u>Volumetric Costs</u>						
Rate R	62,313	0.5303	0.2273	0.5828	0.3330	0.5603
Rate N	38,743	0.3297	0.1413	0.3599	0.2056	0.3469
Rate DS	8,875	0.0755	0.0324	0.0520	0.0297	0.0621
Rate LFD	7,582	0.0645	0.0277	0.0053	0.0030	0.0307
Rate XD - Firm Interruptible (IS)	-	-	-	-	-	-
Total	<u>117,513</u>	<u>1.0000</u>	<u>0.4287</u>	<u>1.0000</u>	<u>0.5713</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH CUSTOMER ACCOUNTING. AND METER READING

Factors are based on the number of customers for each classification, as follows.

Service Classification	Number of Customers	Allocation Factor 7
(1)	(2)	(3)
<u>Customer Costs</u>		
Rate R	348,120	0.8974
Rate N	38,394	0.0990
Rate DS	592	0.0015
Rate LFD	464	0.0012
Rate XD	27	0.0001
Interruptible	322	0.0008
Total	387,919	1.0000

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH SALES EXPENSES.

Factors are based on the number of Rate R and Rate N customers.

Service Classification	Number of Customers	Allocation Factor
(1)	(2)	(3)
<u>Customer Costs</u>		
Rate R	348,120	0.9007
Rate N	38,394	0.0993
Total	386,514	1.0000

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 9 (DA). ALLOCATION OF CUSTOMER ASSISTANCE EXPENSES.

These costs are directly assigned to the Residential Classification.

<u>Service Classification</u>	<u>Allocation Factor</u>
(1)	(3)
<u>Customer Costs</u> Rate R	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 10. ALLOCATION OF DISTRIBUTION OPERATION OTHER EXPENSES AND RENT.

Factors are based on distribution operation expenses other than those being allocated.

<u>Service Classification</u> (1)	<u>Operation Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 3,191,757	0.2062
Rate N	1,975,222	0.1276
Rate DS	344,515	0.0223
Rate LFD	545,042	0.0352
Rate XD	279,617	0.0181
Interruptible	238,851	0.0154
<u>Customer Costs</u>		
Rate R	5,629,093	0.3636
Rate N	2,780,372	0.1796
Rate DS	98,799	0.0064
Rate LFD	326,558	0.0211
Rate XD	28,776	0.0019
Interruptible	40,401	0.0026
Total	<u>\$ 15,479,003</u>	<u>1.0000</u>

FACTOR 11. ALLOCATION OF DISTRIBUTION MAINTENANCE OTHER EXPENSES.

Factors are based on distribution maintenance expenses other than those being allocated.

<u>Service Classification</u> (1)	<u>Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 7,084,872	0.4305
Rate N	4,385,131	0.2665
Rate DS	772,208	0.0469
Rate LFD	1,206,069	0.0733
Rate XD	391,429	0.0238
Interruptible	118,291	0.0072
<u>Customer Costs</u>		
Rate R	1,622,794	0.0984
Rate N	645,101	0.0392
Rate DS	23,877	0.0015
Rate LFD	180,802	0.0110
Rate XD	15,716	0.0010
Interruptible	10,709	0.0007
Total	<u>\$ 16,456,999</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 12. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES.

Factors are based on the allocation of operation and maintenance expenses.

Service Classification <u>(1)</u>	Operation & Maintenance Expenses <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 13,396,755	0.2065
Rate N	7,323,784	0.1129
Rate DS	1,261,740	0.0194
Rate LFD	1,979,495	0.0305
Rate XD	778,530	0.0120
Interruptible	439,241	0.0068
<u>Customer Costs</u>		
Rate R	32,064,283	0.4941
Rate N	6,580,846	0.1014
Rate DS	214,099	0.0033
Rate LFD	684,736	0.0106
Rate XD	56,347	0.0009
Interruptible	104,147	0.0016
Total	<u>\$ 64,884,003</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 13. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of total operation and maintenance direct labor expense to service classifications as shown on the following page.

Service Classification (1)	Total Labor Expense (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 6,627,630	0.1908
Rate N	3,942,463	0.1135
Rate DS	683,366	0.0197
Rate LFD	1,075,661	0.0310
Rate XD	468,679	0.0135
Interruptible	320,922	0.0092
<u>Customer Costs</u>		
Rate R	16,437,559	0.4730
Rate N	4,535,978	0.1306
Rate DS	138,727	0.0040
Rate LFD	417,239	0.0120
Rate XD	36,457	0.0010
Interruptible	58,325	0.0017
Total	<u>\$ 34,743,006</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS, MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation excluding the items being allocated, as follows:

Service Classification (1)	Original Cost Less Depreciation (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 336,561,398	0.2736
Rate N	201,727,996	0.1640
Rate DS	34,222,594	0.0278
Rate LFD	53,928,674	0.0438
Rate XD	15,165,501	0.0123
Interruptible	905,970	0.0007
<u>Customer Costs</u>		
Rate R	455,139,051	0.3701
Rate N	119,117,959	0.0968
Rate DS	5,281,401	0.0043
Rate LFD	5,124,401	0.0042
Rate XD	511,205	0.0004
Interruptible	2,470,732	0.0020
Total	<u>\$ 1,230,156,882</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 15. ALLOCATION OF RETURN AND TAXES.

Factors are based on the result of allocating the original cost measure of value, as presented on the following page.

Service Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 252,630,563	0.2736
Rate N	151,418,578	0.1640
Rate DS	25,694,534	0.0278
Rate LFD	40,492,378	0.0439
Rate XD	11,392,295	0.0123
Interruptible	691,235	0.0007
<u>Customer Costs</u>		
Rate R	341,605,418	0.3700
Rate N	89,423,131	0.0968
Rate DS	3,962,313	0.0043
Rate LFD	3,835,990	0.0042
Rate XD	388,500	0.0004
Interruptible	1,857,203	0.0020
Total	<u>\$ 923,392,138</u>	<u>1.0000</u>

FACTOR 16. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER REVENUES.

Factors are based on the allocated cost of service excluding those items being allocated.

Service Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 63,763,774	0.2305
Rate N	37,129,679	0.1342
Rate DS	6,352,111	0.0230
Rate LFD	10,007,945	0.0362
Rate XD	3,227,351	0.0117
Interruptible	957,150	0.0035
<u>Customer Costs</u>		
Rate R	122,232,253	0.4418
Rate N	29,131,508	0.1053
Rate DS	1,130,014	0.0041
Rate LFD	2,003,855	0.0072
Rate XD	176,262	0.0006
Interruptible	530,049	0.0019
Total	<u>\$ 276,641,951</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Fully Allocated Customer Costs							
Customer Costs	151,994,907	\$ 120,685,796	\$ 28,197,769	\$ 923,694	\$ 2,010,897	\$ 176,751	\$ 529,529
Number of bills	4,651,164	4,177,440	460,728	7,104	5,568	324	3,864
Customer Cost per bill		\$ 28.89	\$ 61.20	\$ 130.02	\$ 361.15	\$ 545.53	\$ 137.04
Direct Customer Costs							
O & M Expenses:							
874 Mains And Services Expenses							
Mains	-	-	-	-	-	-	-
Services	5,224,437	4,510,321	636,461	41,451	32,531	3,673	22,562
876 M & R Station Expenses - Industrial	416,333	-	97,203	-	294,027	25,103	667
878 Meter and House Regulator Expenses	1,948,617	676,443	1,237,500	34,674	-	-	10,383
879 Customer Installations Expenses	1,274,211	442,329	809,208	22,674	-	-	6,789
890 M & R Equip - Industrial	241,612	-	56,410	-	170,634	14,568	387
892 Services	1,632,948	1,409,744	198,932	12,956	10,168	1,148	7,052
893 Meters & House Regulators	613,730	213,050	389,759	10,921	-	-	3,270
901 Supervision	424,661	381,395	42,075	638	510	43	340
902 Meter Reading Expenses	1,000,199	898,297	99,099	1,502	1,201	100	801
903 Customer Records & Coll Expenses	13,670,055	12,277,329	1,354,419	20,522	16,417	1,368	10,945
904 Uncollectible Accounts	3,668,158	3,372,781	217,384	33,666	44,327	-	26,372
905 Miscellaneous Cust Accts Expenses	357,714	321,269	35,442	537	430	36	286
907 Supervision	163,868	147,173	16,236	246	197	16	131
908 Customer Assistance Expenses	1,308,000	1,308,000	-	-	-	-	-
910 Miscellaneous Customer Service Exp.	115,907	104,098	11,484	174	139	12	93
911 Supervision	-	-	-	-	-	-	-
912 Demonstrating and Selling Expenses	3,635,001	3,274,045	360,956	-	-	-	-
913 Advertising Expenses	111,000	99,978	11,022	-	-	-	-
916 Miscellaneous	104,000	93,673	10,327	-	-	-	-
926 Employee Pensions and Benefits	6,995,403 *	5,331,656	1,472,123	45,088	135,264	11,272	19,162
408 Payroll Taxes	2,108,178 *	1,606,781	443,648	13,588	40,764	3,397	5,775
Subtotal O & M Expenses	45,014,032	36,468,362	7,499,688	238,637	746,609	60,736	115,015

UGI UTILITIES, INC. - GAS DIVISION

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Depreciation Expense							
380 Services	18,361,237	15,851,481	2,236,837	145,680	114,331	12,908	79,294
381 Meters	1,545,565	536,527	981,536	27,502	-	-	8,235
382 Meter Installations	1,570,413	545,152	997,317	27,944	-	-	8,368
383 House Regulators	402,170	139,609	255,405	7,156	-	-	2,143
384 House Regulator Installations	267,570	92,884	169,925	4,761	-	-	1,426
385 Industrial M & R Equipment	128,474	-	29,995	-	90,732	7,747	206
390 Structures and Improvements	686,526 *	555,813	114,065	3,712	11,924	1,012	1,800
391 Office Furniture And Equipment	3,890,321 *	3,403,191	454,232	9,847	21,252	1,799	4,983
Subtotal Depreciation	26,852,276	21,124,657	5,239,312	226,602	238,239	23,466	106,455
Rate Base							
380 Services	431,281,987	372,331,019	52,540,429	3,421,842	2,685,496	303,201	1,862,521
381 Meters	35,929,948	12,472,716	22,817,883	639,349	-	-	191,443
382 Meter Installations	41,818,318	14,516,804	26,557,386	744,128	-	-	222,818
383 House Regulators	5,706,646	1,981,004	3,624,096	101,546	-	-	30,406
384 House Regulator Installations	6,892,219	2,392,564	4,377,013	122,642	-	-	36,723
385 Industrial M & R Equipment	2,572,849	-	600,692	-	1,817,023	155,134	4,123
390 Structures And Improvements	9,991,022 *	8,088,750	1,659,986	54,023	173,529	14,734	26,193
391 Office Furniture and Equipment	49,540,412 *	43,911,710	5,348,988	100,029	165,697	13,988	51,626
Deferred Taxes	(146,163,857) *	(113,693,240)	(29,736,573)	(1,320,943)	(1,290,223)	(122,878)	(614,392)
Customer Deposits	(14,517,000)	(13,075,462)	(1,441,538)	-	-	-	-
Subtotal Rate Base	423,052,544	328,925,865	86,348,362	3,862,616	3,551,522	364,179	1,811,461
Taxes and Return							
@ 12.3%	51,901,631	40,353,826	10,593,532	473,880	435,714	44,679	222,237
Total Direct Customer Costs	\$ 123,767,938	\$ 97,946,845	\$ 23,332,532	\$ 939,119	\$ 1,420,562	\$ 128,881	\$ 443,707
Less: USP and EEC Recovery	9,015,112	8,125,794	393,673	90,181	405,463	-	-
Total	\$ 114,752,827	\$ 89,821,051	\$ 22,938,859	\$ 848,938	\$ 1,015,098	\$ 128,881	\$ 443,707
Number of bills	4,651,164	4,177,440	460,728	7,104	5,568	324	3,864
Direct Costs per bill		\$ 21.50	\$ 49.79	\$ 119.50	\$ 182.31	\$ 397.78	\$ 114.83

* Customer cost portion of account.

UGI UTILITIES, INC. - GAS DIVISION

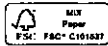
CALCULATION OF COSTS RELATED TO LFD AND XD DEMAND CHARGES

<u>Capital Costs</u>	<u>LFD</u>	<u>XD</u>
Depreciation	\$ 1,356,416	\$ 370,654
Taxes Other Than Income	194,436	73,698
Income Taxes	1,661,922	465,641
Income Available for Return	<u>3,313,001</u>	<u>928,244</u>
Total	<u>\$ 6,525,775</u>	<u>\$ 1,838,237</u>
Cost Per Month	\$ 543,815	\$ 153,186
Demand Volume Units per Month	73,215	103,283
Demand Costs per MCF	\$ 7.43	\$ 1.48

UGI
CORPORATION

P.O. Box 888
Valley Forge, PA 19482

You can obtain news and other information about
UGI Corporation and AmeriGas Partners, L.P. at
www.ugicorp.com or www.amerigas.com

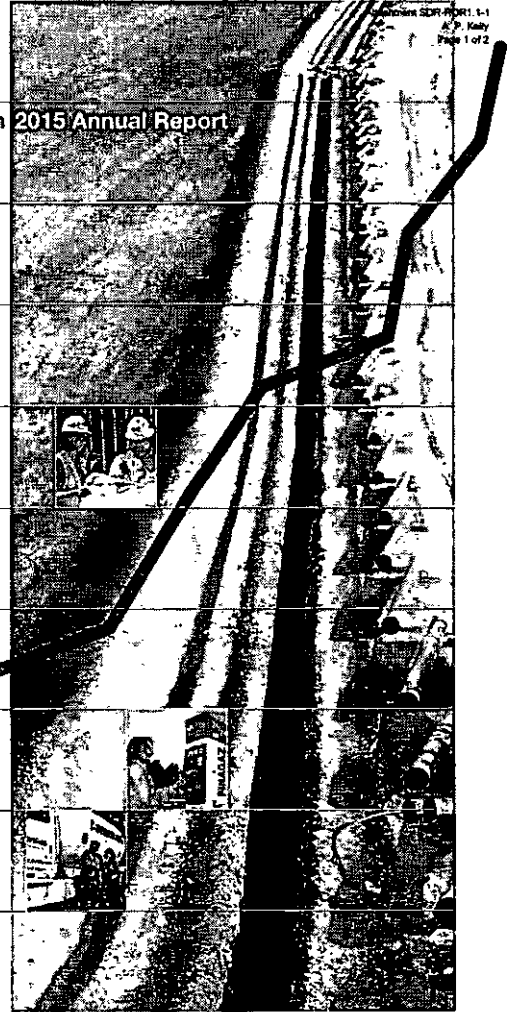


UGI Corporation 2015 Annual Report

Clear Path to Growth

Clear Path to Growth

UGI Corporation 2015 Annual Report

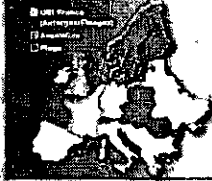




UGI Corporation (NYSE: UGI) is a holding company that, through subsidiaries, distributes and markets energy products and related services. UGI Corporation common stock is a balanced growth and income investment. The Company has paid common dividends for 130 consecutive years and increased its dividend for each of the last 35 years.

AmeriGas

AmeriGas Partners, L.P. (NYSE: APL) is the nation's largest retail propane marketer, serving approximately 2 million customers in all 50 states from approximately 2,000 locations. UGI Corporation, through subsidiaries, is the sole General Partner and owns 25% of the Partnership; the public owns the remaining 74%.



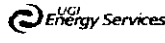
UGI France, Flaga and Amantgas are the wholly owned subsidiaries of UGI that distribute liquefied petroleum gases (LPG) in Europe. UGI France, through Antargaz and Flaga, is the largest LPG distributor in France and Antargaz is the largest LPG distributor in Luxembourg and one of the largest LPG distributors in the Netherlands and Belgium. Flaga is the largest distributor of LPG in Austria, Denmark and Hungary and one of the largest distributors of LPG in Poland, the Czech Republic, Slovakia, Norway and Sweden. Amantgas distributes LPG in the United Kingdom.



UGI Utilities, Inc. operates a regulated natural gas distribution business that serves nearly 617,000 customers in portions of 43 eastern and central Pennsylvania counties and more than 500 customers in portions of one Maryland county, through its distribution system of approximately 12,000 miles of gas mains. UGI Utilities, Inc. also provides regulated electric utility service to approximately 52,000 customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania.



UGI Energy Services sells natural gas, electricity and liquid fuels to approximately 20,000 residential, commercial and industrial customers in ten eastern states and the District of Columbia and conducts UGI's midstream natural gas business through its ownership of underground natural gas storage, gas peaking plants, and pipeline assets in Pennsylvania. UGI Energy Services also owns all or a portion of electric generation assets, primarily in Pennsylvania.



Corporate Information

Annual Meeting
The Annual Meeting of Shareholders will be held at 10:00 a.m. on Thursday, January 25, 2013 at the Marriott Marquis Hotel, 1200 Pennsylvania Avenue, N.W., Washington, D.C. 20004. For more information, please contact Investor Relations at (301) 470-2200.

Investor Services
Investor Services are available through the Investor Relations Department. For more information, please contact Investor Services at (301) 470-2200. For more information, please contact Investor Services at (301) 470-2200.

Dividend Reinvestment and Direct Stock Purchase Plan
The Plan is available to all shareholders of UGI Corporation. For more information, please contact Investor Services at (301) 470-2200.

Corporate Governance
UGI Corporation is committed to high standards of corporate governance. For more information, please contact Investor Services at (301) 470-2200.

Shareholder Proposals
Shareholders are invited to submit proposals for consideration at the Annual Meeting. For more information, please contact Investor Services at (301) 470-2200.

Media, Earnings, Financial Reports and Government Documents
For more information, please contact Investor Services at (301) 470-2200.

UGI Corporation
For more information, please contact Investor Services at (301) 470-2200.

Board of Directors
The Board of Directors consists of the following members: [List of names]

Executive Officers
The Executive Officers of UGI Corporation are: [List of names]

Corporate Officers
The Corporate Officers of UGI Corporation are: [List of names]

Committees
The committees of the Board of Directors are: [List of committees]

Shareholders
For more information, please contact Investor Services at (301) 470-2200.

Investors
For more information, please contact Investor Services at (301) 470-2200.

Employees
For more information, please contact Investor Services at (301) 470-2200.

Customers
For more information, please contact Investor Services at (301) 470-2200.

Suppliers
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Regulators
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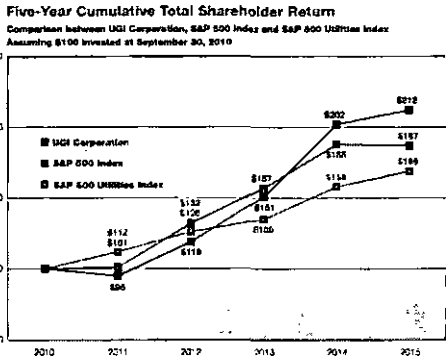
Analysts
For more information, please contact Investor Services at (301) 470-2200.

Media
For more information, please contact Investor Services at (301) 470-2200.

Financial Highlights

Year Ended September 30,	2015	2014	2013
Income Statement Data (in \$ mil.) (all figures per share, U.S.)			
Revenue	\$ 5,891.1	\$ 5,277.3	\$ 7,194.7
Operating income	\$ 854.8	\$ 1,005.8	\$ 801.1
Net income attributable to UGI (GAAP)	\$ 291.0	\$ 337.2	\$ 278.1
Adjusted net income attributable to UGI ⁽¹⁾	\$ 353.0	\$ 353.8	\$ 278.2
Earnings per share - diluted (GAAP)	\$ 1.60	\$ 1.92	\$ 1.60
Adjusted earnings per share (diluted) ⁽²⁾	\$ 2.01	\$ 2.02	\$ 1.81
Business Segment Data (in \$ mil.) (all figures)			
Net income (loss) attributable to UGI (GAAP)			
AmeriGas Propane	\$ 61.0	\$ 83.0	\$ 47.5
UGI International	\$ 52.7	\$ 48.3	\$ 82.7
Gas Utility	\$ 118.8	\$ 118.6	\$ 94.3
Midstream & Marketing	\$ 108.0	\$ 117.8	\$ 52.5
Corporate & Other ⁽³⁾	\$ (97.4)	\$ (10.7)	\$ 1.1
Common Stock Data			
Shares outstanding (millions)	172.4	172.3	171.8
Return on average common equity	10.5%	13.1%	11.8%
Book value per common share	\$ 18.62	\$ 15.44	\$ 14.53
Annualized dividend rate per common share	\$ 0.91	\$ 0.87	\$ 0.75
Market price of common stock			
High	\$ 39.74	\$ 35.60	\$ 28.83
Low	\$ 31.84	\$ 25.25	\$ 20.10
Close	\$ 34.62	\$ 34.09	\$ 26.09

(1) Adjustment in net income attributable to UGI and adjusted earnings per share is due to the effect of adjustments of financial statements and accounting principles generally accepted in the United States of America (GAAP) for a more complete presentation of their non-GAAP measures, why they do not follow GAAP measures of a corporation's performance and are not intended to be a substitute for GAAP. UGI and AmeriGas are not subject to SEC rules regarding non-GAAP financial metrics. See the "Financial Metrics" section of the "Investor Relations" section of our website for more information. (2) Adjusted earnings per share is calculated based on the diluted number of shares outstanding. (3) Includes net income (loss) of \$ (97.4) million for the period ended September 30, 2015.







UGI Corporation 2015 Annual Report

Our Clear Path to Growth

We have a long track record of profitable growth, and our path to accelerating that growth is clearer today than at any other point in our history. We announced several new projects and acquisitions this year and the opportunities in front of us are vast.

Bridging the Infrastructure Gap - The development of new pipeline capacity in the Marcellus Shale coupled with the right of way to build new pipelines to replace old infrastructure has created tremendous opportunity for us to participate in the build-out of that infrastructure.

Expanding and Enhancing our Utility System - The strong demand for natural gas has increased our demand for more residential and commercial customers to connect to our 12,000 miles of gas mains lines. We are utilizing our engineering and construction capabilities to build new pipeline capacity.

Benefits of Scale in LPG - Our natural gas production in the U.S. allows our Natural Acquisitions and Storage Exchange program to work at a lower cost, which in turn allows us to offer a more competitive price to our customers.

Highly Strategic and Accretive Acquisitions - M&A is our DNA. We are proud of our track record of our highly strategic acquisitions with UGI and AmeriGas. It is a key that continues the long-term success and enhances the benefits of scale.

UGI Corporation 2015 Annual Report

To Our Shareholders

Fiscal year 2015 was an exceptional year for UGI on numerous fronts. Strong operational performance, along with colder-than-normal weather in the eastern U.S. and extended volatility of pipeline capacity issues in the Mid-Atlantic region, enabled us to match our 2014 record net income despite less extreme and warmer weather than 2014. Although we faced some challenges this year - America's exceptional storm weather in the western and southwestern U.S. and Europe's filtered through another assembly storm winter - we demonstrated the unique power of our diverse businesses.

Our strong financial performance in fiscal 2015 and progress on our strategic investment programs were well received by our shareholders and the broader investment community. UGI's total return to shareholders during the year was 4.8%, compared to -0.8% for the Standard & Poor's 500 index. Our average annual total return to shareholders over the past 10 years was 9.6%, compared to 6.7% for the Standard & Poor's Utilities Index and 6.8% for the Standard & Poor's 500 Index. Our shareholders benefited from an increase in our dividend of 4.6%, slightly above our targeted increase of 4%.

We were recognized by a number of respected publications and institutions:

- Barron's ranked UGI #78 on the Barron's 500 list of top performing companies.
- Platts named UGI one of the "Top 250 Global Energy Companies", and
- Public Utilities Fortnightly ranked UGI among its "40 Best Energy Companies."

While we were very pleased with the strong financial performance delivered in fiscal 2015, our progress on strategic investments is even more noteworthy. We entered the year with an exceptional portfolio of projects in development and finished the year with an even stronger slate. In light of the strong portfolio of investment opportunities, as well as those we see in the future, we feel that this year's theme of "Clear Path to Growth" captures the opportunities in front of us.

In addition to executing all the activities related to demand growth and new investments, we maintained our focus on our core activities of unit margin management, expense control, working capital management and the delivery of organic growth.

We'd like to comment on a few of our key fiscal 2015 achievements:

- Our Midstream & Marketing team continues to play a major role in the build out of critically needed gas infrastructure in the Marcellus region. We successfully completed several significant

projects, including our Auburn Hill expansion, the Union Dale lateral and the LNG expansion at Toronto, while developing major new midstream projects that position us exceptionally well for future growth.

- Our Gas Utility remains focused on delivering strong customer growth while executing major infrastructure replacement programs. We added approximately 15,000 new residential heating customers during the year and 2,400 new commercial accounts. The progress in the commercial sector was noteworthy, as additions were up about 16%. Utilities also completed several large capital projects in 2015, including a permit to serve a new Panda power generation facility in Lycoming County.

- AmeriGas continues to make very good progress with our cylinder exchange and Natural Accounts programs. Fiscal 2015 was particularly strong for Natural Accounts, as we grew volume by approximately 14%.

- Fiscal 2015 was a milestone year for our international Propane business, as we significantly expanded the scale of our operations with the acquisition of Total's LPG distribution business in France. The deal closed on May 29th and we've been very pleased with our progress over the first several months. This business will be significantly accretive to fiscal 2016 and financial performance will improve as we integrate and align our activities in France over the next 36 to 48 months. We also closed on the acquisition of Total's LPG distribution business in Hungary. While the scale of the business is relatively small, the investment strengthens our position in one of the largest LPG markets in Eastern Europe.

As our business grows and the energy sector becomes increasingly complex, we have maintained our commitment to excel in the most critical activities we undertake, including safety, customer service and operational efficiency. Our teams did an exceptional job serving UGI's customers in 2015, despite the challenges of another cold Mid-Atlantic winter, while executing a range of capital projects that is unparalleled in our history.

As we look ahead, we can clearly see the opportunities that will sustain our long-term growth. The combination of exceptionally strong customer demand and the lag in pipeline capacity additions has accentuated the "infrastructure gap" that has been emerging in the Mid-Atlantic and Northeast regions over the past few years. UGI is working diligently to develop attractive projects that address the critical infrastructure need.

- Our Midstream & Marketing business is executing two major pipeline projects that will deliver critical capacity to the Mid-Atlantic region. Our 35-mile Stribony pipeline in central



Lon R. Greenberg John L. Walsh

Pennsylvania will serve a new 1,100 MW Panda power facility while our 115-mile PermEast project, where we've partnered with five other major companies, will transport low cost Marcellus gas from northeast Pennsylvania to central New Jersey.

In addition to these pipeline projects, we also announced a major expansion of our LNG infrastructure with a liquefaction and storage investment at our site in Monroeville, Pennsylvania. This project will almost double our LNG liquefaction capacity and enable us to serve the increased demand for peaking services in our region.

- Our Gas Utility is also deploying record levels of capital to meet increasing natural gas demand and our infrastructure replacement and betterment program goals. Our total capital expenditures increased by almost 20% in fiscal 2015 and spending will accelerate next year in addition to our infrastructure replacement and organic growth programs. We are also investing in pipeline projects for major customers within our service territory. As an example, we announced a pipeline project to serve Invergy's new 1,480 MW facility in Licking County.

- All of our businesses are benefiting from historically low commodity costs, but those declines are most noteworthy for our LPG units. After a decade of significant increases in costs for propane and butane, new facilities by 50% over the past 12 months. Our teams at AmeriGas and UGI International are seeing product costs that are touching 16 year lows as we approach the winter heating season. As a distributor, we're delighted to be in a position to serve our customers with a lower cost energy solution. Our integrated distribution networks and strong local partnership teams position us well to seize new opportunities in both the U.S. and Europe.

Fiscal 2015 was another year of significant progress for UGI. We delivered a financial performance that equaled the record performance of the prior year while executing the broadest range of strategic investment projects in our history. We're really proud of the collective strength of our diversified businesses and the clear and timely progress on the strategic programs such as our Marcellus infrastructure build-out, that are vital to our future.

As we enter fiscal 2016, our outlook is very positive. We are moving forward with our broad portfolio of new strategic investments and we're busy assessing a range of new opportunities across all of our business units. Our businesses feature enhanced cash flows, strong balance sheets and a full complement of active projects. We have the cash flow and balance sheet strength to support additional new investments and we're committed to building on our long track record of profitable growth. Our path for growth is clearer today than at any point in our long history and we are confident in our ability to deliver profitable growth for our shareholders.

Lon R. Greenberg
Chairman of the Board

John L. Walsh
President and Chief Executive Officer

After more than 35 years of service to UGI Corporation, Lon Greenberg has informed the Board of Directors of his decision to retire as Chairman of UGI, effective as of the Company's Annual Meeting of Shareholders on January 20th, 2016. Throughout his career, Lon demonstrated a passion for achievement and instilled a culture of excellence throughout the organization. He has served as a mentor to two generations of leaders at UGI and AmeriGas and led the Company during a period of unprecedented growth and performance. Under his leadership, the Company experienced remarkable success, and his contributions have been numerous and invaluable. Over the past 20 years, with Lon as our Chairman and CEO, and then as our Non-Executive Chairman, UGI's total shareholder return was over 1,800%. The Company delivered this performance while expanding into Europe, launching our Midstream business and dramatically expanding the scale of AmeriGas and our Utilities businesses. During this period of outstanding success, Lon instilled an environment that held in highest regard the Company's role as a good corporate citizen, emphasizing contributions to our communities, compliance with our regulatory obligations and respect for our employees.

UGI UTILITIES INC

FORM 10-K (Annual Report)

Filed 11/25/15 for the Period Ending 09/30/15

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SIC Code 4932 - Gas and Other Services Combined
Fiscal Year 09/30

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Commission file number 1-1398

UGI UTILITIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania 23-1174060
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

P. O. Box 12677, 2525 N. 12th Street, Suite 360
Reading, PA 19612

(Address of Principal Executive Offices) (Zip Code)

(610) 796-3400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

At November 17, 2015, there were 26,781,785 shares of UGI Utilities, Inc. Common Stock, par value \$2.25 per share, outstanding, all of which were held, beneficially and of record, by UGI Corporation.

The Registrant meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this Form 10-K with the reduced disclosure format permitted by that General Instruction.

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FORWARD-LOOKING INFORMATION

Information contained in this Annual Report on Form 10-K may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements use forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," or other similar words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the following important factors which could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) adverse weather conditions resulting in reduced demand; (2) price volatility and availability of oil, electricity and natural gas and the capacity to transport them to market areas; (3) changes in laws and regulations, including safety, tax, consumer protection and accounting matters; (4) inability to timely recover costs through utility rate proceedings; (5) the impact of pending and future legal proceedings; (6) competitive pressures from the same and alternative energy sources; (7) liability for environmental claims; (8) customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (9) adverse labor relations; (10) large customer, counterparty or supplier defaults; (11) increased uncollectible accounts expense; (12) liability for personal injury and property damage arising from explosions and other catastrophic events, including acts of terrorism, resulting from operating hazards and risks incidental to generating and distributing electricity and transporting, storing and distributing natural gas, including liability in excess of insurance coverage; (13) political, regulatory and economic conditions in the United States; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; and (15) changes in commodity market prices resulting in significantly higher cash collateral requirements.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

PART I:**ITEMS 1. AND 2. BUSINESS AND PROPERTIES****GENERAL**

UGI Utilities, Inc. ("UGI Utilities" or the "Company") is a public utility company that owns and operates three natural gas distribution utilities in Pennsylvania and portions of one Maryland county and an electric utility in Pennsylvania. We are a wholly owned subsidiary of UGI Corporation ("UGI").

The Gas Utility segment ("Gas Utility") consists of the regulated natural gas distribution businesses of UGI Utilities, UGI Penn Natural Gas, Inc. ("PNG"), and UGI Central Penn Gas, Inc. ("CPG"). Gas Utility serves nearly 617,000 customers in eastern and central Pennsylvania and more than five hundred customers in portions of one Maryland county. UGI Utilities' natural gas distribution utility is referred to as "UGI Gas". The Electric Utility segment ("Electric Utility") consists of the regulated electric distribution business of UGI Utilities, serving approximately 62,000 customers in northeastern Pennsylvania. Gas Utility is regulated by the Pennsylvania Public Utility Commission ("PUC") and, with respect to its several hundred customers in Maryland, the Maryland Public Service Commission. Electric Utility is regulated by the PUC.

UGI Utilities was incorporated in Pennsylvania in 1925. Our executive offices are located at P.O. Box 12677, 2525 N. 12th Street, Suite 360, Reading, Pennsylvania 19612, and our telephone number is (610) 796-3400. In this report, the terms "Company" and "UGI Utilities," as well as the terms, "our," "we," and "its," are sometimes used to refer to UGI Utilities, Inc. or, collectively UGI Utilities, Inc. and its consolidated subsidiaries. The terms "Fiscal 2015," "Fiscal 2014" and "Fiscal 2013" refer to the fiscal years ended September 30, 2015, September 30, 2014 and September 30, 2013, respectively.

GAS UTILITY***Service Area; Revenue Analysis***

Gas Utility provides natural gas distribution services to nearly 617,000 customers in certificated portions of 46 eastern and central Pennsylvania counties through its distribution system. Contemporary materials, such as plastic or coated steel, comprise approximately 88% of Gas Utility's 12,000 miles of gas mains, with bare steel pipe comprising approximately 9% and cast iron pipe comprising approximately 3% of Gas Utility's gas mains. In accordance with Gas Utility's agreement with the PUC, Gas Utility will replace the cast iron portion of its gas mains by March of 2027 and the bare steel portion by September 2041. The service area includes the cities of Allentown, Bethlehem, Easton, Harrisburg, Hazleton, Lancaster, Lebanon, Reading, Scranton, Wilkes-Barre, Lock Haven, Pittston, Pottsville, and Williamsport, Pennsylvania, and the boroughs of Honesdale and Milford, Pennsylvania. Located in Gas Utility's service area are major production centers for basic industries such as specialty metals, aluminum, glass, and paper product manufacturing. Gas Utility also distributes natural gas to more than 500 customers in portions of one Maryland county.

System throughput (the total volume of gas sold to or transported for customers within Gas Utility's distribution system) for Fiscal 2015 was approximately 213.5 billion cubic feet ("bcf"). System sales of gas accounted for approximately 31% of system throughput, while gas transported for residential, commercial and industrial customers who bought their gas from others accounted for approximately 69% of system throughput.

Sources of Supply and Pipeline Capacity

Gas Utility is permitted to recover prudently incurred costs of natural gas it sells to its customers. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures" and Note 4 to Consolidated Financial Statements. Gas Utility meets its service requirements by utilizing a diverse mix of natural gas purchase contracts with marketers and producers, along with storage and transportation service contracts. These arrangements enable Gas Utility to purchase gas from Gulf Coast, Mid-Continent, Appalachian and Marcellus sources. For the transportation and storage function, Gas Utility has long-term agreements with a number of pipeline companies, including Texas Eastern Transmission, LP, Columbia Gas Transmission, LLC, Transcontinental Gas Pipeline Company, LLC, Dominion Transmission, Inc., ANR Pipeline Company, and Tennessee Gas Pipeline Company, L.L.C.

Gas Supply Contracts

During Fiscal 2015, Gas Utility purchased approximately 82.8 bcf of natural gas for sale to core-market customers (principally comprised of firm- residential, commercial and industrial customers that purchase their gas from Gas Utility ("retail core-market")) and off-system sales customers. Approximately 83% of the volumes purchased were supplied under agreements with 10 suppliers. The remaining 17% of gas purchased by Gas Utility was supplied by approximately 24 producers and marketers. Gas supply contracts for Gas Utility are generally no longer than 12 months. Gas Utility also has long-term contracts with suppliers for natural gas peaking supply during the months of November through March.

Seasonality

Because many of its customers use gas for heating purposes, Gas Utility's sales are seasonal. During Fiscal 2015, approximately 65% of Gas Utility's sales volume was supplied, and more than 90% of Gas Utility's operating income was earned, during the peak heating season from October through March.

Competition

Natural gas is a fuel that competes with electricity and oil and, to a lesser extent, with propane and coal. Competition among these fuels is primarily a function of their comparative price and the relative cost and efficiency of the equipment. Natural gas generally benefits from a competitive price advantage over oil, electricity, and propane, although the price gap between natural gas and oil narrowed in Fiscal 2015 due to a reduction in the price of oil. Fuel oil dealers compete for customers in all categories, including industrial customers. Gas Utility responds to this competition with marketing and sales efforts designed to retain, expand, and grow its customer base.

In substantially all of its service territories, Gas Utility is the only regulated gas distribution utility having the right, granted by the PUC or by law, to provide gas distribution services. Larger commercial and industrial customers have the right to purchase gas supplies from entities other than natural gas distribution utility companies. As a result of Pennsylvania's Natural Gas Choice and Competition Act, effective July 1, 1999, all of Gas Utility's customers, including core-market customers, have been afforded this opportunity.

A number of Gas Utility's commercial and industrial customers have the ability to switch to an alternate fuel at any time and, therefore, are served on an interruptible basis under rates that are competitively priced with respect to the alternate fuel. Margin from these customers, therefore, is affected by the difference or "spread" between the customers' delivered cost of gas and the customers' delivered cost of the alternate fuel, the frequency and duration of interruptions, and alternative firm service options. See "Gas Utility and Electric Utility Regulation and Rates - Gas Utility Rates."

Approximately 18% of Gas Utility's annual throughput volume for commercial and industrial customers includes non-interruptible customers with locations that afford them the opportunity of seeking transportation service directly from interstate pipelines, thereby bypassing Gas Utility. In addition, approximately 25% of Gas Utility's annual throughput volume for commercial and industrial customers is from customers who are served under interruptible rates and are also in a location near an interstate pipeline. Gas Utility has 25 such customers, 24 of which have transportation contracts extending beyond fiscal year 2016. The majority of these customers are served under transportation contracts having 3 to 20 year terms and all are among the largest customers for Gas Utility in terms of annual volumes. No single customer represents, or is anticipated to represent, more than 5% of Gas Utility's total revenues.

Outlook for Gas Service and Supply

Gas Utility anticipates having adequate pipeline capacity, peaking services, and other sources of supply available to it to meet the full requirements of all firm customers on its system through fiscal year 2016. Supply mix is diversified, market priced, and delivered pursuant to a number of long-term and short-term primary firm transportation and storage arrangements, including transportation contracts held by some of Gas Utility's larger customers.

During Fiscal 2015, Gas Utility supplied transportation service to five major co-generation installations and four electric generation facilities. Gas Utility continues to seek new residential, commercial, and industrial customers for both firm and interruptible service. In Fiscal 2015, Gas Utility connected nearly 2,400 new commercial and industrial customers. In the residential market sector, Gas Utility connected approximately 15,000 residential heating customers during Fiscal 2015. Over 10,000 of these customers converted to natural gas heating from other energy sources, mainly oil and electricity. New home construction customers and existing non-heating gas customers who added gas heating systems to replace other energy sources primarily accounted for the other residential heating connections in Fiscal 2015.

UGI Utilities continues to monitor and participate, where appropriate, in rulemaking and individual rate and tariff proceedings before the Federal Energy Regulatory Commission ("FERC") affecting the rates and the terms and conditions under which Gas Utility transports and stores natural gas. Among these proceedings are those arising out of certain FERC orders and/or pipeline filings that relate to (i) the pricing of pipeline services in a competitive energy marketplace; (ii) the flexibility of the terms and conditions of pipeline service tariffs and contracts; and (iii) pipelines' requests to increase their base rates, or change the terms and conditions of their storage and transportation services.

UGI Utilities' objective in negotiations with interstate pipeline and natural gas suppliers, and in proceedings before regulatory agencies, is to assure availability of supply, transportation, and storage alternatives to serve market requirements at the lowest cost possible, taking into account the need for security with guaranteed deliverability and reliability of supply. Consistent with that objective, UGI Utilities negotiates the terms of firm transportation capacity on all pipelines serving it, arranges for appropriate storage and peak-shaving resources, negotiates with producers for competitively priced gas purchases and aggressively participates in regulatory proceedings related to transportation rights and costs of service.

ELECTRIC UTILITY

Service Area; Sales Analysis

Electric Utility supplies electric service to approximately 62,000 customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania through a system consisting of over 2,200 miles of transmission and distribution lines and 13 substations. For Fiscal 2015, approximately 57% of sales volume came from residential customers, 32% from commercial customers, and 11% from industrial and other customers.

Sources of Supply

Electric Utility is permitted to recover prudently incurred electricity costs, including costs to obtain supply to meet its customers' energy requirements, pursuant to a supply plan filed and approved by the PUC. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures" and Note 4 to Consolidated Financial Statements. Electric Utility distributes electricity that it purchases from wholesale markets and electricity that customers purchase from other suppliers. During Fiscal 2015, seven retail electric generation suppliers provided energy for customers representing approximately 24% of Electric Utility's sales volume. See "Gas Utility and Electric Utility Regulation and Rates - Electric Utility Rates."

Competition

As a result of the Electricity Generation Customer Choice and Competition Act ("ECC Act"), all Pennsylvania retail electric customers have the ability to choose their retail electric generation supplier. Under the ECC Act and Act 129 of 2008, which revised the default service requirements contained in Chapter 28 of the Public Utility Code, Electric Utility remains the "default service" provider for its customers who do not choose an alternate retail electric generation supplier. In Fiscal 2015, Electric Utility served nearly all of the electric customers within its service territory and is the only regulated electric utility having the right, granted by the PUC or by law, to distribute electricity in its service territory. As an energy source, electricity competes with natural gas, oil, propane, and other heating fuels for residential heating purposes.

The terms and conditions under which Electric Utility provides default service, and rules governing the rates that may be charged for such service, have been established in the Default Service ("DS") rate plans approved by the PUC. Consistent with the terms of the DS rate plans, default service rates are designed to recover all reasonable and prudent costs incurred in providing electricity to default service customers. See "Gas Utility and Electric Utility Regulation and Rates - Electric Utility Rates."

GAS UTILITY AND ELECTRIC UTILITY REGULATION AND RATES

Pennsylvania Public Utility Commission Jurisdiction

UGI Utilities' gas and electric utility operations are subject to regulation by the PUC as to rates, terms and conditions of service, accounting matters, issuance of securities, contracts and other arrangements with affiliated entities, and various other matters. There are primarily two types of rates that UGI Utilities may charge customers for gas and electric service: (i) rates designed to recover purchased gas costs ("PGCs") and electric default service costs; and (ii) rates designed to recover costs other than PGCs and electric default service costs. Rates designed to recover PGCs and electric default service costs are reviewed in PGC and electric default service rate proceedings. Rates designed to recover costs other than PGCs and electric default service costs are primarily established in general base rate proceedings.

Gas Utility Rates

The gas service tariffs for UGI Gas, PNG, and CPG contain PGC rates applicable to firm retail rate schedules. These PGC rates permit recovery of substantially all of the prudently incurred costs of natural gas that UGI Gas, PNG, and CPG sell to their customers. PGC rates are reviewed and approved annually by the PUC. UGI Gas, PNG, and CPG may request quarterly or, under certain conditions, monthly adjustments to reflect the actual cost of gas. Quarterly adjustments become effective on one day's notice to the PUC and are subject to review during the next annual PGC filing. Each proposed annual PGC rate is required to be filed with the PUC six months prior to its effective date. During this period, the PUC holds hearings to determine whether the proposed rate reflects a least-cost fuel procurement policy consistent with the obligation to provide safe, adequate and reliable service. After completion of these hearings, the PUC issues an order permitting the collection of gas costs at levels that meet such standard. The PGC mechanism also provides for an annual reconciliation.

UGI Gas has two PGC rates: (i) applicable to small, firm, retail core-market customers consisting of the residential and small commercial and industrial classes; and (ii) applicable to firm, high-load factor, customers served on three separate rates. PNG and CPG each have one PGC rate applicable to all customers. Base rates for each of UGI Gas, PNG, and CPG were last established in 1995, 2009, and 2011, respectively.

On February 20, 2014, the PUC entered an order approving a Growth Extension Tariff ("GET Gas") program under which UGI Gas, PNG, and CPG may invest up to \$5 million per year for five years, or \$75 million in the aggregate for all three utilities, to extend natural gas utility pipelines to provide service to unserved and underserved areas within their respective territories. Under the GET Gas program, customers utilizing the extended pipeline to receive natural gas will pay a monthly surcharge over a 10-year period to cover the cost of the extension. Gas Utility began connecting customers under the GET Gas program in October 2014.

In February 2012, Act 11 of 2012 ("Act 11") became effective. Among other things, Act 11 authorized the PUC to permit electric and gas distribution companies, between base rate cases and subject to certain conditions, to recover reasonable and prudent costs incurred to repair, improve, or replace eligible property through a Distribution System Improvement Charge ("DSIC") assessed to customers. DSICs are subject to quarterly adjustment, are capped at five percent of total customer charges absent a PUC-granted exception, may only be sought if a base rate case has been filed within the last five years, and are subject to certain earnings tests. In addition, Act 11 requires affected utilities to obtain approval of long-term infrastructure improvement plans ("LTIIIP") from the PUC. Act 11 also authorized electric and gas distribution companies to utilize a fully forecasted future test year when establishing rates in base rate cases before the PUC.

The PUC approved LTIIIPs for UGI Gas in July 2014, and for PNG and CPG in September 2014. The PUC also approved DSIC mechanisms for PNG and CPG in September 2014 and July 2015, respectively; UGI Gas was not eligible to request a DSIC because it has not filed a base rate case within the last five years. PNG first began collecting revenues under its DSIC in April 2015. CPG has not yet qualified to begin collecting revenues under its DSIC.

Electric Transmission and Wholesale Power Sale Rates

FERC has jurisdiction over the rates and terms and conditions of service of electric transmission facilities used for wholesale or retail choice transactions. Electric Utility owns electric transmission facilities that are within the control area of the PJM Interconnection, LLC ("PJM") and are dispatched in accordance with a FERC-approved open access tariff and associated agreements administered by PJM. PJM is a regional transmission organization that regulates and coordinates generation supply and the wholesale delivery of electricity. Electric Utility receives certain revenues collected by PJM, determined under a formula rate schedule that is adjusted in June of each year to reflect annual changes in Electric Utility's electric transmission revenue requirements, when its transmission facilities are used by third parties.

FERC has jurisdiction over the rates and terms and conditions of service of wholesale sales of electric capacity and energy. Electric Utility has a tariff on file with FERC pursuant to which it may make power sales to wholesale customers at market-based rates.

Electric Utility Rates

Electric Utility is permitted to recover prudently incurred electricity costs, including costs to obtain supply to meet its customers' energy requirements, pursuant to a supply plan filed with the PUC. Electric Utility's operations are subject to regulation by the PUC as to rates, terms and conditions of service, accounting matters, issuance of securities, contracts and other arrangements with affiliated entities, and various other matters. The most recent general base rate increase for Electric Utility became effective in 1996. PUC default service regulations became applicable to Electric Utility's provision of default service effective January 1,

2010 and Electric Utility, consistent with these regulations, has received PUC approval through May 31, 2017 of (i) default service tariff rules, (ii) a reconcilable default service cost rate recovery mechanism to recover the cost of acquiring default service supplies, (iii) a plan for meeting the post-2009 requirements of the Alternative Energy Portfolio Standards Act ("AEPS Act"), which requires Electric Utility to directly or indirectly acquire certain percentages of its supplies from designated alternative energy sources, and (iv) a reconcilable AEPS Act cost recovery rate mechanism to recover the costs of complying with AEPS Act requirements applicable to default service supplies for service rendered through May 31, 2017. Under these rules, default service rates for most customers are adjusted quarterly.

FERC Market Manipulation Rules and Other FERC Enforcement and Regulatory Powers

UGI Utilities is subject to Section 4A of the Natural Gas Act, which prohibits the use or employment of any manipulative or deceptive devices or contrivances in connection with the purchase or sale of natural gas or natural gas transportation subject to the jurisdiction of FERC, and FERC regulations that are designed to promote the transparency, efficiency, and integrity of gas markets. UGI Utilities is also subject to Section 222 of the Federal Power Act which prohibits the use or employment of any manipulative or deceptive devices or contrivances in connection with the purchase or sale of electric energy or transmission service subject to the jurisdiction of FERC, and FERC regulations that are designed to promote the transparency, efficiency, and integrity of electric markets. Under provisions of the Energy Policy Act of 2005 ("EPACT 2005"), Electric Utility is subject to certain electric reliability standards established by FERC and administered by an Electric Reliability Organization ("ERO"). Electric Utility anticipates that substantially all the costs of complying with the ERO standards will be recoverable through its PJM formula electric transmission rate schedule.

EPACT 2005 also granted FERC authority to impose substantial civil penalties for the violation of any regulations, orders, or provisions under the Federal Power Act and Natural Gas Act, and clarified FERC's authority over certain utility or holding company mergers or acquisitions of electric utilities or electric transmitting utility property valued at \$10 million or more.

State Tax Surcharge Clauses

UGI Utilities' gas and electric service tariffs contain state tax surcharge clauses. The surcharges are recomputed whenever any of the tax rates included in their calculation are changed. These clauses protect UGI Utilities from the effects of increases in most of the Pennsylvania taxes to which it is subject.

Utility Franchises

UGI Utilities holds a certificate of public convenience issued by the PUC and certain "grandfather rights" predating the adoption of the Pennsylvania Public Utility Code and its predecessor statutes, which it believes are adequate to authorize it to carry on its business in substantially all of the territories to which it now renders gas or electric service. Under applicable Pennsylvania law, UGI Utilities has certain rights of eminent domain as well as the right to maintain its facilities in streets and highways in its territories.

Other Government Regulation

In addition to regulation by the PUC and FERC, the gas and electric utility operations of UGI Utilities are subject to various federal, state and local laws governing environmental matters, occupational health and safety, pipeline safety and other matters. UGI Utilities is subject to the requirements of the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and comparable state statutes with respect to the release of hazardous substances on property owned or operated by UGI Utilities. See Note 12 to Consolidated Financial Statements.

Employees

At September 30, 2015, UGI Utilities had approximately 1,520 employees.

BUSINESS SEGMENT INFORMATION

The table stating the amounts of revenues, operating income and identifiable assets attributable to UGI Utilities' operating segments for the 2015, 2014 and 2013 fiscal years appears in Note 16 to Consolidated Financial Statements included in this Report and is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Decreases in the demand for natural gas and electricity because of warmer-than-normal heating season weather could adversely affect our results of operations, financial condition and cash flows because our rate structure does not contain weather normalization provisions.

Because many of our customers rely on natural gas or electricity to heat their homes and businesses, our results of operations are adversely affected by warmer-than-normal heating season weather. Weather conditions have a significant impact on the demand for natural gas and electricity for heating purposes. Accordingly, demand for natural gas and electricity used for heating purposes is generally at its highest during the peak heating season of October through March and is directly affected by the severity of the winter weather. Our rate structures do not contain weather normalization provisions to compensate for warmer-than-normal weather conditions, and we have historically sold less natural gas and electricity when weather conditions are milder and, consequently, earned less income. As a result, warmer-than-normal heating season weather could reduce our net income, harm our financial condition and adversely affect our cash flows.

Energy efficiency and technology advances, as well as price induced customer conservation, may result in reduced demand for our energy products and services.

The trend toward increased conservation and technological advances, including installation of improved insulation and the development of more efficient furnaces and other heating devices, may reduce the demand for energy products. Prices for natural gas are subject to volatile fluctuations in response to changes in supply and other market conditions. During periods of high energy commodity costs, our prices generally increase which may lead to customer conservation. A reduction in demand could lower our revenues, and, therefore, lower our net income and adversely affect our cash flows. State and/or federal regulation may require mandatory conservation measures which would reduce the demand for our energy products. We cannot predict the materiality of the effect of future conservation measures or the effect that any technological advances in heating, conservation, energy generation or other devices might have on our operations.

Volatility in credit and capital markets may restrict our ability to grow, increase the likelihood of defaults by our customers and counterparties and adversely affect our operating results.

The volatility in credit and capital markets may create additional risks to our business in the future. We are exposed to financial market risk (including refinancing risk) resulting from, among other things, changes in interest rates and conditions in the credit and capital markets. Developments in the credit markets during the past few years increase our possible exposure to the liquidity, default and credit risks of our suppliers, counterparties associated with derivative financial instruments and our customers. Although we believe that current financial market conditions, if they were to continue for the foreseeable future, will not have a significant impact on our ability to fund our existing operations, such market conditions could restrict our ability to grow, limit the scope of major capital projects if access to credit and capital markets is limited, or adversely affect our operating results.

Economic recession, volatility in the stock market and the low interest rate environment may negatively impact our pension liability.

Economic recession, volatility in the stock market and the low interest rate environment have had a significant impact on our pension liability and funded status. Declines in the stock or bond market and valuation of stocks or bonds, combined with continued low interest rates, could further impact our pension liability and funded status and increase the amount of required contributions to our pension plans.

Changes in commodity market prices may have a significant negative effect on our liquidity.

Depending on the terms of our contracts with suppliers as well as our use of financial instruments including natural gas futures and option contracts to reduce volatility in the cost of natural gas we purchase, changes in the market price of electricity and natural gas could create payment obligations for the Company and expose us to significant liquidity risks.

Our transmission and distribution systems may not operate as planned, which may increase our expenses or decrease our revenues and, thus, have an adverse effect on our financial results.

Our ability to manage operational risk with respect to our transmission and distribution systems is critical to our financial results. Our business also faces several risks, including the breakdown or failure of or damage to equipment or processes (especially due to severe weather or natural disasters), accidents and other factors. Operation of our transmission and distribution systems below our expectations may result in lost revenues or increased expenses, including higher maintenance costs.

Our need to comply with, and respond to industry-wide changes resulting from, comprehensive, complex, and sometimes unpredictable government regulations, including regulatory initiatives aimed at increasing competition within our industry, may increase our costs and limit our revenue growth, which may adversely affect our operating results.

There are many governmental regulations that have an impact on our businesses. Existing statutes and regulations may be revised or reinterpreted and new laws and regulations may be adopted or become applicable to the Company that may affect our businesses in ways that we cannot predict.

Moreover, we may be unable to timely respond to changes within the energy and utility sectors that may result from regulatory initiatives to further increase competition within our industry. Such regulatory initiatives may create opportunities for additional competitors to enter our markets and, as a result, we may be unable to maintain our revenues or continue to pursue our current business strategy.

Regulators may not allow timely recovery of costs for us in the future, which may adversely affect our results of operations.

Our Gas Utility and Electric Utility distribution operations are subject to regulation by the PUC. The PUC, among other things, approves the rates that we may charge to our utility customers, thus impacting the returns that we may earn on the assets that are dedicated to those operations. We expect that UGI Utilities and its subsidiaries will periodically file requests with the PUC to increase base rates that they charge customers. If we are required in a rate proceeding to reduce the rates we charge our utility customers, or if we are unable to obtain approval for timely rate increases from the PUC, particularly when necessary to cover increased costs, our revenue growth will be limited and earnings may decrease.

We are subject to operating and litigation risks that may not be covered by insurance.

Our business operations are subject to all of the operating hazards and risks normally incidental to the handling, storage and distribution of combustible products, such as natural gas. These risks could result in substantial losses due to personal injury and/or loss of life, and severe damage to and destruction of property and equipment arising from explosions and other catastrophic events, including acts of terrorism. As a result, we are sometimes a defendant in legal proceedings and litigation arising in the ordinary course of business. There can be no assurance that our insurance will be adequate to protect us from all material expenses related to pending and future claims or that such levels of insurance will be available in the future at economical prices.

The risk of terrorism may adversely affect the economy and the price and availability of natural gas.

Terrorist attacks may adversely impact the price and availability of natural gas as well as our results of operations, our ability to raise capital, and our future growth. The impact that the foregoing may have on our industry in general, and on us in particular, is not known at this time. An act of terror could result in disruptions of natural gas supplies and markets, cause price volatility in the cost of natural gas, and our infrastructure facilities could be direct or indirect targets. A lower level of economic activity could result in a decline in energy consumption, which could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism could also affect our ability to raise capital.

If we are unable to protect our information technology systems against service interruption, misappropriation of data, or breaches of security resulting from cyber security attacks or other events, our operations could be disrupted and our business and reputation may suffer.

In the ordinary course of business, we rely on information technology systems, including the Internet and third-party hosted services, to support a variety of business processes and activities and to store sensitive data, including (i) intellectual property, (ii) our proprietary business information and that of our suppliers and business partners, (iii) personally identifiable information of our customers and employees, and (iv) data with respect to invoicing and the collection of payments, accounting, procurement, and supply chain activities. In addition, we rely on our information technology systems to process financial information and results of operations for internal reporting purposes and to comply with financial reporting, legal, and tax requirements. Despite our security measures, our information technology systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, sabotage, or other disruptions. A loss of our information technology systems, or temporary interruptions in the operation of our information technology systems, misappropriation of data, and breaches of security could have a material adverse effect on our business, financial condition, results of operations, and reputation. In addition, a cyber security attack could provide a cyber intruder with the ability to control or alter our pipeline operations. Such an act could result in critical pipeline failures.

In response to natural gas explosions in the United States, regulators may adopt new laws or reinterpret existing laws and regulations relating to the replacement of cast iron and bare steel natural gas pipelines which may adversely affect our results of operations and cash flows.

New federal or state laws may be adopted, or state and/or federal regulatory agencies, such as the PUC and United States Department of Transportation, may reinterpret existing laws and regulations relating to the timing of the replacement of cast iron and bare steel natural gas pipelines by all natural gas distribution and transmission companies under their respective jurisdictions. If the Company is required to comply with new or changed laws and regulations or the Company is not permitted to charge increased rates to recover a mandated increase in our costs, our cash flows and earnings may decrease.

Our operations, capital expenditures and financial results may be affected by regulatory changes and/or market responses to global climate change.

There continues to be concern, both nationally and internationally, about climate change and the contribution of greenhouse gas ("GHG") emissions, most notably carbon dioxide, to global warming. In addition to carbon dioxide, greenhouse gases include, among others, methane, a component of natural gas. While some states have adopted laws and regulations regulating the emission of GHGs for some industry sectors, there is currently no federal or regional legislation mandating the reduction of GHG emissions in the United States. Although Congress has not enacted federal climate change legislation, the Environmental Protection Agency ("EPA") has begun adopting and implementing regulations to restrict emissions of GHGs from motor vehicles and certain large stationary sources, and to require reporting of GHG emissions by certain regulated facilities on an annual basis. Increased regulation of GHG emissions could impose significant additional costs on us, our suppliers, and our customers. In September 2009, the EPA issued a final rule establishing a system for mandatory reporting of GHG emissions. In November 2010, the EPA expanded the reach of its GHG reporting requirements to include the petroleum and natural gas industries. Petroleum and natural gas facilities subject to the rule, which include facilities of our natural gas distribution business, were required to begin emissions monitoring in January 2011 and to submit detailed annual reports beginning in March 2012. The rule does not require affected facilities to implement GHG emission controls or reductions. However, in August 2015, the EPA finalized the Clean Power Plan rule, which provides standards and guidelines for reducing existing power plants' GHG emissions and related pollutants by 2030. Under the Clean Power Plan's standards and guidelines, existing power plants will be required to reduce emissions through a rate-based or a mass-based approach; states will begin submitting their reduction plans to the EPA in September 2016. The impact of such legislation and regulations will depend on a number of factors, including (i) what industry sectors would be impacted, (ii) the timing of required compliance, (iii) the overall GHG emissions cap level, (iv) the allocation of emission allowances to specific sources and (v) the costs and opportunities associated with compliance. At this time, we cannot predict the effect that climate change regulation may have on our business, financial condition or results of operations in the future.

Remediation costs resulting from liability from contamination claims could reduce our net income.

We have received claims from third parties that allege that we are responsible for costs to clean up properties where we or our former subsidiaries operated a manufactured gas plant or conducted other operations. Costs we incur at sites outside of Pennsylvania cannot be recovered in future UGI Utilities' rate proceedings, and insurance may not cover all or even part of these costs. Our actual costs related to these sites may exceed our current estimates due to factors beyond our control, such as:

- the discovery of presently unknown conditions;
- changes in environmental laws and regulations;
- judicial rejection of our legal defenses to the third-party claims; or
- the insolvency of other responsible parties at the sites at which we are involved.

In addition, if we discover additional contaminated sites, we could be required to incur material costs, which would reduce our net income.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 3. LEGAL PROCEEDINGS

With the exception of those matters set forth in Note 12 to Consolidated Financial Statements included in Item 8 of this Report, no material legal proceedings are pending involving the Company, or any of its properties, and no such proceedings are known to be contemplated by governmental authorities other than claims arising in the ordinary course of the Company's business.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II:

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

All of the outstanding shares of the Company's Common Stock are owned by UGI and are not publicly traded.

Dividends

Cash dividends declared on the Company's Common Stock totaled \$65.6 million in Fiscal 2015, \$77.4 million in Fiscal 2014, and \$59.0 million in Fiscal 2013.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") discusses our results of operations and our financial condition. MD&A should be read in conjunction with our Items 1 & 2, "Business and Properties," Item 1A, "Risk Factors" and our Consolidated Financial Statements in Item 8 below including "Segment Information" included in Note 16 to Consolidated Financial Statements.

EXECUTIVE OVERVIEW

Our results in Fiscal 2015 reflect temperatures based upon heating degree days in our Gas Utility service territory that were 5.9% colder than normal but 3.7% warmer than in Fiscal 2014. Gas Utility continued to benefit from strong demand for natural gas service across its residential and commercial customer classes. Notwithstanding the headwinds from a significant drop in oil prices during Fiscal 2015, Gas Utility experienced another strong year of customer growth with customer additions, largely the result of conversions from other fuels, only slightly below the record levels experienced in Fiscal 2014.

Our net income in Fiscal 2015 was \$ 121.1 million, a decrease of \$3.0 million (2.5%) from Fiscal 2014 net income of \$ 124.1 million. The slightly lower results in Fiscal 2015 at our Gas Utility principally reflect higher operating, administrative and depreciation expenses partially offset by a slight increase in total margin. Our Electric Utility's kilowatt-hour sales in Fiscal 2015 were higher than the prior year as lower heating-related sales from warmer heating-season weather was more than offset by higher summer air-conditioning sales. Electric Utility incurred slightly lower operating and administrative expenses during Fiscal 2015.

In Fiscal 2015, Gas Utility capital expenditures for customer growth and infrastructure upgrades and replacements were higher than in Fiscal 2014. We anticipate that Gas Utility infrastructure capital expenditures will continue at historically high levels in Fiscal 2016, and we will likely begin to execute on a multi-year, multi-phase information technology initiative that will update and enhance UGI Utilities' portfolio of technology applications including, among other things, new customer information, work management and infrastructure management systems. This major IT project is expected to span a number of years and result in enhanced business processes throughout the organization.

We believe that we have sufficient liquidity in the forms of cash generated from operations and our revolving credit facility to fund business operations in Fiscal 2016. In addition, we expect to issue long-term debt in Fiscal 2016 and beyond in order to refinance maturing long-term debt as well as to help finance the growth in Gas Utility maintenance capital and our information technology initiatives.

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare the Company's results of operations for Fiscal 2015, Fiscal 2014 and the year ended September 30, 2013 ("Fiscal 2013").

Fiscal 2015 Compared with Fiscal 2014

(Millions of dollars)	2015		2014		Increase (Decrease)	
Gas Utility:						
Revenues	\$	933.1	\$	977.3	\$	(44.2) (4.5)%
Total margin (a)	\$	484.5	\$	480.6	\$	3.9 0.8%
Operating income	\$	226.5	\$	236.2	\$	(9.7) (4.1)%
Income before income taxes	\$	187.4	\$	199.6	\$	(12.2) (6.1)%
System throughput — bcf						
Core market		81.3		80.4		0.9 1.1%
Total		213.5		208.8		4.7 2.3%
Degree days — % colder than normal (b)		5.9%		10.0%		— —
Electric Utility:						
Revenues	\$	107.6	\$	108.1	\$	(0.5) (0.5)%
Total margin (a)	\$	39.8	\$	36.0	\$	3.8 10.6%
Operating income	\$	14.2	\$	9.7	\$	4.5 46.4%
Income before income taxes	\$	12.1	\$	7.8	\$	4.3 55.1%
Distribution sales — gwh		1,010.1		987.3		22.8 2.3%

bcf — billions of cubic feet.

gwh — millions of kilowatt-hours.

- (a) Gas Utility's total margin represents total revenues less total cost of sales. Electric Utility's total margin represents total revenues less total cost of sales and revenue-related taxes, i.e. Electric Utility gross receipts taxes, of \$5.6 million and \$5.8 million during Fiscal 2015 and Fiscal 2014, respectively. For financial statement purposes, revenue-related taxes are included in taxes other than income taxes in the Consolidated Statements of Income.
- (b) Deviation from average heating degree days for the 15-year period 1995-2009 based upon weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for airports located within Gas Utility's service territory.

Gas Utility. Temperatures in Gas Utility's service territory in Fiscal 2015 based upon heating degree days were 5.9% colder than normal but 3.7% warmer than in Fiscal 2014. Total distribution system throughput increased 4.7 bcf, notwithstanding the warmer weather, principally reflecting higher large firm delivery service volumes and slightly higher core market volumes reflecting, in large part, a 1.9% year-over-year increase in the number of core market customers. Gas Utility's core market customers comprise firm- residential, commercial and industrial ("retail core-market") customers who purchase their gas from Gas Utility and, to a much lesser extent, residential and small commercial customers who purchase their gas from alternate suppliers.

Gas Utility revenues decreased \$44.2 million in Fiscal 2015 principally reflecting lower revenues from off-system sales (\$31.8 million) and lower revenues from core market customers (\$7.6 million). The decrease in core market revenues principally reflects the effects of lower average PGC rates during Fiscal 2015 partially offset by the slightly higher core market throughput. Increases or decreases in retail core-market revenues and cost of sales principally result from changes in retail core-market volumes and the level of gas costs collected through the PGC recovery mechanism. Under the PGC recovery mechanism, Gas Utility records the cost of gas associated with sales to retail core-market customers at amounts included in PGC rates. The difference between actual gas costs and the amounts included in rates is deferred on the balance sheet as a regulatory asset or liability and represents amounts to be collected from or refunded to customers in a future period. As a result of this PGC recovery mechanism, increases or decreases in the cost of gas associated with retail core-market customers have no direct effect on retail core-market margin. Gas Utility's cost of sales was \$448.6 million in Fiscal 2015 compared with \$496.8 million in Fiscal 2014 principally reflecting the effects of

the lower off-system sales (\$31.8 million) and the effects on retail core-market cost of sales of the lower average PGC rates partially offset by slightly higher retail core-market throughput.

Fiscal 2015 Gas Utility total margin increased \$3.9 million principally reflecting higher core market total margin (\$4.0 million) on the higher core market sales and higher large firm delivery service total margin (\$5.7 million). These increases were partially offset principally by lower margin from interruptible customers (\$7.0 million).

Gas Utility operating income and income before income taxes during Fiscal 2015 decreased \$9.7 million and \$12.2 million, respectively. The \$9.7 million decrease in Gas Utility operating income, notwithstanding the \$3.9 million increase in total margin, principally reflects higher operating and administrative expenses and higher depreciation expense partially offset by an increase in other operating income. Fiscal 2015 operating and administrative expenses were \$13.1 million higher than in Fiscal 2014 principally reflecting, among other things, higher Fiscal 2015 distribution system expenses (\$4.8 million), and higher employee benefits, uncollectible accounts and other general administrative expenses. Gas Utility depreciation expense increased \$4.1 million reflecting the effects of greater distribution system capital expenditures. Other operating income increased \$3.4 million reflecting, among other things, incremental income from construction services. The \$12.2 million decrease in Gas Utility income before income taxes reflects the lower operating income (\$9.7 million) and higher long-term debt interest expense.

Electric Utility. Temperatures based upon heating degree days during Fiscal 2015 were approximately 1.5% colder than normal and approximately 4.7% warmer than the prior year. Total kilowatt-hour sales increased by 2.3% as lower sales resulting from heating season weather that was approximately 4.7% warmer than in Fiscal 2014 was more than offset by the effects of a warmer summer on air-conditioning sales. The \$0.5 million decrease in Electric Utility revenues primarily reflects lower average Default Service ("DS") rates partially offset by higher transmission revenue. Electric Utility cost of sales decreased to \$62.2 million in Fiscal 2015 from \$66.2 million in Fiscal 2014 principally reflecting the effects of the lower average DS rates.

Fiscal 2015 Electric Utility total margin, net of gross receipts taxes, increased \$3.8 million principally reflecting an increase in transmission revenue including a \$1.6 million recovery of transmission revenues primarily associated with prior years. Electric Utility operating income and income before income taxes in Fiscal 2015 increased \$4.5 million and \$4.3 million, respectively, principally reflecting the increase in total margin and lower Fiscal 2015 operating and administrative expenses including lower distribution and uncollectible accounts expense.

Interest Expense and Income Taxes. Our interest expense in Fiscal 2015 was higher than in Fiscal 2014 principally reflecting interest on the 4.98% Senior Notes which were issued in March 2014, the proceeds of which were used to refinance UGI Utilities' 364-day Term Loan Credit Agreement. Our effective income tax rate in Fiscal 2015 was slightly lower than in the prior year.

Fiscal 2014 Compared with Fiscal 2013

(Millions of dollars)	2014	2013	Increase (Decrease)	
Gas Utility:				
Revenues	\$ 977.3	\$ 839.1	\$ 138.2	16.5 %
Total margin (a)	\$ 480.6	\$ 431.8	\$ 48.8	11.3 %
Operating income	\$ 236.2	\$ 198.4	\$ 37.8	19.1 %
Income before income taxes	\$ 199.6	\$ 161.1	\$ 38.5	23.9 %
System throughput — bcf				
Core market	80.4	70.6	9.8	13.9 %
Total	208.8	192.1	16.7	8.7 %
Degree days —% colder (warmer) than normal (b)	10.0%	(0.5)%	—	—
Electric Utility:				
Revenues	\$ 108.1	\$ 100.0	\$ 8.1	8.1 %
Total margin (a)	\$ 36.0	\$ 35.8	\$ 0.2	0.6 %
Operating income	\$ 9.7	\$ 11.4	\$ (1.7)	(14.9)%
Income before income taxes	\$ 7.8	\$ 9.4	\$ (1.6)	(17.0)%
Distribution sales — gwh	987.3	992.6	(5.3)	(0.5)%

(a) Gas Utility's total margin represents total revenues less total cost of sales. Electric Utility's total margin represents total revenues less total cost of sales and revenue-related taxes, i.e. Electric Utility gross receipts taxes, of \$5.8 million and \$5.4

million during Fiscal 2014 and Fiscal 2013, respectively. For financial statement purposes, revenue-related taxes are included in taxes other than income taxes in the Consolidated Statements of Income.

- (b) Deviation from average heating degree days for the 15-year period 1995-2009 based upon weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for airports located within Gas Utility's service territory.

Gas Utility . Temperatures in Gas Utility's service territory in Fiscal 2014 based upon heating degree days were 10.0% colder than normal and 10.6% colder than Fiscal 2013. Total distribution system throughput increased 16.7 bcf principally reflecting a 9.8 bcf (13.9%) increase in demand from Gas Utility's core market customers and, to a lesser extent, greater net large firm and interruptible delivery service volumes. Gas Utility system throughput to core market customers was higher than last year principally reflecting the effects of the significantly colder weather and, to a lesser extent, customer growth due principally to conversions from other fuels prompted by sustained lower natural gas prices relative to heating oil prices.

Gas Utility revenues increased \$138.2 million during Fiscal 2014 principally reflecting higher revenues from core market customers (\$83.6 million), higher revenues from off-system sales (\$36.4 million) and, to a much lesser extent, higher revenues from large firm delivery service customers on higher throughput (\$12.5 million). The increase in core market revenues principally reflects the effects of the higher core market throughput. Increases or decreases in retail core-market revenues and cost of sales principally result from changes in retail core-market volumes and the level of gas costs collected through the PGC recovery mechanism. Gas Utility's cost of sales were \$496.8 million in Fiscal 2014 compared with \$407.2 million in Fiscal 2013 principally reflecting the effects of the greater retail core-market volumes sold (\$50.1 million) and the effects of the higher off-system sales (\$36.4 million).

Gas Utility total margin increased \$48.8 million in Fiscal 2014 principally reflecting higher core market total margin (\$33.8 million) and greater large firm delivery service total margin (\$10.8 million). The higher core market and large firm delivery service total margin reflects the effects of the previously mentioned colder weather and customer growth.

Gas Utility operating income and income before income taxes during Fiscal 2014 increased \$37.8 million and \$38.5 million, respectively, over Fiscal 2013. The increase in Gas Utility operating income principally reflects the \$48.8 million increase in total margin partially offset by higher operating and administrative expenses. Operating and administrative expenses in Fiscal 2014 were modestly higher than the prior year principally reflecting greater Fiscal 2014 distribution system maintenance expenses (\$5.3 million), higher uncollectible accounts expense (\$3.0 million) and greater incentive compensation expense partially offset by lower pension expense. The increase in Gas Utility income before income taxes reflects the greater operating income (\$37.8 million) and slightly lower interest expense.

Electric Utility . Temperatures based upon heating degree days during Fiscal 2014 were approximately 6.6% colder than normal and approximately 8.5% colder than the prior year. The increase in Electric Utility revenues primarily reflects higher average DS rates. Electric Utility cost of sales increased to \$66.2 million in Fiscal 2014 from \$58.8 million in Fiscal 2013 principally reflecting the effects of the greater DS rates.

Electric Utility total margin was about equal to the prior year. Operating income and income before income taxes in Fiscal 2014 decreased \$1.7 million and \$1.6 million, respectively, principally reflecting higher distribution system maintenance costs resulting from Fiscal 2014 summer storm damage and slightly higher uncollectible accounts expense.

Interest Expense and Income Taxes. Our interest expense in Fiscal 2014 was slightly lower than the prior year principally reflecting lower average interest rates. Our effective income tax rate in Fiscal 2014 was comparable with the prior year.

FINANCIAL CONDITION AND LIQUIDITY

Capitalization and Liquidity

UGI Utilities' total debt outstanding was \$ 693.7 million at September 30, 2015 , which includes \$ 71.7 million of short-term borrowings, compared with total debt outstanding of \$ 728.3 million at September 30, 2014 , which includes \$86.3 million of short-term borrowings. UGI Utilities' total long-term debt outstanding at September 30, 2015 , comprises \$450.0 million of Senior Notes and \$172.0 million of Medium-Term Notes.

In March 2015, UGI Utilities entered into an unsecured credit agreement (the "Credit Agreement") with a group of banks providing for borrowings of up to \$300 million (including a \$100 million sublimit for letters of credit) which expires in March 2020. Concurrently with entering into the Credit Agreement, UGI Utilities terminated its then-existing \$300 million revolving credit agreement dated as of May 25, 2011. Borrowings under the Credit Agreement and the predecessor credit agreement are classified as short-term borrowings on the Consolidated Balance Sheets. During Fiscal 2015 and Fiscal 2014 , average daily short-term borrowings under the credit agreements were \$61.7 million and \$29.9 million , respectively, and peak short-term borrowings totaled

\$163.6 million and \$86.3 million, respectively. Peak short-term borrowings typically occur during the heating season months of December and January when UGI Utilities' investment in working capital, principally accounts receivable and inventories, is generally greatest. The Credit Agreement requires UGI Utilities to not exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined. UGI Utilities was in compliance with this covenant at September 30, 2015.

Based upon cash expected to be generated from operations, borrowings under the Credit Agreement and the anticipated issuance of long-term debt management believes the Company will be able to meet its anticipated contractual and projected cash commitments during Fiscal 2016. For additional discussion of UGI Utilities' long-term debt and the Credit Agreement, see Note 7 to Consolidated Financial Statements.

Cash Flows

Operating activities. Due to the seasonal nature of UGI Utilities' businesses, cash flows from our operating activities are generally greatest during the second and third fiscal quarters when customers pay for natural gas and electricity consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the first and fourth fiscal quarters when the Company's investment in working capital, principally accounts receivable and inventories, is generally greatest. UGI Utilities uses borrowings under its Credit Agreement to manage seasonal cash flow needs.

Cash provided by operating activities was \$306.7 million in Fiscal 2015, \$188.7 million in Fiscal 2014 and \$169.9 million in Fiscal 2013. The significant increase in cash flow from operating activities in Fiscal 2015 compared with Fiscal 2014 primarily reflects the impact of lower natural gas prices on changes in working capital. Cash provided by operating activities before changes in operating working capital was \$229.3 million in Fiscal 2015, \$224.6 million in Fiscal 2014 and \$196.7 million in Fiscal 2013. The higher cash flow before changes in operating working capital in Fiscal 2014 compared to Fiscal 2013 reflects, in large part, the higher year-over-year operating results. Changes in operating working capital provided (used) \$77.4 million of cash in Fiscal 2015, \$(35.9) million of cash in Fiscal 2014 and \$26.8 million of cash in Fiscal 2013. The significantly higher cash flow from changes in operating working capital in Fiscal 2015 reflects, in large part, the impact of the previously mentioned lower natural gas prices on overcollections of deferred fuel costs and changes in inventories and accounts receivable.

Investing activities. Cash used by investing activities was \$216.6 million in Fiscal 2015, \$172.8 million in Fiscal 2014, and \$159.2 million in Fiscal 2013. The year-over-year increases in capital expenditures during the three-year period principally reflects higher year-over-year Gas Utility capital expenditures for infrastructure replacements, system improvements and customer growth. Fiscal 2015 cash flow from investing activities includes a \$3.0 million increase in restricted cash in futures brokerage accounts compared to a \$0.4 million increase in Fiscal 2014 and a \$3.2 million increase in Fiscal 2013. Changes in restricted cash in futures brokerage accounts are generally the result of changes in underlying commodity prices.

Financing activities. Cash used by financing activities was \$99.4 million in Fiscal 2015, \$8.2 million in Fiscal 2014 and \$7.3 million in Fiscal 2013. Financing activities cash flows are primarily the result of issuances and repayments of long-term debt, revolving credit agreement borrowings and cash dividends to UGI. During Fiscal 2015, net short-term debt repayments totaled \$14.6 million compared to net short-term borrowings of \$68.8 million in Fiscal 2014 and \$8.3 million in Fiscal 2013. The greater repayments in Fiscal 2015 resulted from the significantly higher cash provided by operating activities.

Capital Expenditures

In the following table, we present capital expenditures by business segment for Fiscal 2015, Fiscal 2014 and Fiscal 2013. We also provide amounts we expect to spend in Fiscal 2016. We expect to finance a substantial portion of our Fiscal 2016 capital expenditures from cash generated by operations and borrowings under our Credit Agreement and, to a lesser extent, cash proceeds from issuance of long-term debt expected to occur in Fiscal 2016.

(Millions of dollars)	2016	2015	2014	2013
	(estimate)			
Gas Utility	\$ 301.8	\$ 189.7	\$ 156.4	\$ 144.4
Electric Utility	12.1	8.0	7.8	6.7
	<u>\$ 313.9</u>	<u>\$ 197.7</u>	<u>\$ 164.2</u>	<u>\$ 151.1</u>

The higher levels of Gas Utility capital expenditures in Fiscal 2015, as well as those estimated for Fiscal 2016, reflect greater main replacement and system improvement capital expenditures, increases in new business capital expenditures and, in Fiscal 2016, expected investments in new information technology projects.

Contractual Cash Obligations and Commitments

UGI Utilities has contractual cash obligations that extend beyond Fiscal 2015, including scheduled repayments of long-term debt and interest, operating lease obligations, unconditional purchase obligations for pipeline transportation and natural gas storage services, commitments to purchase natural gas and electricity and derivative financial instruments. The following table presents significant contractual cash obligations under agreements existing as of September 30, 2015:

(Millions of dollars)	Payments Due by Period				
	Total	Fiscal 2016	Fiscal 2017 - 2018	Fiscal 2019 - 2020	Thereafter
Long-term debt (a)	\$ 622.0	\$ 247.0	\$ 60.0	\$ —	\$ 315.0
Interest on long-term fixed rate debt (b)	451.9	33.4	40.2	34.9	343.4
Derivative financial instruments (c)	12.6	12.6	—	—	—
Operating leases	17.8	6.4	8.7	2.2	0.5
Gas Utility and Electric Utility supply, storage and transportation contracts	636.1	204.9	206.0	131.6	93.6
Total	\$ 1,740.4	\$ 504.3	\$ 314.9	\$ 168.7	\$ 752.5

(a) Based upon stated maturity dates.

(b) Based upon stated interest rates.

(c) Represents sum of amounts due from us if derivative financial instruments were settled at the September 30, 2015, amounts reflected in the Consolidated Balance Sheet.

The components of the other noncurrent liabilities included in our Consolidated Balance Sheet at September 30, 2015, principally consist of pension and other postretirement benefit liabilities recorded in accordance with GAAP and estimated obligations for environmental investigation and remediation. These liabilities are not included in the table of Contractual Cash Obligations and Commitments above because they are estimates of future payments and not contractually fixed as to timing or amount. We believe the minimum required contributions to our pension plan in Fiscal 2016 are not expected to be material. Contributions to the pension plan in years beyond Fiscal 2016 will depend in large part on the effects of future returns and interest rates on pension plan assets. For additional information on these liabilities see Notes 9 and 12 to Consolidated Financial Statements.

Pension Plan

UGI Utilities has a defined benefit pension plan covering employees hired prior to January 1, 2009, of UGI, UGI Utilities, PNG, CPG and certain of UGI's other domestic wholly owned subsidiaries (the "Pension Plan").

The fair values of the Pension Plan's assets totaled \$430.8 million and \$442.5 million at September 30, 2015 and 2014, respectively. At September 30, 2015 and 2014, the underfunded positions of the Pension Plan, defined as the excess of the projected benefit obligations ("PBOs") over the Pension Plan's assets, were \$132.8 million and \$97.3 million, respectively.

We believe we are in compliance with regulations governing defined benefit pension plans, including Employee Retirement Income Security Act of 1974 ("ERISA") rules and regulations. Required minimum contributions to the U.S. Pension Plan in Fiscal 2016 are not expected to be material. Pre-tax pension cost associated with the Pension Plan in Fiscal 2015 was \$9.7 million. Pre-tax pension cost associated with Pension Plan in Fiscal 2016 is expected to be approximately \$11.5 million.

Generally accepted accounting principles ("GAAP") guidance associated with pension and other postretirement plans generally requires recognition of an asset or liability in the statement of financial position reflecting the funded status of pension and other postretirement benefit plans with current year changes recognized in shareholder's equity unless such amounts are subject to regulatory recovery. Through September 30, 2015, we have recorded cumulative after-tax charges to stockholder's equity of \$9.3 million and regulatory assets of \$ 140.8 million in order to reflect the funded status of our pension and postretirement benefit plans. For a more detailed discussion of the Pension Plans and other postretirement benefit plans, see Note 9 to Consolidated Financial Statements.

REGULATORY MATTERS

Growth Extension Tariff. On February 20, 2014, the PUC entered an order approving a Growth Extension Tariff ("GET Gas") program under which UGI Gas, PNG and CPG may invest up to \$5 million per year for five years to extend natural gas utility pipelines to provide service to unserved and underserved areas within their respective territories. Under the GET Gas program, customers utilizing the extended pipeline to receive natural gas will pay a monthly surcharge over a 10-year period to cover the cost of the extension. UGI Gas, PNG, and CPG began connecting customers under the GET Gas program in October 2014.

Distribution System Improvement Charge. On April 14, 2012, legislation became effective enabling gas and electric utilities in Pennsylvania, under certain circumstances, to recover the cost of eligible capital investment in distribution system infrastructure improvement projects between base rate cases. The charge enabled by the legislation is known as a distribution system improvement charge ("DSIC"). The primary benefit to a company from a DSIC charge is the elimination of regulatory lag, or delayed rate recognition, that occurs under traditional ratemaking relating to qualifying capital expenditures. To be eligible for a DSIC, a utility must have filed a general rate filing within five years of its petition seeking permission to include a DSIC in its tariff, and not exceed certain earnings tests. Absent PUC permission, the DSIC is capped at five percent of the amount billed to customers. PNG and CPG received PUC approval on a DSIC tariff, initially set at zero, in 2014, while UGI Gas has not had a general rate filing within the required time period to be eligible. Beginning on April 1, 2015, PNG was able to begin charging a DSIC at a rate other than zero. The impact of the DSIC charge at PNG did not have a material effect on Gas Utility results of operations.

MANUFACTURED GAS PLANTS

CPG is party to a Consent Order and Agreement ("CPG-COA") with the Pennsylvania Department of Environmental Protection ("DEP") requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant ("MGP") related facilities were operated ("CPG MGP Properties") and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement ("PNG-COA") with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated ("PNG MGP Properties"). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at \$1.8 million and \$1.1 million, respectively, in any calendar year. The CPG-COA is scheduled to terminate at the end of 2018. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two-year period beginning with the original effective date in March 2004. At September 30, 2015 and 2014, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled \$13.8 million and \$10.7 million, respectively. In accordance with GAAP related to rate-regulated entities, we have recorded associated regulatory assets in equal amounts.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of MGPs prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas and Electric Utility.

UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because (1) UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs, and (2) CPG and PNG receive ratemaking recognition of environmental investigation and remediation costs associated with their environmental sites. This ratemaking recognition balances the accumulated difference between historical costs and rate recoveries with an estimate of future costs associated with the sites. At September 30, 2015, neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material for UGI Utilities.

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by its former subsidiaries. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities if a court were to conclude that (1) the subsidiary's separate corporate form should be disregarded or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary's MGP.

RELATED PARTY TRANSACTIONS

UGI provides certain financial and administrative services to UGI Utilities. UGI bills UGI Utilities monthly for all direct expenses incurred by UGI on behalf of UGI Utilities and an allocated share of indirect corporate expenses incurred or paid with respect to services provided to UGI Utilities. The allocation of indirect UGI corporate expenses to UGI Utilities utilizes a weighted, three-component formula comprising revenues, operating expenses and net assets employed and considers UGI Utilities' relative percentage of such items to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. Management believes that this allocation method is reasonable and equitable to UGI Utilities and this allocation method has been accepted by the PUC in past rate case proceedings and management audits as a reasonable method of allocating such expenses. These billed expenses are classified as operating and administrative expenses - related parties in the Consolidated Statements of Income. In addition, UGI Utilities provides limited administrative services to UGI and certain of UGI's subsidiaries. Amounts billed to these entities by UGI Utilities for all periods presented were not material.

UGI Utilities is a party to Storage Contract Administration Agreements ("SCAAs") with Energy Services. At September 30, 2015, UGI Utilities was a party to two SCAAs with Energy Services, both of which expired October 31, 2015, and, during the periods covered by the financial statements, was a party to other SCAAs with Energy Services. Under the SCAAs, UGI Utilities has, among other things, and subject to recall for operational purposes, released certain storage and transportation contracts to Energy Services for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon the commencement of the SCAAs, receives a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the term of the SCAAs. Energy Services, in turn, provides a firm delivery service and makes certain payments to UGI Utilities for its various obligations under the SCAAs. UGI Utilities incurred costs associated with Energy Services' SCAAs totaling \$16.8, \$38.3 and \$45.8 in Fiscal 2015, Fiscal 2014 and Fiscal 2013, respectively. In conjunction with the SCAAs, UGI Utilities received security deposits from Energy Services. The amounts of such security deposits, which are included in other current liabilities on the Consolidated Balance Sheets, were \$10.7 and \$10.6 at September 30, 2015 and 2014, respectively. Effective November 1, 2015, UGI Utilities entered into a new SCAA with Energy Services having a term of three years.

UGI Utilities reflects the historical cost of the gas storage inventories and any exchange receivable from Energy Services (representing amounts of natural gas inventories used but not yet replenished by Energy Services) on its balance sheet under the caption inventories. The carrying values of these gas storage inventories at September 30, 2015 and 2014, comprising approximately 5.0 bcf and 7.7 bcf of natural gas, were \$12.9 million and \$33.1 million, respectively.

UGI Utilities has gas supply and delivery service agreements with Energy Services pursuant to which Energy Services provides certain gas supply and related delivery service to Gas Utility during the heating season months of November through March. The aggregate amount of these transactions (exclusive of transactions pursuant to the SCAAs) during Fiscal 2015, Fiscal 2014 and Fiscal 2013 totaled \$47.8 million, \$35.8 million and \$32.5 million, respectively.

From time to time, the Company sells natural gas or pipeline capacity to Energy Services. During Fiscal 2015, Fiscal 2014 and Fiscal 2013, revenues associated with sales to Energy Services totaled \$79.2 million, \$109.9 million and \$69.1 million, respectively. Also from time to time, the Company purchases natural gas, pipeline capacity and electricity from Energy Services (in addition to those transactions already described above) and purchases a firm storage service from UGI Storage Company, a subsidiary of Energy Services, under one-year agreements. During Fiscal 2015, Fiscal 2014 and Fiscal 2013, such purchases totaled \$85.4 million, \$128.1 million and \$77.0 million, respectively. These transactions did not have a material effect on the Company's financial position, results of operations or cash flows.

OFF-BALANCE-SHEET ARRANGEMENTS

We do not have any off-balance-sheet arrangements that are expected to have an effect on the Company's financial condition, revenues and expenses, results of operations, liquidity, capital expenditures or capital resources.

MARKET RISK DISCLOSURES

Our primary market risk exposures are (1) commodity price risk and (2) interest rate risk. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Commodity Price Risk

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to its customers, including the cost of financial instruments used to hedge purchased gas costs. The recovery clauses provide for periodic adjustments for the difference between the total amounts actually collected from customers through PGC rates and the recoverable costs incurred. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Gas Utility operations. Gas Utility uses derivative financial instruments including natural gas futures and option contracts traded on the New York Mercantile Exchange ("NYMEX") to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these derivative financial instruments, net of any associated gains or losses, is included in Gas Utility's PGC recovery mechanism. The change in market value of natural gas futures contracts can require daily deposits of cash in futures accounts. At September 30, 2015, Gas Utility had \$6.6 million of restricted cash associated with futures accounts with brokers. At September 30, 2014, Gas Utility had \$3.6 million of restricted cash in brokerage accounts. At September 30, 2015 and 2014, the fair values of our natural gas futures and option contracts were losses of \$3.3 million and \$1.4 million, respectively.

Electric Utility's DS tariffs contain clauses which permit recovery of all prudently incurred power costs, including the cost of financial instruments used to hedge electricity costs, through the application of DS rates. Because of this ratemaking mechanism, there is limited power cost risk, including the cost of financial transmission rights ("FTRs") and forward electricity purchase contracts, associated with our Electric Utility operations. At September 30, 2015 and 2014, the fair values of Electric Utility's electricity supply contracts recorded at fair value were (losses) gains of \$(0.5) million and \$0.3 million, respectively. The fair values of FTRs at September 30, 2015 and 2014, were not material.

In addition, Gas Utility and Electric Utility from time to time enter into exchange-traded gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in their operations. These gasoline futures and swap contracts are recorded at fair value with changes in fair value reflected in operating expenses and other income. The amount of unrealized gains on these contracts and associated volumes under contract at September 30, 2015 and 2014, were not material.

Interest Rate Risk

We have both fixed-rate debt and variable rate debt. Changes in interest rates impact the cash flows of variable-rate debt but generally do not impact their fair value. Conversely, changes in interest rates impact the fair value of fixed-rate debt but do not impact their cash flows.

Our variable-rate debt comprises borrowings under our Credit Agreement. This agreement provides for interest rates on borrowings that are indexed to short-term market interest rates. Based upon the average level of borrowings outstanding under these agreements in Fiscal 2015 and Fiscal 2014, an increase in short-term interest rates of 100 basis points (1%) would have increased annual interest expense by \$0.6 million and \$0.3 million, respectively.

Our long-term debt is typically issued at fixed rates of interest based upon market rates for debt having similar terms and credit ratings. As these long-term debt issues mature, we expect to refinance such debt with new debt having interest rates reflecting then-current market conditions. A 100 basis point increase in market interest rates would result in decreases in the fair value of this fixed-rate debt of approximately \$50.0 million and \$53.0 million at September 30, 2015 and 2014, respectively. A 100 basis point decrease in market interest rates would result in increases in the fair value of this fixed-rate debt of approximately \$60.0 million and \$64.0 million at September 30, 2015 and 2014, respectively.

In order to reduce interest rate risk associated with near- or medium-term issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). The fair values of unsettled IRPAs held at September 30, 2015 were losses of \$7.0 million. A 50 basis point decline in interest rates would result in an approximate \$23.5 million decline in the fair values of our IRPAs at September 30, 2015. There were no unsettled IRPAs outstanding at September 30, 2014.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Accounting policies and estimates discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they involve significant judgments and uncertainties. Changes in these policies and estimates could have a material effect on the financial statements. The application of these accounting policies and estimates necessarily requires management's most subjective or complex judgments regarding estimates and projected outcomes of future events which could have a material impact on the financial statements. Management has reviewed these critical accounting policies, and the estimates and assumptions associated with them, with the Company's Audit Committee. In addition, management has reviewed the following disclosures regarding the application of these critical accounting policies and estimates with the Audit Committee. Also, see Note 2 to Consolidated Financial Statements, Summary of Significant Accounting Policies, which discusses the significant accounting policies that we have selected from acceptable alternatives.

Impairment of Goodwill. Our goodwill is the result of Gas Utility business acquisitions. We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is the operating segment, or a business one level below the operating segment (a component), if discrete financial information is prepared and regularly reviewed by segment management. Components are aggregated as a single reporting unit if they have similar economic characteristics. In accordance with GAAP, a reporting unit with goodwill is required to perform an impairment test annually or whenever events or circumstances indicate that the value of goodwill may be impaired. We are required to recognize an impairment charge under GAAP if the carrying amount of a reporting unit exceeds its fair value and the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill as determined in the same manner as goodwill is recognized in a business combination. We determine the fair value of our Gas Utility generally based on a weighting of income and market approaches. For purposes of the income approach, fair values are determined based upon the present value of the reporting unit's estimated future cash flows, including an estimate of the reporting unit's terminal value based upon these cash flows, discounted at appropriate risk-adjusted rates. We use our internal forecasts to estimate future cash flows which may include estimates of long-term future growth rates based upon our most recent reviews of the long-term outlook for each reporting unit. Cash flow estimates used to establish fair values under our income approach involve management judgments based on a broad range of information and historical results. In addition, external economic and competitive conditions can influence future performance. For purposes of the market approach, we use valuation multiples for companies comparable to the reporting unit. The market approach requires judgment to determine the appropriate valuation multiples. Under certain circumstances, the Company may perform a qualitative approach to determine if it is not more likely than not that the carrying value of a reporting unit is greater than its fair value. As of September 30, 2015, our goodwill totaled \$182.1 million. We did not record any impairments of goodwill during Fiscal 2015, Fiscal 2014 or Fiscal 2013.

Litigation Accruals and Environmental Remediation Liabilities. We are involved in litigation regarding pending claims and legal actions that arise in the normal course of our businesses. In addition, UGI Utilities and its former subsidiaries owned and operated a number of MGPs in Pennsylvania and elsewhere and PNG and CPG owned and operated a number of MGP sites located in Pennsylvania, at which hazardous substances may be present. In accordance with GAAP, we establish reserves for pending claims and legal actions or environmental remediation obligations when it is probable that a liability exists and the amount or range of amounts can be reasonably estimated. Reasonable estimates involve management judgments based on a broad range of information and prior experience. These judgments are reviewed quarterly as more information is received and the amounts reserved are updated as necessary. Such estimated reserves may differ materially from the actual liability and such reserves may change materially as more information becomes available and estimated reserves are adjusted.

Depreciation of Property, Plant and Equipment. We compute depreciation on UGI Utilities property, plant and equipment on a straight-line basis over the average remaining lives of its various classes of depreciable property. Changes in the estimated useful lives of property, plant and equipment could have a material effect on our results of operations. As of September 30, 2015, UGI Utilities net property, plant and equipment totaled \$ 1,824.4 million and we recorded depreciation expense of \$59.8 million during Fiscal 2015.

Regulatory Assets and Liabilities. Gas Utility and Electric Utility are subject to regulation by the PUC. In accordance with accounting guidance associated with rate-regulated entities, we record the effects of rate regulation in our financial statements as regulatory assets or regulatory liabilities. We continually assess whether the regulatory assets are probable of future recovery by evaluating the regulatory environment, recent rate orders and public statements issued by the PUC, and the status of any pending deregulation legislation. If future recovery of regulatory assets ceases to be probable, the elimination of those regulatory assets would adversely impact our results of operations and cash flows. As of September 30, 2015, our regulatory assets and regulatory liabilities totaled \$ 304.2 million and \$71.0 million, respectively. For additional information on our regulatory assets and liabilities, see Note 2 and Note 4 to Consolidated Financial Statements.

Pension Plan Assumptions. Pension plan assumptions are significant inputs to the actuarial models that measure pension benefit obligations and pension expense. The cost of providing benefits under the Pension Plan is dependent on historical information such as employee age, length of service, level of compensation and the actual rate of return on plan assets. In addition, certain assumptions relating to the future are used to determine pension expense including mortality assumptions, the discount rate applied to benefit obligations, the expected rate of return on plan assets and the rate of compensation increase, among others. In October 2014, the Society of Actuaries developed an updated set of mortality assumptions presented in its RP-2014 Mortality Tables Report. During Fiscal 2015, we undertook a review of our Pension Plan mortality assumptions in light of the RP-2014 Mortality Tables Report. Based upon such review, we believe that the RP-2014 Mortality Table, adjusted for UGI's own experience and reflecting a blue-collar adjustment, with future improvements using the IRS scale BB-2D, represents the best estimate of future mortality improvement for the Pension Plan. The new mortality assumptions increased the September 30, 2015, Pension Plan PBO by less than 5%, and we expect the new mortality assumptions will have the effect of increasing Pension Plan expense in Fiscal 2016 by approximately \$3.5 million. Assets of the Pension Plan are held in trust and consist principally of equity and fixed income mutual funds and common stock. Changes in plan assumptions as well as fluctuations in actual equity or fixed income market returns could have a material impact on future pension costs. We believe the two most critical assumptions are (1) the expected rate of return on plan assets and (2) the discount rate. A decrease in the expected rate of return on Pension Plan assets of 50 basis points to a rate of 7.05% would result in an increase in pre-tax pension cost of approximately \$2.0 million in Fiscal 2016. A decrease in the discount rate of 50 basis points to a rate of 4.10% would result in an increase in pre-tax pension cost of approximately \$3.4 million in Fiscal 2016. For additional information on our Pension Plan, see Note 9 to Consolidated Financial Statements.

Purchase Price Allocations. In the event that the Company enters into a material business combination, in accordance with accounting guidance associated with business combinations, the purchase price is allocated to the various assets and liabilities acquired at their estimated fair value. Fair values of assets acquired and liabilities assumed are based upon available information and we may involve an independent third-party to perform appraisals. Estimating fair values can be complex and subject to significant business judgment and most commonly impacts property, plant and equipment and intangible assets, including those with indefinite lives. Generally, we have, if necessary, up to one year from the acquisition date to finalize the purchase price allocation.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

See Note 3 to Consolidated Financial Statements for a discussion of recently issued accounting guidance.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

"Quantitative and Qualitative Disclosures About Market Risk" are contained in Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Market Risk Disclosures" and are incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and the financial statement schedule referred to in the Index contained on page F-1 of this Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

- (a) The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's Chief Executive Officer and Principal Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief

Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures, as of September 30, 2015, were effective at the reasonable assurance level.

- (b) *Management's Annual Report on Internal Control over Financial Reporting*. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002, management has conducted an assessment, including testing, of the Company's internal control over financial reporting as of September 30, 2015, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013 Framework").

Internal control over financial reporting refers to the process, designed under the supervision and participation of management including our Chief Executive Officer and Principal Financial Officer, to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States and includes policies and procedures that, among other things, provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded to permit the preparation of reliable financial information. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changing conditions, or the degree of compliance with the policies or procedures may deteriorate.

Based on its assessment, management has concluded that the Company's internal control over financial reporting was effective as of September 30, 2015, based on the COSO 2013 Framework. Ernst & Young LLP, our independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of September 30, 2015, as stated in their report, which appears herein.

- (c) During the most recent fiscal quarter, no change in the Company's internal control over financial reporting occurred that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III:

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The aggregate fees billed by Ernst & Young LLP, the Company's independent registered public accounting firm in Fiscal 2015, and PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm in Fiscal 2014, were as follows:

	2015	2014
Audit Fees	\$ 840,850	\$ 1,070,189
Audit-Related Fees	0	0
Tax Fees	0	0
All Other Fees	0	0
Total Fees for Services Provided	\$ 840,850	\$ 1,070,189

Consistent with SEC policies regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the Company's independent accountants. In recognition of this responsibility, the Audit Committee has a policy of pre-approving audit and permissible non-audit services provided by the independent accountants.

Prior to engagement of the Company's independent accountants for the next year's audit, management submits a list of services and related fees expected to be rendered during that year within each of the four categories of services noted above to the Audit Committee for approval.

PART IV:

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) Financial Statements:

Included under Item 8 are the following financial statements and supplementary data:

- Report of Independent Registered Public Accounting Firm (on Internal Control over Financial Reporting) - Ernst & Young LLP
- Report of Independent Registered Public Accounting Firm (on Consolidated Financial Statements and Schedule) - Ernst & Young LLP
- Report of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP
- Consolidated Balance Sheets as of September 30, 2015 and 2014
- Consolidated Statements of Income for the fiscal years ended September 30, 2015 , 2014 and 2013
- Consolidated Statements of Comprehensive Income for the years ended September 30, 2015 , 2014 and 2013
- Consolidated Statements of Cash Flows for the fiscal years ended September 30, 2015 , 2014 and 2013
- Consolidated Statements of Stockholder's Equity for the fiscal years ended September 30, 2015 , 2014 and 2013
- Notes to Consolidated Financial Statements

(2) Financial Statement Schedule:

For the years ended September 30, 2015 , 2014 and 2013

II — Valuation and Qualifying Accounts

We have omitted all other financial statement schedules because the required information is (1) not present; (2) not present in amounts sufficient to require submission of the schedule; or (3) included elsewhere in the financial statements or notes thereto contained in this Report.

(3) List of Exhibits:

The exhibits filed as part of this report are as follows (exhibits incorporated by reference are set forth with the name of the registrant, the type of report and registration number or last date of the period for which it was filed, and the exhibit number in such filing):

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
3.1	UGI Utilities' Amended and Restated Articles of Incorporation.	Utilities	Registration Statement No. 333-72540 (10/31/01)	3
3.2	Bylaws of UGI Utilities as amended through September 30, 2003.	Utilities	Form 10-K (9/30/03)	3.2
4	Instruments defining the rights of security holders, including indentures. (The Company agrees to furnish to the Commission upon request a copy of any instrument defining the rights of holders of its long-term debt not required to be filed pursuant to the description of Exhibit 4 contained in Item 601 of Regulation S-K).			
4.1	UGI Utilities' Articles of Incorporation and Bylaws referred to in Exhibit Nos. 3.1 and 3.2.			
4.2	Indenture, dated as of August 1, 1993, by and between UGI Utilities, Inc., as Issuer, and U.S. Bank National Association, as successor trustee, incorporated by reference to the Registration Statement on Form S-3 filed on April 8, 1994.	Utilities	Registration Statement No. 33-77514 (4/8/94)	4(c)
4.3	Supplemental Indenture, dated as of September 15, 2006, by and between UGI Utilities, Inc., as Issuer, and U.S. Bank National Association, successor trustee to Wachovia Bank, National Association.	Utilities	Form 8-K (9/12/06)	4.2
4.4	Form of Fixed Rate Medium-Term Note.	Utilities	Form 8-K (8/26/94)	(4)i
4.5	Form of Fixed Rate Series B Medium-Term Note.	Utilities	Form 8-K (8/1/96)	4(i)
4.6	Form of Floating Rate Series B Medium-Term Note.	Utilities	Form 8-K (8/1/96)	4(ii)
4.7	Officer's Certificate establishing Medium-Term Notes Series.	Utilities	Form 8-K (8/26/94)	4(iv)
4.8	Form of Officer's Certificate establishing Series B Medium-Term Notes under the Indenture.	Utilities	Form 8-K (8/1/96)	4(iv)
4.9	Form of Officers' Certificate establishing Series C Medium-Term Notes under the Indenture.	Utilities	Form 8-K (5/21/02)	4.2
4.10	Forms of Floating Rate and Fixed Rate Series C Medium-Term Notes.	Utilities	Form 8-K (5/21/02)	4.1
4.11	Form of Note Purchase Agreement dated October 30, 2013 between the Company and the purchasers listed as signatories thereto.	Utilities	Form 8-K (10/30/13)	4.1

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.1**	UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006.	UGI	Form 8-K (2/27/07)	10.1
10.2**	UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 - Terms and Conditions as amended and restated effective November, 2012.	UGI	Form 10-K (9/30/13)	10.2
10.3**	UGI Corporation 2013 Omnibus Incentive Compensation Plan, effective as of January 24, 2013.	UGI	Registration Statement No. 333-186178 (1/24/2013)	99.1
10.4**	UGI Corporation 2009 Deferral Plan, as Amended and Restated effective January 24, 2014.	UGI	Form 10-Q (3/31/14)	10.5
10.5**	UGI Corporation Senior Executive Employee Severance Plan, as amended and restated as of November 16, 2012.	UGI	Form 10-Q (6/30/13)	10.1
10.6**	UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan, as Amended and Restated effective November 22, 2013.	UGI	Form 10-Q (3/31/14)	10.3
10.7**	UGI Corporation 2009 Supplemental Executive Retirement Plan for New Employees, as Amended and Restated effective November 22, 2013.	UGI	Form 10-Q (3/31/14)	10.4
10.8**	UGI Utilities, Inc. Senior Executive Employee Severance Plan, as amended and restated as of November 16, 2012.	Utilities	Form 10-Q (6/30/13)	10.1
10.9**	UGI Utilities, Inc. Executive Annual Bonus Plan, effective as of October 1, 2006, as amended as of November 16, 2012.	Utilities	Form 10-Q (3/31/13)	10.2
10.10**	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for UGI Employees, dated January 1, 2015.	UGI	Form 10-Q (3/31/15)	10.9
10.11**	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for UGI Utilities Employees, dated January 1, 2015.	Utilities	Form 10-Q (3/31/15)	10.2

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.12**	UGI Corporation 2013 Omnibus Incentive Compensation Plan, Performance Unit Grant Letter for UGI Employees, dated January 1, 2015.	UGI	Form 10-Q (3/31/15)	10.1
10.13**	UGI Corporation 2013 Omnibus Incentive Compensation Plan, Performance Unit Grant Letter for UGI Utilities Employees, dated January 1, 2015.	Utilities	Form 10-Q (3/31/15)	10.1
10.14**	UGI Corporation Executive Annual Bonus Plan effective as of October 1, 2006, as amended November 16, 2012.	UGI	Form 10-Q (3/31/13)	10.14
10.15	FSS Service Agreement No. 79028 effective as of December 1, 2014 by and between Columbia Gas Transmission, LLC and UGI Utilities, Inc.	Utilities	Form 10-K (9/30/14)	10.16
10.16	SST Service Agreement No. 79133 effective as of December 1, 2014 by and between Columbia Gas Transmission, LLC and UGI Utilities, Inc.	Utilities	Form 10-K (9/30/14)	10.19
10.17	Credit Agreement, dated as of March 27, 2015 among UGI Utilities, Inc., as borrower, PNC Bank, National Association, as administrative agent, Citizens Bank of Pennsylvania, as syndication agent, PNC Capital Markets LLC and Citizens Bank, N.A., as joint lead arrangers and joint bookrunners, and PNC Bank, National Association, Citizens Bank of Pennsylvania, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, The Bank of New York Mellon, Bank of America, N.A., and the other financial institutions from time to time parties thereto.	Utilities	Form 8-K (3/27/15)	10.1
*10.18	Gas Supply and Delivery Service Agreement between UGI Energy Services, LLC and UGI Penn Natural Gas, Inc., effective November 1, 2015.			

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
*12.1	Computation of Ratio of Earnings to Fixed Charges.			
14	Code of Ethics for principal executive, financial and accounting officers.	UGI	Form 10-K (9/30/03)	14
*23.1	Consent of Ernst & Young LLP.			
*23.2	Consent of PricewaterhouseCoopers LLP.			
*31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2015 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
*31.2	Certification by the Principal Financial Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2015 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
*32	Certification by the Chief Executive Officer and the Principal Financial Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2015, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
*101.INS	XBRL Instance			
*101.SCH	XBRL Taxonomy Extension Schema			
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase			
*101.DEF	XBRL Taxonomy Extension Definition Linkbase			
*101.LAB	XBRL Taxonomy Extension Labels Linkbase			
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase			

* Filed herewith.

** As required by Item 15(a)(3), this exhibit is identified as a compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 25, 2015

UGI UTILITIES, INC.

By: /s/ Kirk R. Oliver

Kirk R. Oliver

Vice President - Financial Strategy (Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on November 25, 2015 by the following persons on behalf of the Registrant in the capacities indicated.

<u>Signature</u>	<u>Title</u>
<u>/s/ Robert F. Beard</u> Robert F. Beard	President and Chief Executive Officer (Principal Executive Officer) and Director
<u>/s/ Kirk R. Oliver</u> Kirk R. Oliver	Vice President — Financial Strategy (Principal Financial Officer)
<u>/s/ Ann P. Kelly</u> Ann P. Kelly	Controller (Principal Accounting Officer)
<u>/s/ Lon R. Greenberg</u> Lon R. Greenberg	Chairman and Director
<u>/s/ John L. Walsh</u> John L. Walsh	Vice Chairman and Director
<u>/s/ M. Shawn Bort</u> M. Shawn Bort	Director
<u>/s/ Richard W. Gochnauer</u> Richard W. Gochnauer	Director
<u>/s/ Frank S. Hermance</u> Frank S. Hermance	Director
<u>/s/ Ernest E. Jones</u> Ernest E. Jones	Director
<u>/s/ Anne Pol</u> Anne Pol	Director
<u>/s/ Marvin O. Schlanger</u> Marvin O. Schlanger	Director
<u>/s/ James B. Stallings, Jr.</u> James B. Stallings, Jr.	Director
<u>/s/ Roger B. Vincent</u> Roger B. Vincent	Director

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act:

No annual report or proxy material was sent to security holders in Fiscal 2015 .

UGI UTILITIES, INC.
FINANCIAL INFORMATION
FOR INCLUSION IN ANNUAL REPORT ON FORM 10-K
YEAR ENDED SEPTEMBER 30, 2015

UGI UTILITIES, INC.
INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

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<u>Report of Independent Registered Public Accounting Firm (on Consolidated Financial Statements and Schedule) - Ernst & Young LLP</u>	F- 3
<u>Report of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP</u>	F- 4
<u>Consolidated Balance Sheets as of September 30, 2015 and 2014</u>	F- 5
<u>Consolidated Statements of Income for the years ended September 30, 2015, 2014 and 2013</u>	F- 6
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Financial Statement Schedule:	
For the years ended September 30, 2015, 2014 and 2013:	
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We have omitted all other financial statement schedules because the required information is either (1) not present; (2) not present in amounts sufficient to require submission of the schedule; or (3) included elsewhere in the financial statements or related notes.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder of UGI Utilities, Inc.

We have audited UGI Utilities, Inc. and subsidiaries' internal control over financial reporting as of September 30, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). UGI Utilities, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, UGI Utilities, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of September 30, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of UGI Utilities, Inc. and subsidiaries as of September 30, 2015, and the related consolidated statements of income, comprehensive income, stockholder's equity, and cash flows for the year then ended and our report dated November 25, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Philadelphia, Pennsylvania
November 25, 2015

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder of UGI Utilities, Inc.

We have audited the accompanying consolidated balance sheet of UGI Utilities, Inc. and subsidiaries as of September 30, 2015, and the related consolidated statements of income, comprehensive income, stockholder's equity and cash flows for the year then ended. Our audit also included the financial statement schedule for the year ended September 30, 2015 listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of UGI Utilities, Inc. and subsidiaries at September 30, 2015, and the consolidated results of their operations and their cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), UGI Utilities Inc.'s internal control over financial reporting as of September 30, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 25, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Philadelphia, Pennsylvania
November 25, 2015

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of UGI Utilities, Inc.:

In our opinion, the consolidated balance sheet as of September 30, 2014 and the related consolidated statements of income, of comprehensive income, of stockholder's in equity and of cash flows for each of the two years in the period ended September 30, 2014 present fairly, in all material respects, the financial position of UGI Utilities, Inc. and its subsidiaries at September 30, 2014, and the results of their operations and their cash flows for each of the two years in the period ended September 30, 2014, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the *financial statement schedule for each of the two years in the period ended September 30, 2014 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.*

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
November 28, 2014

UGI UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of dollars)

	September 30.	
	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,099	\$ 12,401
Restricted cash	6,602	3,592
Accounts receivable (less allowances for doubtful accounts of \$5,599 and \$6,992, respectively)	55,659	65,080
Accounts receivable — related parties	1,271	2,865
Accrued utility revenues	12,051	14,330
Inventories	51,716	95,219
Deferred income taxes	24,694	1,492
Income taxes receivable	10,026	—
Regulatory assets	4,105	13,159
Derivative instruments	934	1,028
Prepaid expenses	9,701	8,788
Other current assets	14,202	9,747
Total current assets	<u>194,060</u>	<u>227,701</u>
Property, plant and equipment	2,753,499	2,568,552
Less accumulated depreciation and amortization	(929,130)	(886,268)
Net property, plant and equipment	<u>1,824,369</u>	<u>1,682,284</u>
Goodwill	182,145	182,145
Regulatory assets	300,103	255,007
Other assets	7,501	7,506
Total assets	<u>\$ 2,508,178</u>	<u>\$ 2,354,643</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 247,000	\$ 20,000
Short-term borrowings	71,700	86,300
Accounts payable — trade	58,135	58,453
Accounts payable — related parties	4,430	11,761
Employee compensation and benefits accrued	14,286	14,647
Interest accrued	8,553	8,908
Customer deposits and advances	41,646	40,401
Derivative instruments	12,591	1,632
Regulatory liability - deferred fuel and power refunds	36,638	306
Other current liabilities	38,780	35,074
Total current liabilities	<u>533,759</u>	<u>277,482</u>
Long-term debt	375,000	622,000
Deferred income taxes	512,497	461,461
Deferred investment tax credits	3,597	3,933
Pension and other postretirement benefit obligations	135,003	98,363
Other noncurrent liabilities	57,702	51,567
Total liabilities	<u>1,617,558</u>	<u>1,514,806</u>
Commitments and contingencies (Note 12)		
Common stockholder's equity:		
Common Stock, \$2.25 par value (authorized — 40,000,000 shares; issued and outstanding — 26,781,785 shares)	60,259	60,259
Additional paid-in capital	471,904	471,071
Retained earnings	372,143	316,688
Accumulated other comprehensive loss	(13,686)	(8,181)
Total common stockholder's equity	<u>890,620</u>	<u>839,837</u>

Total liabilities and stockholder's equity

\$	2,508,178	\$	A. P. Kelly
			2,332,643
			Page 38 of 88

See accompanying Notes to Consolidated Financial Statements.

UGI UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Thousands of dollars)

	Year Ended September 30,		
	2015	2014	2013
Revenues	\$ 1,041,581	\$ 1,086,889	\$ 940,712
Costs and expenses:			
Cost of sales — gas, fuel and purchased power (excluding depreciation shown below)	510,784	562,942	465,996
Operating and administrative expenses	206,319	195,408	188,266
Operating and administrative expenses — related parties	11,956	10,671	8,366
Taxes other than income taxes	16,134	16,608	16,877
Depreciation	59,841	55,776	52,298
Amortization	3,749	3,443	3,418
Other income, net	(8,869)	(4,359)	(4,828)
	<u>799,914</u>	<u>840,489</u>	<u>730,393</u>
Operating income	241,667	246,400	210,319
Interest expense	41,128	38,471	39,309
Income before income taxes	200,539	207,929	171,010
Income taxes	79,484	83,823	68,912
Net income	<u>\$ 121,055</u>	<u>\$ 124,106</u>	<u>\$ 102,098</u>

See accompanying Notes to Consolidated Financial Statements.

UGI UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Thousands of dollars)

	Year Ended September 30.		
	2015	2014	2013
Net income	\$ 121,055	\$ 124,106	\$ 102,098
Net (losses) gains on derivative instruments (net of tax of \$2,911, \$0 and \$(10,746), respectively)	(4,105)	—	15,153
Reclassifications of net losses on derivative instruments (net of tax of \$(1,109), \$(1,112) and \$(334), respectively)	1,565	1,567	471
Benefit plans (net of tax of \$2,469, \$1,002 and \$(3,325), respectively)	(3,482)	(1,413)	4,689
Reclassifications of benefit plans actuarial losses and prior service costs (net of tax of \$(367), \$(274) and \$(555), respectively)	517	385	784
Other comprehensive (loss) income	(5,505)	539	21,097
Comprehensive income	\$ 115,550	\$ 124,645	\$ 123,195

See accompanying Notes to Consolidated Financial Statements.

UGI UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of dollars)

	Year Ended September 30,		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 121,055	\$ 124,106	\$ 102,098
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	63,590	59,219	55,716
Deferred income taxes, net	29,356	33,588	35,281
Pension contributions, net of pension expense	(1,415)	(9,459)	(4,450)
Provision for uncollectible accounts	13,498	13,149	9,584
Other, net	3,228	3,998	(1,560)
Net change in:			
Accounts receivable and accrued utility revenues	7,297	(19,718)	(16,446)
Inventories	43,503	(5,558)	(22,327)
Deferred fuel costs, net of changes in unsettled derivatives	51,778	(17,632)	9,321
Accounts payable	(7,649)	5,757	7,511
Other current assets	(9,723)	362	13,598
Other current liabilities	(7,808)	864	(18,413)
Net cash provided by operating activities	<u>306,710</u>	<u>188,676</u>	<u>169,913</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditures for property, plant and equipment	(203,192)	(164,180)	(151,090)
Net costs of property, plant and equipment disposals	(10,443)	(8,214)	(4,925)
Increase in restricted cash	(3,010)	(411)	(3,181)
Net cash used by investing activities	<u>(216,645)</u>	<u>(172,805)</u>	<u>(159,196)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of dividends	(65,600)	(77,395)	(58,975)
Increase in short-term borrowings	(14,600)	68,800	8,300
Issuances of long-term debt	—	174,445	175,000
Repayments of long-term debt	(20,000)	(175,000)	(133,000)
Excess tax benefits from equity-based payment arrangements	833	973	1,406
Net cash used by financing activities	<u>(99,367)</u>	<u>(8,177)</u>	<u>(7,269)</u>
Cash and cash equivalents (decrease) increase	<u>\$ (9,302)</u>	<u>\$ 7,694</u>	<u>\$ 3,448</u>
CASH AND CASH EQUIVALENTS:			
End of year	\$ 3,099	\$ 12,401	\$ 4,707
Beginning of year	12,401	4,707	1,259
(Decrease) increase	<u>\$ (9,302)</u>	<u>\$ 7,694</u>	<u>\$ 3,448</u>
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for:			
Interest	\$ 38,405	\$ 34,781	\$ 49,460
Income taxes	\$ 54,427	\$ 54,293	\$ 18,376

See accompanying Notes to Consolidated Financial Statements.

UGI UTILITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
(Thousands of dollars)

	Year Ended September 30,		
	2015	2014	2013
Common stock, without par value			
Balance, beginning of year	\$ 60,259	\$ 60,259	\$ 60,259
Balance, end of year	<u>\$ 60,259</u>	<u>\$ 60,259</u>	<u>\$ 60,259</u>
Retained earnings			
Balance, beginning of year	\$ 316,688	\$ 269,977	\$ 229,379
Net income	121,055	124,106	102,098
Cash dividends — Common Stock	(65,600)	(77,395)	(58,975)
Dividends of net assets	—	—	(2,525)
Balance, end of year	<u>\$ 372,143</u>	<u>\$ 316,688</u>	<u>\$ 269,977</u>
Additional paid-in capital			
Balance, beginning of year	\$ 471,071	\$ 470,098	\$ 468,692
Excess tax benefits on equity-based compensation	833	973	1,406
Balance, end of year	<u>\$ 471,904</u>	<u>\$ 471,071</u>	<u>\$ 470,098</u>
Accumulated other comprehensive income (loss)			
Balance, beginning of year	\$ (8,181)	\$ (8,720)	\$ (29,817)
Net (losses) gains on derivative instruments	(4,105)	—	15,153
Reclassifications of net losses on derivative instruments	1,565	1,567	471
Benefit plans, principally actuarial (losses) gains	(3,482)	(1,413)	4,689
Reclassifications of benefit plans actuarial losses and prior service costs	517	385	784
Balance, end of year	<u>\$ (13,686)</u>	<u>\$ (8,181)</u>	<u>\$ (8,720)</u>
Total UGI Utilities, Inc. stockholder's equity	<u>\$ 890,620</u>	<u>\$ 839,837</u>	<u>\$ 791,614</u>

See accompanying Notes to Consolidated Financial Statements.

UGI UTILITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Thousands of dollars, except per share amounts)

1. NATURE OF OPERATIONS

UGI Utilities, Inc. ("UGI Utilities"), a wholly owned subsidiary of UGI Corporation ("UGI"), and UGI Utilities' wholly owned subsidiaries UGI Penn Natural Gas, Inc. ("PNG") and UGI Central Penn Gas, Inc. ("CPG"), own and operate natural gas distribution utilities in eastern, northeastern and central Pennsylvania and in a portion of one Maryland county. UGI Utilities also owns and operates an electric distribution utility in northeastern Pennsylvania ("Electric Utility"). UGI Utilities' natural gas distribution utility is referred to as "UGI Gas." UGI Gas, PNG and CPG are collectively referred to as "Gas Utility." Gas Utility is subject to regulation by the Pennsylvania Public Utility Commission ("PUC") and, with respect to a small service territory in one Maryland county, the Maryland Public Service Commission, and Electric Utility is subject to regulation by the PUC. Gas Utility and Electric Utility are collectively referred to as "Utilities." Prior to June 1, 2015, PNG also had a heating, ventilation and air-conditioning service business ("UGI Penn HVAC Services, Inc.") which operated principally in the PNG service territory ("HVAC Business"). The assets of the HVAC business principally comprising customer contracts were sold on June 1, 2015. The sale did not have a material impact on the consolidated financial statements.

The term "UGI Utilities" is used sometimes as an abbreviated reference to UGI Utilities, Inc., or to UGI Utilities, Inc. and its subsidiaries, including PNG and CPG.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and costs. These estimates are based on management's knowledge of current events, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may be different from these estimates and assumptions.

Certain prior-year amounts have been reclassified to conform to the current-year presentation.

Principles of Consolidation

Our consolidated financial statements include the accounts of UGI Utilities and its subsidiaries (collectively, "we" or "the Company"). We eliminate all significant intercompany accounts when we consolidate.

Effects of Regulation

UGI Utilities accounts for the financial effects of regulation in accordance with the Financial Accounting Standards Board's ("FASB's") guidance in Accounting Standards Codification ("ASC") 980 related to regulated entities whose rates are designed to recover the costs of providing service. In accordance with this guidance, incurred costs and estimated future expenditures that would otherwise be charged to expense are capitalized and recorded as regulatory assets when it is probable that the incurred costs or estimated future expenditures will be recovered in rates in the future. Similarly, we recognize regulatory liabilities when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have not yet been incurred. Regulatory assets and liabilities are classified as current if, upon initial recognition, the entire amount related to that item will be recovered or refunded within a year of the balance sheet date. Generally, regulatory assets are amortized into expense and regulatory liabilities are amortized into income over the period authorized by the regulator. For additional information regarding the effects of rate regulation on our utility operations, see Note 4.

Fair Value Measurements

The Company applies fair value measurements on a recurring and, as otherwise required under GAAP, also on a nonrecurring basis. Fair value measurements performed on a recurring basis principally relate to derivative instruments.

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GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). A level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

We use the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets and liabilities that we have the ability to access at the measurement date.
- Level 2 — Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means.
- Level 3 — Unobservable inputs for the asset or liability including situations where there is little, if any, market activity for the asset or liability.

Fair value is based upon assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and risks inherent in valuation techniques and inputs to valuations. This includes not only the credit standing of counterparties and credit enhancements but also the impact of our own nonperformance risk on our liabilities. We evaluate the need for credit adjustments to our derivative instrument fair values. These credit adjustments were not material to the fair values of our derivative instruments.

Derivative Instruments

Derivative instruments are reported in the Consolidated Balance Sheets at their fair values, unless the derivative instruments qualify for the normal purchase and normal sale ("NPNS") exception under GAAP and such exception has been elected. The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it is subject to regulatory ratemaking mechanisms or is designated and qualifies for hedge accounting.

Gains and losses on substantially all of the derivative instruments used by Gas Utility and Electric Utility to hedge commodity prices are included in regulatory assets and liabilities in accordance with FASB guidance regarding accounting for rate-regulated entities. Certain of our derivative instruments are designated and qualify as cash flow hedges. For cash flow hedges, changes in the fair value of the derivative financial instruments are recorded in accumulated other comprehensive income ("AOCI"), to the extent effective at offsetting changes in the hedged item, until earnings are affected by the hedged item. We discontinue cash flow hedge accounting if the occurrence of the forecasted transaction is determined to be no longer probable. Hedge accounting is also discontinued for derivatives that cease to be highly effective. Certain other commodity derivative financial instruments, although generally effective as hedges, do not qualify for hedge accounting treatment. Changes in the fair values of these derivative instruments are reflected in net income. Cash flows from derivative financial instruments are included in cash flows from operating activities.

For a more detailed description of the derivative instruments we use, our accounting for derivatives, our objectives for using them and other information, see Note 14.

Revenue Recognition

UGI Utilities' regulated revenues are recognized as natural gas and electricity are delivered and include estimated amounts for distribution service and commodities rendered but not billed at the end of each month. We reflect the impact of Gas Utility and Electric Utility rate increases or decreases at the time they become effective. Nonregulated revenues are recognized as services are performed or products are delivered.

We present revenue-related taxes collected on behalf of customers and remitted to taxing authorities, principally sales and use taxes, on a net basis. Electric Utility gross receipts taxes are included in total revenues in accordance with regulatory practice.

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Accounts Receivable

Accounts receivable are reported on the Consolidated Balance Sheets at the gross outstanding amount adjusted for an allowance for doubtful accounts. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition. Provisions for uncollectible accounts are established based upon our collection experience and the assessment of the collectability of specific amounts. Accounts receivable are written off in the period in which the receivable is deemed uncollectible.

Income Taxes

We record deferred income taxes in the Consolidated Statements of Income resulting from the use of accelerated depreciation methods based upon amounts recognized for ratemaking purposes. We also record a deferred tax liability for tax benefits, principally the result of accelerated tax depreciation for state income tax purposes, that are flowed through to ratepayers when temporary differences originate and record a regulatory income tax asset for the probable increase in future revenues that will result when the temporary differences reverse.

We are amortizing deferred investment tax credits related to Utilities' plant additions over the service lives of the related property. Utilities reduces its deferred income tax liability for the future tax benefits that will occur when the deferred investment tax credits, which are not taxable, are amortized. We also reduce the regulatory income tax asset for the probable reduction in future revenues that will result when such deferred investment tax credits amortize.

We join with UGI and its subsidiaries in filing a consolidated federal income tax return. We are charged or credited for our share of current taxes resulting from the effects of our transactions in the UGI consolidated federal income tax return including giving effect to intercompany transactions. The result of this allocation is generally consistent with income taxes calculated on a separate return basis. We record interest on tax deficiencies and income tax penalties in income taxes on the Consolidated Statements of Income.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less when purchased are classified as cash equivalents.

Restricted Cash

Restricted cash represents those cash balances in our commodity futures brokerage accounts that are restricted from withdrawal.

Inventories

At September 30, 2015, our inventories are stated at the lower of cost or net realizable value and, prior to September 30, 2015, the lower of cost or market. We determine cost using an average cost method for substantially all of our inventory. During the fourth quarter of Fiscal 2015, the Company adopted new accounting guidance regarding the measurement of inventory which simplified the determination of market value. The adoption of the new guidance did not impact the valuation of our inventories (see Note 3).

Property, Plant and Equipment and Related Depreciation

We record property, plant and equipment at original cost. The amounts assigned to property, plant and equipment of acquired businesses are based upon estimated fair value at date of acquisition.

We record depreciation expense for Utilities' plant and equipment on a straight-line basis over the estimated average remaining lives of the various classes of its depreciable property. The composite annual rate for depreciable property at our Gas Utility was 2.2% in Fiscal 2015, 2.3% in Fiscal 2014 and 2.3% in Fiscal 2013. The composite annual rate for depreciable property at our Electric Utility was 2.5% in Fiscal 2015, 2.5% in Fiscal 2014 and 2.4% in Fiscal 2013. When Utilities retires depreciable utility plant and equipment, we charge the original cost to accumulated depreciation for financial accounting purposes. Costs incurred to retire utility plant and equipment, net of salvage, are recorded in regulatory assets and amortized over 5 years, consistent with the recovery period approved by the PUC.

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We include in property, plant and equipment costs associated with computer software we develop or obtain for use in our businesses. We amortize computer software costs on a straight-line basis over expected periods of benefit not exceeding fifteen years once the installed software is ready for its intended use.

No depreciation expense is included in cost of sales in the Consolidated Statements of Income.

Goodwill

Our goodwill is the result of Gas Utility business acquisitions. We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is the operating segment, or a business one level below the operating segment (a component) if discrete financial information is prepared and regularly reviewed by segment management. Components are aggregated as a single reporting unit if they have similar economic characteristics. In accordance with GAAP, a reporting unit with goodwill is required to perform an impairment test annually or whenever events or circumstances indicate that the value of goodwill may be impaired. We are required to recognize an impairment charge under GAAP if the carrying amount of a reporting unit exceeds its fair value and the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill. We determine the fair value of our Gas Utility generally based on a weighting of income and market approaches. For purposes of the income approach, fair value is determined based upon the present value of the reporting unit's estimated future cash flows, including an estimate of the reporting unit's terminal value based upon these cash flows, discounted at appropriate risk-adjusted rates. We use our internal forecasts to estimate future cash flows which may include estimates of long-term future growth rates based upon our most recent reviews of the long-term outlook for the reporting unit. Cash flow estimates used to establish fair values under our income approach involve management judgments based on a broad range of information and historical results. In addition, external economic and competitive conditions can influence future performance. For purposes of the market approach, we use valuation multiples for companies comparable to our reporting unit. The market approach requires judgment to determine the appropriate valuation multiple. Under certain circumstances, the Company may perform a qualitative approach to determine if it is more likely than not that the carrying value of a reporting unit is greater than its fair value. No provisions for goodwill impairments were recorded during Fiscal 2015, Fiscal 2014 or Fiscal 2013.

Impairment of Long-Lived Assets

We evaluate the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We evaluate recoverability based upon undiscounted future cash flows expected to be generated by such assets. No provisions for impairments were recorded during Fiscal 2015, Fiscal 2014 or Fiscal 2013.

Employee Retirement Plans

We use a market-related value of plan assets and an expected long-term rate of return to determine the expected return on assets of our pension and other postretirement plans. The market-related value of plan assets, other than equity investments, is based upon fair values. The market-related value of equity investments is calculated by rolling forward the prior-year's market-related value with contributions, disbursements and the expected return on plan assets. One third of the difference between the expected and the actual value is then added to or subtracted from the expected value to determine the new market-related value (see Note 9).

Equity-Based Compensation

All of our equity-based compensation, principally comprising UGI stock options and grants of UGI stock-based equity instruments ("Units"), is measured at fair value on the grant date, date of modification or end of the period, as applicable. Compensation expense is recognized on a straight-line basis over the requisite service period. Depending upon the settlement terms of the awards, equity-based compensation costs are measured based upon the fair value of the award on the date of grant or the fair value of the award as of the end of each reporting period. For additional information on our equity-based compensation plans and related disclosures, see Note 11.

Environmental Matters

We are subject to environmental laws and regulations intended to mitigate or remove the effects of past operations and improve or maintain the quality of the environment. These laws and regulations require the removal or remedy of the effect on the environment of the disposal or release of certain specified hazardous substances at current or former operating sites.

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Environmental reserves are accrued when assessments indicate that it is probable that a liability has been incurred and an amount can reasonably be estimated. Amounts recorded as environmental liabilities on the balance sheets represent our best estimate of costs expected to be incurred or, if no best estimate can be made, the minimum liability associated with a range of expected environmental investigation and remediation costs. Our estimated liability for environmental contamination is reduced to reflect anticipated participation of other responsible parties but is not reduced for possible recovery from insurance carriers. In those instances for which the amount and timing of cash payments associated with environmental investigation and cleanup are reliably determinable, we discount such liabilities to reflect the time value of money. We intend to pursue recovery of incurred costs through all appropriate means, including regulatory relief. UGI Gas is permitted to amortize as removal costs site-specific environmental investigation and remediation costs, net of related third-party payments, associated with Pennsylvania sites. UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs. CPG and PNG receive ratemaking recognition of environmental investigation and remediation costs associated with their environmental sites. This ratemaking recognition balances the accumulated difference between historical costs and rate recoveries with an estimate of future costs associated with the sites. For further information, see Note 12.

3. ACCOUNTING CHANGES

Adoption of New Accounting Standard

Measurement of Inventory. During the fourth quarter of Fiscal 2015, the Company adopted new accounting guidance regarding the measurement of inventory. The new guidance amends existing guidance and requires inventory be measured at the lower of cost or net realizable value. Net realizable value is generally defined as estimated selling prices in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation. We applied this guidance prospectively and the adoption of this guidance did not impact our results of operations, cash flows or financial position for Fiscal 2015.

Accounting Standards Not Yet Adopted

Presentation of Deferred Taxes. In November 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-17, "Balance Sheet Classification of Deferred Taxes." This ASU amends existing guidance to require that deferred income tax liabilities and assets be classified as noncurrent in a classified balance sheet, and eliminates the prior guidance which required an entity to separate deferred tax liabilities and assets into a current amount and a noncurrent amount in a classified balance sheet. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2016 (Fiscal 2018), and interim periods within those annual periods. Earlier application is permitted as of the beginning of an interim or annual period. Additionally, the new guidance may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. We have not yet selected an adoption method and are currently evaluating the impact of adopting this guidance on our consolidated financial statements.

Debt Issuance Costs. In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This ASU amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of a deferred charge. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2015. Early adoption is permitted. Entities will apply the new guidance retrospectively to all periods presented. The Company expects to adopt the new guidance in Fiscal 2016. The adoption of the new guidance is not expected to have a material impact on the Company's financial statements.

Revenue Recognition. In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." This ASU supersedes the revenue recognition requirements in ASC 605, "Revenue Recognition," and most industry-specific guidance included in the ASC. The standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard is effective for the Company for interim and annual periods beginning October 1, 2018 (Fiscal 2019) and allows for either full retrospective adoption or modified retrospective adoption. We have not yet selected a transition method and are currently evaluating the impact of adopting this guidance on our consolidated financial statements.

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4. REGULATORY ASSETS AND LIABILITIES AND REGULATORY MATTERS

The following regulatory assets and liabilities associated with Utilities are included in our accompanying Consolidated Balance Sheets at September 30:

	2015	2014
Regulatory assets:		
Income taxes recoverable	\$ 115,946	\$ 110,709
Underfunded pension and postretirement plans	140,762	110,116
Environmental costs	19,983	14,616
Deferred fuel and power costs	—	11,732
Removal costs, net	21,223	16,790
Other	6,294	4,203
Total regulatory assets	<u>\$ 304,208</u>	<u>\$ 268,166</u>
Regulatory liabilities (a):		
Postretirement benefits	\$ 19,975	\$ 18,594
Environmental overcollections	—	349
Deferred fuel and power refunds	36,638	306
State tax benefits — distribution system repairs	13,266	10,076
Other	1,125	3,172
Total regulatory liabilities	<u>\$ 71,004</u>	<u>\$ 32,497</u>

- (a) Regulatory liabilities, other than deferred fuel and power refunds, are recorded in other current and noncurrent liabilities in the Consolidated Balance Sheets.

Income taxes recoverable . This regulatory asset is the result of recording deferred tax liabilities pertaining to temporary tax differences principally as a result of the pass through to ratepayers of the tax benefit on accelerated tax depreciation for state income tax purposes, and the flow through of accelerated tax depreciation for federal income tax purposes for certain years prior to 1981. These deferred taxes have been reduced by deferred tax assets pertaining to utility deferred investment tax credits. Utilities has recorded regulatory income tax assets related to these deferred tax liabilities representing future revenues recoverable through the ratemaking process over the average remaining depreciable lives of the associated property ranging from 1 to approximately 65 years .

Underfunded pension and other postretirement plans . This regulatory asset represents the portion of prior service cost and net actuarial losses associated with pension and other postretirement benefits which are probable of being recovered through future rates based upon established regulatory practices. These regulatory assets are adjusted annually or more frequently under certain circumstances when the funded status of the plans is recorded in accordance with GAAP. These costs are amortized over the average remaining future service lives of plan participants.

Environmental costs . Environmental costs represent amounts actually spent by UGI Gas to clean up sites in Pennsylvania as well as the portion of estimated probable future environmental remediation and investigation costs principally at manufactured gas plant ("MGP") sites that CPG and PNG expect to incur in conjunction with remediation consent orders and agreements with the Pennsylvania Department of Environmental Protection (see Note 12). Consistent with prior ratemaking treatment, UGI Gas anticipates it will recover in rates, through future base rate proceedings, a five -year average of prudently incurred remediation costs at Pennsylvania sites and UGI Gas is currently amortizing such costs over a five -year period. PNG and CPG are currently recovering and expect to continue to recover environmental remediation and investigation costs in base rate revenues. At September 30, 2015 , the period over which PNG and CPG expect to recover these costs will depend upon future remediation activity.

Deferred fuel and power — costs and refunds . Gas Utility's and Electric Utility's tariffs contain clauses which permit recovery of all prudently incurred purchased gas and power costs through the application of purchased gas cost ("PGC") rates in the case of Gas Utility and default service ("DS") tariffs in the case of Electric Utility. The clauses provide for periodic adjustments to PGC and DS rates for differences between the total amount of purchased gas and electric generation supply costs collected from customers and recoverable costs incurred. Net undercollected costs are classified as a regulatory asset and net overcollections are classified as a regulatory liability.

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Gas Utility uses derivative instruments to reduce volatility in the cost of gas it purchases for firm- residential, commercial and industrial ("retail core-market") customers. Realized and unrealized gains or losses on natural gas derivative instruments are included in deferred fuel costs or refunds. Net unrealized losses on such contracts at September 30, 2015 and 2014 , were \$ 3,262 and \$ 1,363 , respectively.

Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. Prior to March 1, 2015, we did not designate these purchase contracts as NPNS under GAAP. Therefore, we recognized the fair value of these contracts on the balance sheet with an associated adjustment to regulatory assets or liabilities because Electric Utility is entitled to fully recover its prudently incurred DS costs. At September 30, 2015 and 2014 , the fair values of Electric Utility's electricity supply contracts were (losses) gains of \$(533) and \$345 , respectively. These amounts are reflected in current and noncurrent derivative assets and current and noncurrent derivative liabilities on the Consolidated Balance Sheets with equal and offsetting amounts reflected in deferred fuel and power costs and refunds in the table above. Effective with Electric Utility forward electricity purchase contracts entered into beginning March 1, 2015, Electric Utility has elected the NPNS exception under GAAP and, as a result, the fair values of such contracts are not recognized on the balance sheet (see Note 14).

In order to reduce volatility associated with a substantial portion of its electric transmission congestion costs, Electric Utility obtains financial transmission rights ("FTRs"). FTRs are derivative instruments that entitle the holder to receive compensation for electricity transmission congestion charges when there is insufficient electricity transmission capacity on the electric transmission grid. Because Electric Utility is entitled to fully recover its DS costs, realized and unrealized gains or losses on FTRs are included in deferred fuel and power costs or deferred fuel and power refunds. Unrealized gains or losses on FTRs at September 30, 2015 and 2014 , were not material.

Removal costs, net. This regulatory asset represents costs incurred, net of salvage, associated with the retirement of depreciable utility plant. Consistent with prior ratemaking treatment, UGI Utilities expects to recover these costs over 5 years .

Postretirement benefits . Gas Utility and Electric Utility are recovering ongoing postretirement benefit costs at amounts permitted by the PUC in prior base rate proceedings. With respect to UGI Gas and Electric Utility, the difference between the amounts recovered through rates and the actual costs incurred in accordance with accounting for postretirement benefits are being deferred for future refund to or recovery from ratepayers. Such amounts are reflected in regulatory liabilities in the table above. In addition, this regulatory liability includes the portion of prior service credits and net actuarial gains associated with certain other postretirement benefit plans.

Environmental overcollections. This regulatory liability represents the difference between amounts recovered in rates and actual costs incurred (net of insurance proceeds) associated with the terms of a consent order agreement between CPG and the Pennsylvania Department of Environmental Protection ("DEP") to remediate certain gas plant sites.

State income tax benefits — distribution system repairs. This regulatory liability represents Pennsylvania state income tax benefits, net of federal income tax expense, resulting from the deduction for income tax purposes of repair and maintenance costs associated with Gas Utility or Electric Utility assets which are capitalized for regulatory and GAAP reporting. The tax benefits associated with these repair and maintenance deductions will be reflected as a reduction to income tax expense over the remaining tax lives of the related book assets.

Other . Other regulatory assets and liabilities comprise a number of items including, among others, deferred postretirement costs, deferred asset retirement costs, deferred rate case expenses and customer choice implementation costs. At September 30, 2015 , UGI Utilities expects to recover these costs over periods of approximately 1 to 20 years.

UGI Utilities does not recover a rate of return on its regulatory assets.

Other Regulatory Matters

Distribution System Improvement Charge. On April 14, 2012, legislation became effective enabling gas and electric utilities in Pennsylvania, under certain circumstances, to recover the cost of eligible capital investment in distribution system infrastructure improvement projects between base rate cases. The charge enabled by the legislation is known as a distribution system improvement charge ("DSIC"). The primary benefit to a company from a DSIC charge is the elimination of regulatory lag, or delayed rate recognition, that occurs under traditional ratemaking relating to qualifying capital expenditures. To be eligible for a DSIC, a utility must have filed a general rate filing within five years of its petition seeking permission to include a DSIC in its tariff, and not exceed certain earnings tests. Absent PUC permission, the DSIC is capped at five percent of the amount billed to customers. PNG

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and CPG received PUC approval on a DSIC tariff, initially set at zero, in 2014, while UGI Gas has not had a general rate filing within the required time period to be eligible. Beginning on April 1, 2015, PNG was able to begin charging a DSIC at a rate other than zero. The impact of the DSIC charge at PNG did not have a material effect on Gas Utility results of operations.

5. INVENTORIES

Inventories comprise the following at September 30:

	2015	2014
Gas Utility natural gas	\$ 37,510	\$ 82,664
Materials, supplies and other	14,206	12,555
Total inventories	<u>\$ 51,716</u>	<u>\$ 95,219</u>

At September 30, 2015, UGI Utilities is a party to three principal storage contract administrative agreements ("SCAAs") having terms of three years. Two of the SCAAs are with Energy Services, LLC ("Energy Services"), a second-tier, wholly owned subsidiary of UGI (see Note 18), and one of the SCAAs is with a non-affiliate. Pursuant to SCAAs, UGI Utilities has, among other things, released certain storage and transportation contracts for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon commencement of the SCAAs, will receive a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the terms of the SCAAs. The historical cost of natural gas storage inventories released under the SCAAs, which represents a portion of Gas Utility's total natural gas storage inventories, and any exchange receivable (representing amounts of natural gas inventories used by the other parties to the agreement but not yet replenished), for which UGI Utilities has the rights, are included in the caption "Gas Utility natural gas" in the table above.

The carrying value of gas storage inventories released under the SCAAs at September 30, 2015 and 2014, comprising 9.0 billion cubic feet ("bcf") and 11.6 bcf of natural gas, were \$22,694 and \$49,897, respectively. At September 30, 2015 and 2014, UGI Utilities held a total of \$17,700 and \$17,600, respectively, of security deposits received from its SCAA counterparties. These amounts are included in other current liabilities on the Consolidated Balance Sheets. Effective November 1, 2015, UGI Utilities entered into a new SCAA with Energy Services which has a term of three years.

For additional information related to the SCAAs with Energy Services, see Note 18.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following categories at September 30:

	2015	2014
Distribution	\$ 2,458,080	\$ 2,294,590
Transmission	90,036	88,199
General and other, including construction in process	205,383	185,763
Total property, plant and equipment	<u>\$ 2,753,499</u>	<u>\$ 2,568,552</u>

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7. DEBT

Long-term debt comprises the following at September 30:

	2015	2014
Senior Notes:		
5.75%, due September 2016	\$ 175,000	\$ 175,000
4.98%, due March 2044	175,000	175,000
6.21%, due September 2036	100,000	100,000
Medium-Term Notes:		
5.16%, due May 2015	—	20,000
7.37%, due October 2015	22,000	22,000
5.64%, due December 2015	50,000	50,000
6.17%, due June 2017	20,000	20,000
7.25%, due November 2017	20,000	20,000
5.67%, due January 2018	20,000	20,000
6.50%, due August 2033	20,000	20,000
6.13%, due October 2034	20,000	20,000
Total long-term debt	622,000	642,000
Less: current maturities	(247,000)	(20,000)
Total long-term debt due after one year	\$ 375,000	\$ 622,000

Principal payments on long-term debt during the next five fiscal years is as follows: \$ 247,000 is due in Fiscal 2016 ; \$ 20,000 is due in Fiscal 2017 ; \$ 40,000 is due in Fiscal 2018 ; \$ 0 is due in Fiscal 2019 ; and \$ 0 is due in Fiscal 2020 .

In March 2014, UGI Utilities issued in a private placement \$175,000 of 4.98% Senior Notes due March 2044 (" 4.98% Senior Notes"). The 4.98% Senior Notes were issued pursuant to a Note Purchase Agreement dated October 30, 2013, between UGI Utilities and certain note purchasers. The 4.98% Senior Notes are unsecured and rank equally with UGI Utilities' existing outstanding senior debt. The net proceeds from the sale of the 4.98% Senior Notes were used to repay \$175,000 of borrowings under UGI Utilities' then-existing 364 -day Term Loan Credit Agreement.

In March 2015, UGI Utilities entered into an unsecured credit agreement (the "Credit Agreement") with a group of banks providing for borrowings of up to \$300,000 (including a \$100,000 sublimit for letters of credit) which expires in March 2020. Concurrently, with entering into the Credit Agreement, UGI Utilities terminated its then-existing \$300,000 revolving credit agreement dated as of May 25, 2011. Under the Credit Agreement, UGI Utilities may borrow at various prevailing market interest rates, including LIBOR and the banks' prime rate, plus a margin. The margin on such borrowings ranges from 0.0% to 1.75% and is based upon the credit ratings of certain indebtedness of UGI Utilities. UGI Utilities had borrowings outstanding under the credit agreements, which we classify as short-term borrowings on the Consolidated Balance Sheets, totaling \$71,700 and \$86,300 at September 30, 2015 and 2014 , respectively. The weighted-average interest rates on the credit agreement borrowings at September 30, 2015 and 2014 were 1.07% and 1.03% , respectively. Issued and outstanding letters of credit, which reduce available borrowings under the credit agreements, totaled \$2,000 at September 30, 2015 and 2014 , respectively.

Restrictive Covenants. The 4.98% Senior Notes include the usual and customary covenants for similar type notes including, among others, maintenance of existence, payment of taxes when due, compliance with laws and maintenance of insurance. The 4.98% Senior Notes also contain restrictive and financial covenants including a requirement that UGI Utilities not exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined, of 0.65 to 1.00 .

The UGI Utilities Credit Agreement requires UGI Utilities not to exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined.

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8. INCOME TAXES

The provisions for income taxes consist of the following:

	2015	2014	2013
Current expense:			
Federal	\$ 34,990	\$ 38,786	\$ 21,807
State	15,138	11,449	11,824
Total current expense	50,128	50,235	33,631
Deferred expense (benefit):			
Federal	28,877	29,208	33,349
State	815	4,717	2,274
Investment tax credit amortization	(336)	(337)	(342)
Total income tax expense	\$ 79,484	\$ 83,823	\$ 68,912

A reconciliation from the U.S. federal statutory tax rate to our effective tax rate is as follows:

	2015	2014	2013
U.S. federal statutory tax rate	35.0 %	35.0 %	35.0 %
Difference in tax rate due to:			
State income taxes, net of federal	5.1	5.1	5.4
Other, net	(0.5)	0.2	(0.1)
Effective tax rate	39.6 %	40.3 %	40.3 %

Pennsylvania utility ratemaking practice permits the flow through to ratepayers of state tax benefits resulting from accelerated tax depreciation. For Fiscal 2015, Fiscal 2014 and Fiscal 2013, the beneficial effects of state tax flow through of accelerated depreciation reduced tax expense by \$1,539, \$1,976 and \$1,538, respectively.

Deferred tax liabilities (assets) comprise the following at September 30:

	2015	2014
Excess book basis over tax basis of property, plant and equipment	\$ 431,480	\$ 392,839
Goodwill	40,552	36,034
Regulatory assets	117,420	109,953
Other	2,573	1,349
Gross deferred tax liabilities	592,025	540,175
Pension plan liabilities	(54,444)	(40,461)
Allowance for doubtful accounts	(2,809)	(2,903)
Deferred investment tax credits	(1,493)	(1,632)
Employee-related expenses	(5,637)	(5,630)
Regulatory liabilities	(23,958)	(14,836)
Environmental liabilities	(6,014)	(4,389)
Derivative financial instruments	(3,501)	(6,224)
Other	(6,367)	(4,131)
Gross deferred tax assets	(104,223)	(80,206)
Net deferred tax liabilities	\$ 487,802	\$ 459,969

We join with UGI and its subsidiaries in filing a consolidated federal income tax return. We are charged or credited for our share of current taxes resulting from the effects of our transactions in the UGI consolidated federal income tax return including giving effect to intercompany transactions. UGI's federal income tax returns are settled through the tax year 2011.

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We file separate company income tax returns in various other states but are subject to state income tax principally in Pennsylvania. Pennsylvania income tax returns are generally subject to examination for a period of three years after the filing of the respective returns.

During Fiscal 2015 , Fiscal 2014 and Fiscal 2013 , interest expense of \$0 , \$38 and \$0 , respectively, was recognized in income taxes in the Consolidated Statements of Income.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	2014	2013
Unrecognized tax benefits - beginning of year	\$ 1,087	\$ 1,048
Additions for tax positions of prior years	—	39
Settlements with tax authorities	(1,087)	—
Unrecognized tax benefits - end of year	<u>\$ —</u>	<u>\$ 1,087</u>

There was no activity associated with unrecognized tax benefits during Fiscal 2015.

9. EMPLOYEE RETIREMENT PLANS

Defined Benefit Pension and Other Postretirement Plans. We sponsor a defined benefit pension plan for employees hired prior to January 1, 2009, of UGI, UGI Utilities, PNG, CPG and certain of UGI's other domestic wholly owned subsidiaries ("Pension Plan"). Pension Plan benefits are based on years of service, age and employee compensation. We also provide postretirement health care benefits to certain retirees and postretirement life insurance benefits to nearly all active and retired employees.

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The following table provides a reconciliation of the projected benefit obligations ("PBOs") of the Pension Plan, the accumulated benefit obligations ("ABOs") of our other postretirement benefit plans, plan assets and the funded status of the Pension Plan and other postretirement plans as of September 30, 2015 and 2014. ABO is the present value of benefits earned to date with benefits based upon current compensation levels. PBO is ABO increased to reflect future compensation.

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Change in benefit obligations:				
Benefit obligations — beginning of year	\$ 539,725	\$ 486,468	\$ 11,136	\$ 10,688
Service cost	7,863	7,309	220	175
Interest cost	24,656	25,102	511	519
Actuarial loss (gain)	14,667	43,064	(835)	205
Benefits paid	(23,290)	(22,218)	(356)	(451)
Benefit obligations — end of year	<u>\$ 563,621</u>	<u>\$ 539,725</u>	<u>\$ 10,676</u>	<u>\$ 11,136</u>
Change in plan assets:				
Fair value of plan assets — beginning of year	\$ 442,465	\$ 398,171	\$ 12,848	\$ 11,723
Actual gain (loss) on assets	483	47,285	(95)	1,434
Employer contributions	11,131	19,227	126	142
Benefits paid	(23,290)	(22,218)	(356)	(451)
Fair value of plan assets — end of year	<u>\$ 430,789</u>	<u>\$ 442,465</u>	<u>\$ 12,523</u>	<u>\$ 12,848</u>
Funded status of the plans — end of year	<u>\$ (132,832)</u>	<u>\$ (97,260)</u>	<u>\$ 1,847</u>	<u>\$ 1,712</u>
Assets (liabilities) recorded in the balance sheet:				
Assets in excess of liabilities — included in other noncurrent assets	\$ —	\$ —	\$ 4,011	\$ 3,971
Unfunded liabilities — included in other current liabilities	—	(1,100)	—	(159)
Unfunded liabilities — included in other noncurrent liabilities	(132,832)	(96,160)	(2,164)	(2,100)
Net amount recognized	<u>\$ (132,832)</u>	<u>\$ (97,260)</u>	<u>\$ 1,847</u>	<u>\$ 1,712</u>
Amounts recorded in stockholder's equity (pre-tax):				
Prior service cost (credit)	\$ 178	\$ 189	\$ (48)	\$ (61)
Net actuarial loss (gain)	15,757	10,662	(158)	(46)
Total	<u>\$ 15,935</u>	<u>\$ 10,851</u>	<u>\$ (206)</u>	<u>\$ (107)</u>
Amounts recorded in regulatory assets and liabilities (pre-tax):				
Prior service cost (credit)	\$ 1,570	\$ 1,908	\$ (2,890)	\$ (3,625)
Net actuarial loss	138,440	107,363	2,289	2,616
Total	<u>\$ 140,010</u>	<u>\$ 109,271</u>	<u>\$ (601)</u>	<u>\$ (1,009)</u>

In Fiscal 2016, we estimate that we will amortize approximately \$10,625 of net actuarial losses, primarily associated with Pension Plan, and \$350 of prior service credits from stockholder's equity and regulatory assets.

Actuarial assumptions are described below. The discount rate assumption was determined by selecting a hypothetical portfolio of high quality corporate bonds appropriate to provide for the projected benefit payments of the Company's postretirement plans. The discount rate was then developed as the single rate that equates the market value of the bonds purchased to the discounted value of the benefit payments. The expected rate of return on assets assumption is based on current and expected asset allocations as well as historical and expected returns on various categories of plan assets as further described below.

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Weighted-average assumptions:	Pension Benefits			Other Postretirement Benefits		
	2015	2014	2013	2015	2014	2013
Discount rate - benefit obligations	4.60%	4.60%	5.20%	4.70%	4.60%	5.10% - 5.40%
Discount rate - benefit cost	4.60%	5.20%	4.20%	4.60%	5.10% - 5.40%	4.10% - 4.30%
Expected return on plan assets	7.75%	7.75%	7.75%	5.00%	5.00%	5.00%
Rate of increase in salary levels	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

The ABOs for the Pension Plan were \$523,704 and \$499,082 as of September 30, 2015 and 2014, respectively. Included in the end of year Pension Plan PBOs above are \$57,595 at September 30, 2015, and \$48,758 at September 30, 2014, relating to employees of UGI and certain of its other subsidiaries. Included in the end of year other postretirement plans ABOs above are \$863 at September 30, 2015, and \$887 at September 30, 2014, relating to employees of UGI and certain of its other subsidiaries.

Net periodic pension and other postretirement benefit costs relating to the Company's employees include the following components:

	Pension Benefits			Other Postretirement Benefits		
	2015	2014	2013	2015	2014	2013
Service cost	\$ 6,962	\$ 6,492	\$ 8,211	\$ 202	\$ 162	\$ 205
Interest cost	22,511	22,885	20,783	479	488	557
Expected return on assets	(28,898)	(26,599)	(24,791)	(612)	(557)	(529)
Amortization of:						
Prior service cost (benefit)	348	348	249	(641)	(641)	(420)
Actuarial loss	8,793	6,642	13,463	122	116	336
Net benefit cost (income)	9,716	9,768	17,915	(450)	(432)	149
Change in associated regulatory liabilities	—	—	—	3,740	3,704	3,302
Net benefit cost after change in regulatory liabilities	\$ 9,716	\$ 9,768	\$ 17,915	\$ 3,290	\$ 3,272	\$ 3,451

Pension Plan assets are held in trust and consist principally of publicly traded, diversified equity and fixed income mutual funds and, to a much lesser extent, smallcap common stocks and UGI Corporation Common Stock. It is our general policy to fund amounts for Pension Plan benefits equal to at least the minimum contribution required by ERISA. From time to time we may, at our discretion, contribute additional amounts. During Fiscal 2015, Fiscal 2014 and Fiscal 2013, we made contributions to the Pension Plan of \$11,131, \$19,227 and \$22,365, respectively. The minimum required contributions in Fiscal 2016 are not expected to be material.

UGI Utilities has established a Voluntary Employees' Beneficiary Association ("VEBA") trust to pay retiree health care and life insurance benefits by depositing into the VEBA the annual amount of postretirement benefits costs, if any, determined under GAAP. The difference between such amount and the amounts included in UGI Gas' and Electric Utility's rates is deferred for future recovery from, or refund to, ratepayers. The required contribution to the VEBA during Fiscal 2016, if any, are not expected to be material.

Expected payments for pension and other postretirement welfare benefits are as follows:

	Pension Benefits	Other Postretirement Benefits
Fiscal 2016	\$ 24,900	\$ 701
Fiscal 2017	26,130	635
Fiscal 2018	27,392	606
Fiscal 2019	28,643	595
Fiscal 2020	29,954	581
Fiscal 2021 - 2025	168,123	2,826

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The assumed health care cost trend rates at September 30 are as follows:

	2015	2014
Health care cost trend rate assumed for next year	7.5%	7.0%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	5.0%	5.0%
Fiscal year that the rate reaches the ultimate trend rate	2026	2019

A one percentage point change in these assumed health care cost trend rates would not have had a material impact on Fiscal 2015 other postretirement benefit cost or the September 30, 2015, other postretirement benefit ABO.

We also sponsor unfunded and non-qualified supplemental executive retirement income plans. At September 30, 2015 and 2014, the PBOs of these plans were \$2.835 and \$2.866, respectively. We recorded expense for these plans of \$445 in Fiscal 2015, \$372 in Fiscal 2014 and \$498 in Fiscal 2013.

Pension Plan and VEBA Assets. The assets of the Pension Plan and the VEBA are held in trust. The investment policies and asset allocation strategies for the assets in these trusts are determined by an investment committee comprising officers of UGI and UGI Utilities. The overall investment objective of the Pension Plan and the VEBA is to achieve the best long-term rates of return within prudent and reasonable levels of risk. To achieve the stated objective, investments are made principally in publicly traded, diversified equity and fixed income mutual funds and, to a much lesser extent, smallcap common stocks and UGI Common Stock.

The targets, target ranges and actual allocations for the Pension Plan and VEBA trust assets at September 30 are as follows:

	Actual		Target	Permitted
	2015	2014	Asset Allocation	
Pension Plan:				
Equity investments:				
Domestic	56.2%	55.6%	52.5%	40.0% - 65.0%
International	10.2%	11.3%	12.5%	7.5% - 17.5%
Total	66.4%	66.9%	65.0%	60.0% - 70.0%
Fixed income funds & cash equivalents	33.6%	33.1%	35.0%	30.0% - 40.0%
Total	100.0%	100.0%	100.0%	
			Target	Permitted
			Asset	Range
			Allocation	
VEBA:				
Domestic equity investments	67.4%	67.9%	65.0%	60.0% - 70.0%
Fixed income funds & cash equivalents	32.6%	32.1%	35.0%	30.0% - 40.0%
Total	100.0%	100.0%	100.0%	

Domestic equity investments include investments in large-cap mutual funds indexed to the S&P 500 and actively managed mid- and small-cap mutual funds, and a self-directed portfolio of small-cap common stocks. Investments in international equity mutual funds seek to track performance of companies primarily in developed markets. The fixed income investments comprise investments designed to match the performance and duration of the Barclays U.S. Aggregate Index. According to statute, the aggregate holdings of all qualifying employer securities may not exceed 10% of the fair value of trust assets at the time of purchase. UGI Common Stock represented 10.1% and 9.6% of Pension Plan assets at September 30, 2015 and 2014, respectively.

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The fair values of the Pension Plan and VEBA trust assets are derived from quoted market prices as substantially all of these instruments have active markets. Cash equivalents are valued at the fund's unit net asset value as reported by the trustee. The fair values of the U.S. Pension Plan and VEBA trust assets by asset class and level within the fair value hierarchy, as described in Note 2, as of September 30, 2015 and 2014 are as follows:

	Pension Plan			
	Level 1	Level 2	Level 3	Total
September 30, 2015:				
Domestic equity investments:				
S&P 500 Index equity mutual funds	\$ 147,266	\$ —	\$ —	\$ 147,266
Small and midcap equity mutual funds	40,625	—	—	40,625
Smallcap common stocks	10,727	—	—	10,727
UGI Corporation Common Stock	43,419	—	—	43,419
Total domestic equity investments	242,037	—	—	242,037
International index equity mutual funds	43,906	—	—	43,906
Fixed income investments:				
Bond index mutual funds	140,776	—	—	140,776
Cash equivalents	—	4,070	—	4,070
Total fixed income investments	140,776	4,070	—	144,846
Total	\$ 426,719	\$ 4,070	\$ —	\$ 430,789
September 30, 2014:				
Equity investments:				
S&P 500 Index equity mutual funds	\$ 152,613	\$ —	\$ —	\$ 152,613
Small and midcap equity mutual funds	41,417	—	—	41,417
Smallcap common stocks	9,325	—	—	9,325
UGI Corporation Common Stock	42,502	—	—	42,502
Total domestic equity investments	245,857	—	—	245,857
International index equity mutual funds	49,935	—	—	49,935
Fixed income investments:				
Bond index mutual funds	140,949	—	—	140,949
Cash equivalents	—	5,724	—	5,724
Total fixed income investments	140,949	5,724	—	146,673
Total	\$ 436,741	\$ 5,724	\$ —	\$ 442,465
VEBA				
	Level 1	Level 2	Level 3	Total
September 30, 2015:				
S&P 500 Index equity mutual fund	\$ 8,434	\$ —	\$ —	\$ 8,434
Bond index mutual fund	3,832	—	—	3,832
Cash equivalents	—	257	—	257
Total	\$ 12,266	\$ 257	\$ —	\$ 12,523
September 30, 2014:				
S&P 500 Index equity mutual fund	\$ 8,719	\$ —	\$ —	\$ 8,719
Bond index mutual fund	3,727	—	—	3,727
Cash equivalents	—	402	—	402
Total	\$ 12,446	\$ 402	\$ —	\$ 12,848

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The expected long-term rates of return on Pension Plan and VEBA trust assets have been developed using a best estimate of expected returns, volatilities and correlations for each asset class. The estimates are based on historical capital market performance data and future expectations provided by independent consultants. Future expectations are determined by using simulations that provide a wide range of scenarios of future market performance. The market conditions in these simulations consider the long-term relationships between equities and fixed income as well as current market conditions at the start of the simulation. The expected rate begins with a risk-free rate of return with other factors being added such as inflation, duration, credit spreads and equity risk premiums. The rates of return derived from this process are applied to our target asset allocation to develop a reasonable return assumption.

Defined Contribution Plan. We sponsor a 401(k) savings plan for eligible employees ("Utilities Savings Plan"). Generally, participants in the Utilities Savings Plan may contribute a portion of their compensation on a before-tax and after-tax basis. The Utilities Savings Plan provides for employer matching contributions. Those employees hired after December 31, 2008, who are not eligible to participate in the Pension Plan, receive employer matching contributions at a higher rate. The cost of benefits under the Utilities Savings Plan totaled \$2,162 in Fiscal 2015, \$1,916 in Fiscal 2014 and \$1,762 in Fiscal 2013. We also sponsor a nonqualified supplemental defined contribution executive retirement plan. This plan generally provides supplemental benefits to certain executives that would otherwise be provided under retirement plans but are prohibited due to limitations imposed by the Internal Revenue Code. Costs associated with this plan were not material in Fiscal 2015, Fiscal 2014 or Fiscal 2013.

10. SERIES PREFERRED STOCK

We have 2,000,000 shares of Series Preferred Stock authorized for issuance, including both series subject to and series not subject to mandatory redemption. We had no shares of Series Preferred Stock outstanding at September 30, 2015 or 2014.

11. EQUITY-BASED COMPENSATION

Under UGI Corporation's 2013 Omnibus Incentive Compensation Plan (the "2013 OICP") and prior UGI equity compensation plans, certain key employees of UGI Utilities may be granted stock options to acquire shares of UGI Common Stock, stock appreciation rights ("SARs"), UGI Units (comprising "Stock Units" and "UGI Performance Units") and other equity-based awards. The exercise price for UGI stock options may not be less than the fair market value on the grant date. Awards granted under the 2013 OICP and the prior plans may vest immediately or ratably over a period of years (generally three-year periods), and stock options for UGI Common Stock can be exercised no later than ten years from the grant date. In addition, the 2013 OICP and the prior UGI equity compensation plans provide that awards of UGI Units may also provide for the crediting of dividend equivalents to participants' accounts. Except in the event of retirement, death or disability, each grant, unless paid, will terminate when the participant ceases to be employed. There are certain change of control and retirement eligibility conditions that, if met, generally result in accelerated vesting or elimination of further service requirements.

UGI Stock Unit and UGI Performance Unit awards entitle the grantee to shares of UGI Common Stock or cash once the service condition is met and, with respect to UGI Performance Unit awards, subject to market performance conditions. UGI Performance Unit grant recipients are awarded a target number of Performance Units. With respect to Performance Units awards, the actual number of UGI shares actually issued (or their cash equivalent) at the end of the performance period and the actual amount of dividend equivalents paid, may range from 0% to 200% of the target award based on UGI's Total Shareholder Return ("TSR") percentile rank relative to (i) companies in the Standard & Poor's Utilities Index for grants prior to January 1, 2011 and (ii) the Russell Midcap Utility Index, excluding telecommunication companies, for grants on or after January 1, 2011 (each a respective "UGI comparator group"). Dividend equivalents are paid in cash only on UGI Performance Units that eventually vest.

We use a Black-Scholes option-pricing model to estimate the fair value of UGI stock options. We use a Monte Carlo valuation approach to estimate the fair value of UGI Performance Unit awards. We recorded total net pre-tax equity-based compensation expense associated with both UGI Units and UGI stock options of \$1.847 (\$1,081 after-tax) during Fiscal 2015; \$1.912 (\$1,119 after-tax) during Fiscal 2014; and \$1.078 (\$631 after-tax) during Fiscal 2013.

As of September 30, 2015, there was \$744 of unrecognized compensation cost related to non-vested UGI stock options that is expected to be recognized over a weighted-average period of 1.9 years. As of September 30, 2015, there was a total of \$908 of unrecognized compensation expense associated with 60,583 UGI Unit awards that is expected to be recognized over a weighted

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average period of 1.8 years. At September 30, 2015 and 2014, total liabilities of \$1,182 and \$1,285, respectively, associated with UGI Unit awards are reflected in other current liabilities and other noncurrent liabilities on the Consolidated Balance Sheets.

The following table summarizes UGI Unit award activity for Fiscal 2015:

	Total		Vested		Non-Vested	
	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)
September 30, 2014	84,522	\$ 25.32	24,846	\$ 22.52	59,676	\$ 26.49
Granted	21,700	\$ 38.62	1,858	\$ 38.69	19,842	\$ 38.61
Vested	—	\$ —	20,604	\$ 22.40	(20,604)	\$ 22.40
Forfeitures & transfers	(13,689)	\$ 29.10	—	\$ —	(13,689)	\$ 29.10
Unit awards paid	(31,950)	\$ 20.05	(31,950)	\$ 20.05	—	\$ —
September 30, 2015	60,583	\$ 32.01	15,358	\$ 29.46	45,225	\$ 32.88

12. COMMITMENTS AND CONTINGENCIES

Commitments

We lease various buildings and vehicles, computer and office equipment and other facilities under operating leases. Certain of our leases contain renewal and purchase options and also contain escalation clauses. Our aggregate rental expense for such leases was \$7,956 in Fiscal 2015, \$6,803 in Fiscal 2014 and \$6,270 in Fiscal 2013.

Minimum future payments under operating leases that have initial or remaining noncancelable terms in excess of one year for the fiscal years ending September 30 are as follows: 2016 — \$6,438; 2017 — \$4,818; 2018 — \$3,869; 2019 — \$1,621; 2020 — \$591; after 2020 — \$448.

Gas Utility has gas supply agreements with producers and marketers with terms not exceeding 16 months. Gas Utility also has agreements for firm pipeline transportation, natural gas storage and peaking service which Gas Utility may terminate at various dates through Fiscal 2030. Gas Utility's costs associated with transportation and storage service agreements are included in its annual PGC filings with the PUC and are recoverable through PGC rates. In addition, Gas Utility has short-term gas supply agreements which permit it to purchase certain of its gas supply needs on a firm or interruptible basis at spot-market prices.

Electric Utility purchases its electricity needs under contracts with various suppliers and on the spot market. Contracts with producers for energy needs expire at various dates through Fiscal 2016.

Future contractual cash obligations under Gas Utility and Electric Utility supply, storage and service agreements existing at September 30, 2015, for fiscal years ending September 30 are as follows: 2016 — \$204,881; 2017 — \$118,795; 2018 — \$87,254; 2019 — \$74,621; 2020 — \$56,983; after 2020 — \$93,596.

Contingencies

Environmental Matters

CPG is party to a Consent Order and Agreement ("CPG-COA") with the DEP requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant ("MGP") related facilities were operated ("CPG MGP Properties") and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement ("PNG-COA") with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated ("PNG MGP Properties"). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at \$1,800 and \$1,100, respectively, in any calendar year. The CPG-COA is scheduled to terminate at the end

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of 2018. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two -year period beginning with the original effective date in March 2004. At September 30, 2015 and 2014 , our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled \$13,758 and \$10,732 , respectively. We have recorded associated regulatory assets for these costs because recovery of these costs from customers is probable.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of MGPs prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas and Electric Utility.

UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because (1) UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five -year average of such prudently incurred remediation costs and (2) CPG and PNG receive ratemaking recognition of environmental investigation and remediation costs associated with their environmental sites. This ratemaking recognition balances the accumulated difference between historical costs and rate recoveries with an estimate of future costs associated with the sites. At September 30, 2015 , neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material for UGI Utilities.

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by its former subsidiaries. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities if a court were to conclude that (1) the subsidiary's separate corporate form should be disregarded or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary's MGP.

There are pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our consolidated financial position, results of operations or cash flows.

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13. FAIR VALUE MEASUREMENTS

The following table presents, on a gross basis, our financial assets and liabilities including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy as described in Note 2, as of September 30, 2015 and 2014:

	Asset (Liability)			Total
	Level 1	Level 2	Level 3	
September 30, 2015				
Derivative instruments:				
Assets:				
Commodity contracts	\$ 934	\$ 373	\$ —	\$ 1,307
Liabilities:				
Commodity contracts	\$ (4,560)	\$ (1,388)	\$ —	\$ (5,948)
Interest rate contracts	\$ —	\$ (7,016)	\$ —	\$ (7,016)
September 30, 2014				
Derivative instruments:				
Assets:				
Commodity contracts	\$ 679	\$ 1,018	\$ —	\$ 1,697
Liabilities:				
Commodity contracts	\$ (2,095)	\$ (206)	\$ —	\$ (2,301)

The fair values of our Level 1 exchange-traded commodity futures and option derivative contracts are based upon actively-quoted market prices for identical assets and liabilities. The fair values of the remainder of our derivative financial instruments, which are designated as Level 2, are generally based upon recent market transactions and related market indicators. There were no transfers between Level 1 and Level 2 during the periods presented.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. The carrying amount and estimated fair value of our long-term debt (including current maturities) at September 30, 2015, were \$622,000 and \$681,415, respectively. The carrying amount and estimated fair value of our long-term debt (including current maturities) at September 30, 2014, were \$642,000 and \$712,815, respectively. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar types of debt (Level 2).

14. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are (1) commodity price risk and (2) interest rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. Because most of our commodity derivative instruments are generally subject to regulatory ratemaking mechanisms, we have limited commodity price risk associated with our Gas Utility or Electric Utility operations. For more information on the accounting for our derivative instruments, see Note 2.

Commodity Price Risk

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. As permitted and agreed to by the PUC pursuant to Gas Utility's annual PGC filings, Gas Utility currently uses New York Mercantile Exchange ("NYMEX") natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. At September 30, 2015 and 2014, the volumes of natural gas associated with Gas Utility's

UGI UTILITIES, INC. AND SUBSIDIARIES
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unsettled NYMEX natural gas futures and option contracts totaled 18.9 million dekatherms and 16.9 million dekatherms, respectively. At September 30, 2015, the maximum period over which Gas Utility is economically hedging natural gas market price risk is 12 months. Gains and losses on natural gas futures contracts and any gains on natural gas option contracts are recorded in regulatory assets or liabilities on the Consolidated Balance Sheets because it is probable such gains or losses will be recoverable from, or refundable to, customers through the PGC recovery mechanism (see Note 4).

Electric Utility's DS tariffs permit the recovery of all prudently incurred costs of electricity it sells to DS customers, including the cost of financial instruments used to hedge electricity costs. Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. For such contracts entered into prior to March 1, 2015, Electric Utility chose to elect the NPNS exception under GAAP, related to these derivative instruments and the fair values of these contracts are reflected in current and noncurrent derivative instrument assets and liabilities in the accompanying Consolidated Balance Sheets. Associated gains and losses on these forward contracts are recorded in regulatory assets and liabilities on the Consolidated Balance Sheets in accordance with GAAP because it is probable such gains or losses will be recoverable from, or refundable to customers through the DS mechanism (see Note 4). Effective with Electric Utility forward electricity purchase contracts entered into beginning March 1, 2015, Electric Utility has elected the NPNS exception under GAAP and, as a result, the fair values of such contracts are not recognized on the balance sheet. At September 30, 2015 and 2014, the volumes of Electric Utility's forward electricity purchase contracts were 331.0 million kilowatt hours and 237.0 million kilowatt hours, respectively. At September 30, 2015, the maximum period over which these contracts extend is 8 months.

In order to reduce volatility associated with a substantial portion of its electricity transmission congestion costs, Electric Utility obtains FTRs through an annual allocation process. Gains and losses on Electric Utility FTRs are recorded in regulatory assets or liabilities in accordance with GAAP because it is probable such gains or losses will be recoverable from, or refundable to customers through the DS mechanism (see Note 4). At September 30, 2015 and 2014, the total volumes associated with FTRs totaled 277.1 million kilowatt hours and 232.1 million kilowatt hours, respectively. At September 30, 2015, the maximum period over which we are economically hedging electricity congestion is 8 months.

In order to reduce operating expense volatility, UGI Utilities from time to time enters into NYMEX gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in the operation of its vehicles and equipment.

Interest Rate Risk

Our long-term debt typically is issued at fixed rates of interest. As these long-term debt issues mature, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into IRPAs. We account for interest rate protection agreements ("IRPAs") as cash flow hedges. As of September 30, 2015, the total notional amounts of our unsettled IRPA contracts was \$250,000. At September 30, 2014, we had no unsettled IRPAs. Our September 30, 2015, unsettled IRPA contracts hedge forecasted interest payments expected to occur over ten- and thirty-year periods beginning in Fiscal 2016.

At September 30, 2015, the amount of net losses associated with IRPAs expected to be reclassified into earnings during the next twelve months based upon current fair values is \$2,463.

Derivative Instrument Credit Risk

Our commodity exchange-traded futures contracts generally require cash deposits in margin accounts. At September 30, 2015, restricted cash in brokerage accounts totaled \$6,602. At September 30, 2014, there was \$3,592 of restricted cash in brokerage accounts.

Offsetting Derivative Assets and Liabilities

Derivative assets and liabilities are presented net by counterparty on our Consolidated Balance Sheets if the right of offset exists. Our derivative instruments include both those that are executed on an exchange through brokers and centrally cleared and over-the-counter transactions. Exchange contracts utilize a financial intermediary, exchange, or clearinghouse to enter, execute, or clear the transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter and exchange contracts contain contractual rights of offset through master netting arrangements, derivative clearing agreements, and contract default provisions. In addition, the contracts are subject to conditional rights of offset through counterparty nonperformance, insolvency, or other conditions.

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In general, most of our over-the-counter transactions and all exchange contracts are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on our Consolidated Balance Sheets with our derivative counterparties are not included in the table below but could reduce our net exposure to such counterparties because such balances are subject to master netting or similar arrangements.

Fair Value of Derivative Instruments

The following table presents our derivative assets and liabilities, as well as the effects of offsetting, as of September 30, 2015 and 2014 :

	2015	2014
Derivative assets:		
Derivatives subject to PGC and DS mechanisms:		
Commodity contracts	\$ 1,307	\$ 1,697
Total derivative assets - gross	1,307	1,697
Gross amounts offset in the balance sheet	(373)	(669)
Total derivative assets - net	<u>\$ 934</u>	<u>\$ 1,028</u>
Derivative liabilities:		
Derivatives designated as hedging instruments:		
Interest rate contracts	\$ (7,016)	\$ —
Derivatives subject to PGC and DS mechanisms:		
Commodity contracts	(5,584)	(2,210)
Derivatives not subject to PGC and DS mechanisms:		
Commodity contracts	(364)	(91)
Total derivative liabilities - gross	(12,964)	(2,301)
Gross amounts offset in the balance sheet	373	669
Total derivative liabilities - net	<u>\$ (12,591)</u>	<u>\$ (1,632)</u>

UGI UTILITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Effect of Derivative Instruments

The following table provides information on the effects of derivative instruments not subject to ratemaking mechanisms on the Consolidated Statements of Income and changes in AOCI for Fiscal 2015, Fiscal 2014 and Fiscal 2013:

	Gain (Loss) Recognized in AOCI			Loss Reclassified from AOCI into Income			Location of Loss Reclassified from AOCI into Income
	2015	2014	2013	2015	2014	2013	
Cash Flow Hedges:							
Interest rate contracts	\$ (7,016)	\$ —	\$ 25,898	\$ (2,674)	\$ (2,679)	\$ (805)	Interest expense
	Gain (Loss) Recognized in Income						Location of Gain (Loss) Recognized in Income
	2015	2014	2013				
Derivatives Not Subject to PGC and DS Mechanisms:							
Gasoline contracts	\$ (761)	\$ —	\$ 45				Operating and administrative expenses/other income, net

The amounts of derivative gains and losses on cash flow hedges representing ineffectiveness were not material for all periods presented.

We are also a party to a number of other contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders, contracts which provide for the purchase and delivery of natural gas, and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments. Although many of these contracts have the requisite elements of a derivative instrument, these contracts qualify for normal purchase and normal sale exception accounting under GAAP because they provide for the delivery of products or services in quantities that are expected to be used in the normal course of operating our business and the price in the contract is based on an underlying that is directly associated with the price of the product or service being purchased or sold.

15. ACCUMULATED OTHER COMPREHENSIVE INCOME

Other comprehensive income (loss) principally reflects losses on IRPAs qualifying as cash flow hedges and actuarial gains and losses on postretirement benefit plans, net of reclassifications to net income.

Changes in AOCI during Fiscal 2015 and Fiscal 2014 are as follows:

	Postretirement Benefit Plans	Derivative Instruments Net Losses	Total
September 30, 2013	\$ (5,283)	\$ (3,437)	\$ (8,720)
Reclassifications of benefit plan actuarial losses and prior service costs	385	—	385
Reclassifications of net losses on IRPAs	—	1,567	1,567
Benefit plans, principally actuarial losses	(1,413)	—	(1,413)
September 30, 2014	\$ (6,311)	\$ (1,870)	\$ (8,181)
Reclassifications of benefit plan actuarial losses and prior service costs	517	—	517
Reclassifications of net losses on IRPAs	—	1,565	1,565
Net losses on IRPAs	—	(4,105)	(4,105)
Benefit plans, principally actuarial losses	(3,482)	—	(3,482)
September 30, 2015	\$ (9,276)	\$ (4,410)	\$ (13,686)

Amounts in the table above are net of tax.

UGI UTILITIES, INC. AND SUBSIDIARIES
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Reclassifications of net losses on interest rate protection agreements are reflected in interest expense on the Consolidated Statements of Income.

16. SEGMENT INFORMATION

We have determined that we have two reportable segments: (1) Gas Utility and (2) Electric Utility. Gas Utility revenues are derived principally from the sale and distribution of natural gas to customers in eastern, northeastern and central Pennsylvania. Electric Utility derives its revenues principally from the sale and distribution of electricity in two northeastern Pennsylvania counties. The HVAC Business, prior to its sale in June 2015, did not meet the quantitative thresholds for separate segment reporting under GAAP relating to business segment reporting and has been included in "Other" below.

The accounting policies of our reportable segments are the same as those described in Note 2 . We evaluate the performance of our Gas Utility and Electric Utility segments principally based upon their income before income taxes.

No single customer represents more than ten percent of our consolidated revenues and there are no significant intersegment transactions. In addition, all of our reportable segments' revenues are derived from sources within the United States, and all of our reportable segments' long-lived assets are located in the United States.

UGI UTILITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Thousands of dollars, except per share amounts)

Financial information by business segment follows:

	Total	Gas Utility	Electric Utility	Other
2015				
Revenues	\$ 1,041,581	\$ 933,080	\$ 107,577	\$ 924
Cost of sales	\$ 510,784	\$ 448,617	\$ 62,167	\$ —
Depreciation and amortization	\$ 63,590	\$ 58,974	\$ 4,616	\$ —
Operating income	\$ 241,667	\$ 226,485	\$ 14,153	\$ 1,029
Interest expense	\$ 41,128	\$ 39,112	\$ 2,016	\$ —
Income before income taxes	\$ 200,539	\$ 187,373	\$ 12,137	\$ 1,029
Total assets	\$ 2,508,178	\$ 2,362,350	\$ 145,828	\$ —
Goodwill	\$ 182,145	\$ 182,145	\$ —	\$ —
Capital expenditures	\$ 197,684	\$ 189,671	\$ 8,013	\$ —
2014				
Revenues	\$ 1,086,889	\$ 977,333	\$ 108,072	\$ 1,484
Cost of sales	\$ 562,942	\$ 496,762	\$ 66,180	\$ —
Depreciation and amortization	\$ 59,219	\$ 54,816	\$ 4,403	\$ —
Operating income	\$ 246,400	\$ 236,219	\$ 9,668	\$ 513
Interest expense	\$ 38,471	\$ 36,602	\$ 1,869	\$ —
Income before income taxes	\$ 207,929	\$ 199,617	\$ 7,799	\$ 513
Total assets	\$ 2,354,643	\$ 2,214,118	\$ 140,525	\$ —
Goodwill	\$ 182,145	\$ 182,145	\$ —	\$ —
Capital expenditures	\$ 164,180	\$ 156,425	\$ 7,755	\$ —
2013				
Revenues	\$ 940,712	\$ 839,050	\$ 99,986	\$ 1,676
Cost of sales	\$ 465,996	\$ 407,222	\$ 58,774	\$ —
Depreciation and amortization	\$ 55,716	\$ 51,698	\$ 4,018	\$ —
Operating income	\$ 210,319	\$ 198,352	\$ 11,385	\$ 582
Interest expense	\$ 39,309	\$ 37,280	\$ 2,029	\$ —
Income before income taxes	\$ 171,010	\$ 161,072	\$ 9,356	\$ 582
Total assets	\$ 2,210,322	\$ 2,068,955	\$ 141,367	\$ —
Goodwill	\$ 182,145	\$ 182,145	\$ —	\$ —
Capital expenditures	\$ 151,090	\$ 144,399	\$ 6,691	\$ —

17. OTHER INCOME, NET

Other income, net, comprises the following:

	2015	2014	2013
Non-tariff service income	\$ 4,760	\$ 2,670	\$ 2,706
Construction service income	2,175	—	—
Sale of HVAC Business	1,065	—	—
Interest income	—	1,388	500
Other, net	869	301	1,622
Total other income, net	\$ 8,869	\$ 4,359	\$ 4,828

UGI UTILITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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18. RELATED PARTY TRANSACTIONS

UGI provides certain financial and administrative services to UGI Utilities. UGI bills UGI Utilities monthly for all direct expenses incurred by UGI on behalf of UGI Utilities and an allocated share of indirect corporate expenses incurred or paid with respect to services provided to UGI Utilities. The allocation of indirect UGI corporate expenses to UGI Utilities utilizes a weighted, three-component formula comprising revenues, operating expenses and net assets employed and considers UGI Utilities' relative percentage of such items to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. Management believes that this allocation method is reasonable and equitable to UGI Utilities and this allocation method has been accepted by the PUC in past rate case proceedings and management audits as a reasonable method of allocating such expenses. These billed expenses are classified as operating and administrative expenses - related parties in the Consolidated Statements of Income. In addition, UGI Utilities provides limited administrative services to UGI and certain of UGI's subsidiaries under PUC affiliated interest agreements. Amounts billed to these entities by UGI Utilities for all periods presented were not material.

UGI Utilities is a party to SCAAs with Energy Services. At September 30, 2015, UGI Utilities was a party to two SCAAs with Energy Services, both of which expired October 31, 2015, and, during the periods covered by the financial statements, was a party to other SCAAs with Energy Services. Under the SCAAs, UGI Utilities has, among other things, and subject to recall for operational purposes, released certain storage and transportation contracts to Energy Services for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon the commencement of the SCAAs, receives a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the term of the SCAAs. Energy Services, in turn, provides a firm delivery service and makes certain payments to UGI Utilities for its various obligations under the SCAAs. UGI Utilities incurred costs associated with Energy Services' SCAAs totaling \$16,849, \$38,299 and \$45,843 in Fiscal 2015, Fiscal 2014 and Fiscal 2013, respectively. In conjunction with the SCAAs, UGI Utilities received security deposits from Energy Services. The amount of such security deposits, which are included in other current liabilities on the Consolidated Balance Sheets, was \$10,700 and \$10,600 at September 30, 2015 and 2014, respectively. Effective November 1, 2015, UGI Utilities entered into a new SCAA with Energy Services which has a term of three years.

UGI Utilities reflects the historical cost of the gas storage inventories and any exchange receivable from Energy Services (representing amounts of natural gas inventories used but not yet replenished by Energy Services) on its balance sheet under the caption inventories. The carrying value of these gas storage inventories at September 30, 2015 and 2014, comprising approximately 5.0 bcf and 7.7 bcf of natural gas, were \$12,889 and \$33,057, respectively.

UGI Utilities has gas supply and delivery service agreements with Energy Services pursuant to which Energy Services provides certain gas supply and related delivery service to Gas Utility primarily during the heating season months of November through March. The aggregate amount of these transactions (exclusive of transactions pursuant to the SCAAs) during Fiscal 2015, Fiscal 2014 and Fiscal 2013 totaled \$47,794, \$35,810 and \$32,526, respectively.

From time to time, the Company sells natural gas or pipeline capacity to Energy Services. During Fiscal 2015, Fiscal 2014 and Fiscal 2013, revenues associated with sales to Energy Services totaled \$79,182, \$109,913 and \$69,087, respectively. Also from time to time, the Company purchases natural gas, pipeline capacity and electricity from Energy Services (in addition to those transactions already described above) and purchases a firm storage service from UGI Storage Company, a subsidiary of Energy Services, under one-year agreements. During Fiscal 2015, Fiscal 2014 and Fiscal 2013, such purchases totaled \$85,383, \$128,076 and \$77,017, respectively. These transactions did not have a material effect on the Company's financial position, results of operations or cash flows.

UGI UTILITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Thousands of dollars, except per share amounts)

19. QUARTERLY DATA (unaudited)

The following quarterly information includes all adjustments (consisting only of normal recurring adjustments) which we consider necessary for a fair presentation of such information. Quarterly results fluctuate because of the seasonal nature of the Company's businesses.

	December 31,		March 31,		June 30,		September 30,	
	2014	2013	2015	2014	2015	2014	2015	2014
Revenues	\$ 287,306	\$ 298,899	\$ 500,573	\$ 513,956	\$ 143,490	\$ 152,694	\$ 110,212	\$ 121,340
Operating income	\$ 75,640	\$ 85,843	\$ 142,699	\$ 137,954	\$ 20,184	\$ 19,720	\$ 3,144	\$ 2,883
Net income (loss)	\$ 38,839	\$ 45,286	\$ 79,589	\$ 76,110	\$ 7,307	\$ 6,890	\$ (4,680)	\$ (4,180)

UGI UTILITIES, INC. AND SUBSIDIARIES
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(Thousands of dollars)

	Balance at beginning of year	Charged to costs and expenses	Other	Balance at end of year
September 30, 2015				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	\$ 6,992	\$ 13,498	\$ (14,891) ⁽¹⁾	\$ 5,599
September 30, 2014				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	\$ 5,519	\$ 13,149	\$ (11,676) ⁽¹⁾	\$ 6,992
September 30, 2013				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	\$ 3,588	\$ 9,584	\$ (7,653) ⁽¹⁾	\$ 5,519

(1) Uncollectible accounts written off, net of recoveries

EXHIBIT INDEX

Exhibit No.	Description
10.18	Gas Supply and Delivery Service Agreement between UGI Energy Services, LLC and UGI Penn Natural Gas, Inc., effective November 1, 2015.
12.1	Computation of Ratio of Earnings to Fixed Charges
23.1	Consent of Ernst & Young LLP.
23.2	Consent of PricewaterhouseCoopers LLP.
31.1	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act
31.2	Certification by the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act
32	Certification by the Chief Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

GAS SUPPLY AND DELIVERY SERVICE AGREEMENT

THIS Gas Supply and Delivery Service Agreement (“Agreement”) is made and entered into, effective as of November 1, 2015, by and between UGI Penn Natural Gas, Inc., (“Utility”) and UGI Energy Services, Inc. (“UGI ES”) (each referred to herein separately as a “Party” and jointly as the “Parties”).

WHEREAS, Utility is a local distribution company that is principally engaged in the business of distributing natural gas to residential, commercial and industrial end-use customers located within its service territory in Pennsylvania;

WHEREAS, UGI ES is an energy marketer and supplier that is principally engaged in the business of selling natural gas and managing assets for the sale and delivery of natural gas in Pennsylvania and other states; and

WHEREAS, Utility desires to receive, and UGI ES has agreed to provide certain gas supply and related delivery services to Utility, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. Definitions

1.1 “Daily Nomination” shall mean a Nomination made for deliveries during the Delivery Day in accordance with Section 4 hereof.

1.2 “Dekatherm” or “Dth” shall mean one million British Thermal Units (MMBtu).

1.3 “Delivery Day” shall mean the day of actual gas flow and delivery applicable to a Nomination. The Parties shall observe the NAESB-defined gas day, which shall be one continuous twenty-four hour period, commencing at 10:00 a.m. ECT.

1.4 “Delivery Point” or “Delivery Points” shall mean the point or points of physical interconnection at Transcontinental Pipeline’s (“Transco”) Master Meter No. 1006691, a new interconnection with PNG’s distribution system located in Susquehanna County, PA., or any other mutually agreeable delivery points.

1.5 “Firm” shall mean, in reference to a Party’s obligation to deliver or receive Natural Gas, the requirement that the full quantity of Natural Gas nominated for receipt or delivery must be delivered or received by the obligated Party, except for reasons of Force Majeure under Section 7 or Waiver of Delivery under Section 3.4.

1.6 “**Maximum Daily Quantity**” or “**MDQ**” shall have the meaning set forth in Section 3.2 hereof.

1.7 “**Natural Gas**” shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state, including vaporized LNG and propane air.

1.8 “**Nomination**” shall mean a notice provided by the Utility to UGI ES setting forth its delivery requirements for a Delivery Day, pursuant to Section 4 hereof. The Parties shall maintain 24-hour contacts, seven days per week, for the purposes of providing and receiving Nominations

1.9 “**Replacement Supply**” shall mean Natural Gas quantities obtained by Utility to replace the portion of a Scheduled Quantity that UGI ES fails to deliver in accordance with a Daily Nomination.

1.10 “**Scheduled Quantity**” shall mean, for a particular Delivery Day, the quantity of Natural Gas that Utility requests in a Nomination and UGI ES confirms.

1.11 “**Winter Season**” shall refer to the period beginning at 10:00 a.m. ECT November 1 and ending 9:59 a.m. ECT the following April 1.

SECTION 2. Term

This Agreement shall be effective for a period commencing on and including the Delivery Day of November 1, 2015 and expiring on and including the Delivery Day of March 31, 2022 (the “Primary Term”). Utility shall have the right, in its sole discretion, to extend the Agreement for one or more subsequent years (with each such period referred to as a “Rollover Term”) by providing written notice to UGI ES of its intent to extend the Agreement at least sixty days prior to the expiration of the Primary Term or any Rollover Term. If the Utility elects to extend the Agreement for one or more Rollover Terms, the MDQ and all terms and conditions of service shall remain unchanged unless expressly agreed to by the Parties; provided however, that the applicable reservation charge and the commodity charge for the Rollover Term will be adjusted in accordance with Section 5.3 hereof.

SECTION 3. Character of Service

3.1 **Delivery Obligation** . UGI ES shall sell and deliver and Utility shall have the option to purchase and the right to receive Natural Gas on any day during the winter season. UGI ES’s obligation to deliver and Utility’s obligation to receive Natural Gas shall be Firm for any Nomination quantity, up to the applicable MDQ. Service will be provided using primary firm pipeline transportation capacity held by UGI ES on Transco and Tennessee, or a reasonably acceptable asset-backed substitute.

3.2 Maximum Daily Quantity . The Maximum Daily Quantity or MDQ shall mean the maximum quantity of Natural Gas that Utility may require UGI ES to deliver on a Firm Basis, on any day during the Primary Term and any Rollover Term. The MDQ during the Primary Term and any Rollover Term shall be the sum of the following:

<u>Winter Season</u>	<u>MDQ</u>
November 1 through March 31	Up to 25,875 Dth/day delivered at Utility's Transco Master Meter No. 1006691
November 1 through March 31	Up to 26, 120 Dth/day delivered at Utility's distribution system in Susquehanna County, PA

3.3 Authorized Overruns . Utility shall have the right to nominate the higher of 1,000 Dth or 10% of the nominated volumes on an intraday basis including weekends and holidays. The quantity of gas delivered will be prorated based on the time remaining in the gas day.

3.4 Waiver of Delivery Obligation . On any Delivery Day, Utility shall maintain its distribution facilities downstream of the Delivery Point(s) in a way that permits UGI ES to deliver the Scheduled Quantities, otherwise UGI ES shall be relieved of its obligation to deliver the Scheduled Quantities for the period and to the extent that Utility's distribution facilities do not permit such deliveries. Once the Utility's distribution facilities have been corrected by Utility, UGI ES shall use commercially reasonable efforts to supply the entire amount nominated by Utility for that Delivery Day.

SECTION 4. Nomination Procedure

Utility may provide UGI ES with a written or verbal Nomination for service on any Delivery Day(s) consistent with the Intercontinental Exchange ("ICE") trading schedule. Each such Nomination shall specify the Delivery Day and the quantity of Natural Gas required for delivery and the Delivery Point(s).

Utility shall have the right to nominate any quantity up to the MDQ on a month-ahead basis. Utility shall notify UGI ES by 10:00 a.m. two days prior to the expiration for the Henry Hub natural gas futures contract applicable to the month of delivery.

Utility shall have the right to nominate any quantity up to the MDQ on a day-ahead basis. Utility shall notify UGI ES by 9:00 a.m. on the day prior to the NAESB natural gas flow day(s).

Utility shall have the right to nominate the higher of 1,000 Dth or 10% of the nominated volumes on an intraday basis including weekends and holidays. The quantity of gas delivered will be prorated based on the time remaining in the gas day.

SECTION 5. Charges

5.1 Reservation Charge. Utility shall pay UGI ES a reservation charge for each Winter Season during the Primary Term, as follows:

<u>Winter Season</u>	<u>Charge</u>
November 1 through March 31	\$6,672,000.00

The reservation charge above shall be paid in five equal installments of \$1,334,400.00 due on or before the first of each month during the winter season. The reservation charge shall be billed and paid in accordance with Section 6.

5.2 Commodity Charge . Unless the Utility elects to lock a fixed price with UGI ES in accordance with paragraph (g), below, Utility shall not be obligated to purchase or receive any Natural Gas from UGI ES under this Agreement. For all quantities of Natural Gas sold and delivered by UGI ES, Utility shall pay a commodity charge, which shall be determined pursuant to the following alternatives:

- (a) For all quantities up to 25,875 dth per day nominated on a month-ahead basis to PNG's Transco Master Meter, PNG shall pay the published *Platt's Inside FERC* price for Transco Leidy Line Receipts for the month of delivery plus \$0.10 plus the applicable Transco maximum tariff rates for fuel and commodity on delivered quantities from Zone 6 to Zone 6.
- (b) For all quantities up to 26,120 dth per day nominated on a month-ahead basis to a new interconnection with PNG's distribution system, PNG shall pay the published *Platt's Inside FERC* price for Tennessee Zone 4, 300 leg for the month of delivery plus the applicable Tennessee maximum tariff rates for fuel and commodity on delivered quantities from Zone 4 to Zone 4.
- (c) For all quantities up to 25,875 dth per day nominated on a day-ahead basis to PNG's Transco Master Meter, PNG shall pay the published *Platt's Gas Daily* price for Transco Leidy Line Receipts on the day of delivery plus \$0.10 plus the applicable Transco maximum tariff rates for fuel and commodity on delivered quantities from Zone 6 to Zone 6.

- (d) For all quantities up to 26,120 dth per day nominated on a day-ahead basis to a new interconnection with PNG's distribution system, PNG shall pay the published *Platt's Gas Daily* price for Tennessee Zone 4, 300 leg on the day of delivery plus the applicable Tennessee maximum tariff rates for fuel and commodity on delivered quantities from Zone 4 to Zone 4.
- (e) For all quantities up to 25,875 dth per day nominated on an intraday basis to PNG's Transco Master Meter, PNG shall pay the published *Platt's Gas Daily* price for Transco Leidy Line Receipts on the day of delivery plus \$0.10 plus the applicable Transco maximum tariff rates for fuel and commodity on delivered quantities from Zone 6 to Zone 6.
- (f) For all quantities up to 26,120 dth per day nominated on an intraday basis to a new interconnection with PNG's distribution system, PNG shall pay the published *Platt's Gas Daily* price for Tennessee Zone 4, 300 leg on the day of delivery plus the applicable Tennessee maximum tariff rates for fuel and commodity on delivered quantities from Zone 4 to Zone 4.
- (g) Utility shall have the right at any time to lock-in a fixed commodity charge for any term and quantity up to the MDQ throughout the contract term. The commodity charges for locked-in quantities shall be as agreed to by the Parties based on prevailing market conditions at the time the lock-in is made. Utility's right to lock in a quantity of Natural Gas shall be limited as follows:
 - (i) The maximum quantity of Natural Gas for which the Utility may lock in a fixed commodity charge shall equal the MDQ * number of days remaining in the Winter Season, less any quantities previously locked in for the Winter Season.
 - (ii) Unless otherwise agreed, Utility shall notify UGI ES of its intention to lock-in the commodity charge by no later than 10:00 a.m. on the last trading day for the NYMEX natural gas contract to the month in which such lock-in will apply. Such notice shall identify the quantity of Natural Gas to be locked in for each month of delivery. UGI ES will promptly communicate to Utility any limitations on the lock-in quantity identified in Utility's notice, and the Parties will utilize commercially reasonable efforts to facilitate the lock in to the extent practicable.
 - (iii) If Utility has locked in a fixed price, Utility shall be required to purchase and take delivery of the quantity of Natural Gas for which a locked-in price is established.

The commodity charges determined in accordance with sub-paragraphs (a), (b), (c), (d), (e), (f), and (g) above, shall be billed and paid on a monthly basis, in accordance with Section 6.

5.3 Rollover Period Price Adjustment . In the event that Utility elects to extend the agreement for one or more Rollover Terms, the reservation charge applicable to such Rollover Term shall be escalated based on the U.S. Gross Domestic Product Implicit Price Deflator using 2021 as the base. For any subsequent term the escalation fee will be based on the U.S. Gross Domestic Product Implicit Price Deflator using the index from the year prior to the last year of the subsequent term. Unless otherwise locked in accordance with Section 5.2, the commodity charge applicable to the Rollover Term will be equal to the prevailing market price for supply delivered to the Utility's distribution system at the time of delivery. If Utility and UGI ES cannot agree on the market price for supply delivered to the Utility's distribution system, then the commodity charge shall be determined based on the average of up to three quotes received from reference market makers selected mutually by the parties.

SECTION 6. Billing and Payment

UGI ES will invoice Utility each month of the five month winter period for reservation charges and each month for all commodity charges applicable to service rendered during the prior month, plus any applicable taxes in accordance with Section 10 hereto. Utility shall pay UGI ES the full amount due no later than ten (10) days after receipt of such invoice. All payments shall be made by Wire Transfer (EFT) to UGI ES's banking institution, designated as follows:

Mellon Bank, N.A.
Pittsburgh, P A
Account No. XXX-XXXX
ACH No. XXXXXXXXX

SECTION 7. Force Majeure

7.1 Generally . Except as otherwise set forth herein, deliveries under this Agreement shall be Firm, and shall not be subject to curtailment, interruption or proration except as the result of Force Majeure. In the event either UGI ES or Utility is rendered unable, wholly or in part, by a Force Majeure Event to carry out its obligations under this Agreement, it is agreed that upon such Party's giving notice and full particulars of such Force Majeure Event, in accordance with Section 7.3, then the obligations of the Party giving such notice insofar as they are affected by such Force Majeure Event shall be suspended, from the inception, and during the continuance of any inability so caused but for no longer period. Notwithstanding the foregoing, a Party's obligation to pay money when due for service rendered during a prior period shall not be excused as a result of a Force Majeure Event for a period of longer than ten (10) days.

7.2 Included and Excluded Events . Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe, except as provided in Section 11.3; (ii) interruption and/or curtailment of primary Firm transportation and/or storage by Transporters; (iii) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorist actions, insurrections or wars; and (iv) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation; (ii) the contractual non-performance or negligence of any affiliate, independent contractor, agent or employee of Seller in operating or maintaining any upstream pipeline facilities utilized by Seller; (iii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; (iv) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (v) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (vi) the loss or failure of Seller's gas supply, including but not limited to the failure of the Seller's gas supply to be delivered to an upstream receipt point on Seller's pipeline capacity, or depletion of reserves, except, in either case, as provided in Section 11.2. In addition to the foregoing, for supplies sourced from local Marcellus production wells, Seller shall not be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (x) any well failures or freeze-offs; and (y) any failure of conditioning equipment such as regulation, compression or dehydration equipment. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

7.3 Notice . The Party asserting Force Majeure shall provide immediate written notice to the other Party of the occurrence of any Force Majeure Event. Notice shall include (i) a detailed explanation of the event that has occurred, (ii) the known or expected impact on the Party's ability to perform, and (iii) the period of time during which the Party's performance will be impacted. The Party asserting Force Majeure will remedy the Force Majeure Event and resume performance of its obligations hereunder as soon as reasonably possible.

SECTION 8. Failure to Deliver or Receive Gas

8.1 Failure to Deliver . Unless otherwise excused by the waiver of a delivery obligation under Section 3.4 or a Force Majeure Event under Section 7.2, if UGI ES fails to deliver all or a portion of a Scheduled Quantity on any Delivery Day, UGI ES shall pay Utility an amount equal to the difference between (i) the Nomination quantity for the Delivery Day and (ii) the quantity delivered during such Delivery Day (such difference being the “Deficiency Amount”) times the positive difference between (iii) the applicable commodity charge as determined under Section 5.2 hereof and (iv) the cost of Replacement Supply as determined by Utility in a commercially reasonable manner within a reasonable time after UGI ES fails to deliver the Deficiency Amount.

8.2 Failure to Receive . Unless otherwise excused by the waiver of a delivery obligation under Section 3.4 or a Force Majeure Event under Section 7.2, if Utility fails to take all or a portion of the Scheduled Quantity for the Delivery Day, Utility shall pay UGI ES an amount equal to the “Deficiency Amount” times the positive difference between (i) the applicable commodity charge as determined under Section 5.2 hereof and (ii) the price received by UGI ES from the sale of the Deficiency Amount as determined by UGI ES in a commercially reasonable manner within a reasonable time after the Utility fails to take delivery of the Deficiency Amount.

8.3 Duty to Mitigate . Each Party has an affirmative duty to mitigate in good faith the extent of damages that may arise from the other Party’s failure to discharge its receipt or delivery obligations under this Agreement. In the event a Party fails to properly discharge its duty to mitigate, any amounts otherwise due under Sections 8.1 and 8.2 hereunder shall be reduced by an amount that would not have been incurred had such duty been properly discharged.

8.4 Exclusive Remedy . The remedies set forth in Section 8.1 and 8.2 shall be the exclusive remedies available to a party for the other party’s failure to discharge its firm receipt or delivery obligation hereunder.

SECTION 9. Indemnification

Except as otherwise limited pursuant to this Agreement, each Party shall indemnify, defend and hold harmless the other Party, the other Party’s officers, employees, shareholders, directors, and agents and their respective successors and assigns, from and against any and all third party claims, demands, liabilities, losses, expenses, costs, obligations, recoveries or damages of any nature whatsoever, whether accrued, absolute, contingent or otherwise, including without limitation court costs and attorneys’ fees (whether or not suit is brought), arising out of or resulting from or relating to (i) any breach of any of its obligations under this Agreement, (ii) any

negligence, gross negligence, bad faith actions, or willful misconduct on its part in connection with this Agreement; and (iii) any Natural Gas while it is in the Party's control or possession; provided however, that a Party's responsibility for such claims and damages under this section shall be limited to the extent that such claims or damages result from the negligence, gross negligence, willful misconduct, or bad faith actions or omissions on the part of the other Party but only to the extent of such actions or omissions. This Section 9 shall survive termination of the Agreement.

SECTION 10. Taxes

10.1 Responsibility . Responsibility for payment of all kinds of taxes applicable to Natural Gas sold hereunder shall be allocated as follows: (a) UGI ES shall pay, or cause to be paid, and Utility shall be held harmless by UGI ES, for the payment of all taxes imposed on or with respect to the Natural Gas sold or delivered hereunder by UGI ES for which the taxable incident arises or occurs prior to delivery of the Natural Gas to the Delivery Point(s); and (b) Utility shall pay or cause to be paid, and UGI ES shall be held harmless by Utility, for the payment of all taxes imposed on or with respect to the Natural Gas sold or delivered by UGI ES hereunder for which the taxable incident arises or occurs upon delivery or after the Natural Gas is delivered to the Delivery Point(s).

10.2 Reimbursement . If a Party is required to remit or pay taxes that are the other Party's responsibility hereunder (including any tax, which would have been incurred by a Party absent this Agreement), the Party responsible for such taxes shall promptly reimburse the other Party therefore.

SECTION 11. Title and Warranties

11.1 Warranty of Title . UGI ES hereby warrants good and merchantable title to the Natural Gas sold by it hereunder or the right to sell the same, and warrants that all Natural Gas shall be delivered to Utility shall be free from all liens, encumbrances, and adverse claims. Upon delivery to Utility, title shall be passed, and shall be deemed to remain with Utility at all times.

11.2 Warranty Disclaimers . Except as expressly stated herein, neither Party provides any warranties to the other, expressed or implied, including the implied warranties of merchantability and fitness for a particular purpose.

SECTION 12. Notices

12.1 Generally . All invoices, payments and other communications made hereunder shall be delivered to the addresses specified in writing by the Parties from time to time.

12.2 Means of Delivery . Unless a specific means of notice is expressly stated herein, all notices required hereunder may be sent by mutually acceptable means, provided, however, that (i) notices shall be deemed given when received on a Business Day by the addressee, (ii) notices sent electronically shall be deemed received upon the sending Party's receipt of its facsimile machine's confirmation of successful transmission, and (iii) any facsimile or other notice received on other than a Business Day or after five p.m. Eastern Clock Time on a Business Day shall be deemed received at the start of the next following Business Day.

12.3 Addresses . Notices shall be provided to the Parties at the following addresses:

If to UGI Energy Services, Inc., to:

UGI Energy Services, Inc.
One Meridian Blvd. Suite 2C01
Wyomissing, PA 19610
Telephone: (610) 373-7999
Facsimile: (610) 374-4288
Attention: V.P. Asset and Supply

If to UGI Penn Natural Gas, Inc., to:

UGI Penn Natural Gas, Inc.
2525 North 12th Street, Suite 360
Reading, PA 19677
Telephone: (610) 796-3601
Facsimile: (610) 796-3595
Attention: V.P. Supply

SECTION 13. Assignment

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties; provided, however, that this Agreement shall not be transferred or assigned, by operation of law or otherwise, by UGI ES or Utility without the other Party's prior written consent, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, either Party may assign its rights and obligations hereunder to any parent, subsidiary or affiliate, upon prior written notice to the other Party.

SECTION 14. Confidentiality

The existence, terms and conditions of this Agreement shall be and remain confidential to the extent permitted by law.

SECTION 15. Laws and Regulatory Bodies

15.1 Generally . This Agreement shall be subject to all valid applicable federal and state laws and to the orders, rules and regulations of any duly constituted federal or state regulatory body or authority having jurisdiction. The interpretation and enforceability of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without recourse to its conflict of law principles.

15.2 Regulatory Event . In the event that any regulatory body directly or indirectly asserts jurisdiction over the Parties' obligations and as a result performance under the Agreement becomes commercially impracticable by either Party ("Regulatory Event"), then the Parties shall negotiate in good faith in order to amend the Agreement (and the Parties' obligations and rights thereunder) to cure the Regulatory Event. In the event the Regulatory Event cannot be reasonably cured to the satisfaction of the affected Party, the Party so affected shall have the right to terminate the Agreement upon thirty (30) days written notice to the other. A regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement shall not constitute a Regulatory Event.

SECTION 16. Limitation of Damages

UNLESS EXPRESSLY PROVIDED HEREIN, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. THIS PARAGRAPH SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

SECTION 17. Miscellaneous

17.1 Waiver. No waiver of any breach hereof shall be held to be a waiver of any other or subsequent breach.

17.2 Set-offs. Each Party reserves to itself all rights, set-offs, counterclaims, and other defenses to which it is or may be entitled under applicable law.

17.3 Documentation. Each Party shall provide all documents necessary to effectuate this Agreement and the transactions that underlie this Agreement.

17.4 Amendments . This Agreement, including Appendices hereto, may be amended or modified only by a writing signed by duly authorized representatives of both Parties.

17.5 Authorizations . Utility and UGI ES each represents to the other its respective belief that it has obtained all necessary corporation and regulatory authorizations to execute and perform its obligations under this Agreement.

IN WITNESS WHEREOF , the Parties have executed this Agreement in duplicate by their respective duly authorized officers as of the day and year first written above.

UGI PENN NATURAL GAS, INC. UGI ENERGY SERVICES, INC.

By: /s/ Robert F. Beard By: /s/ Bradley C. Hall
Robert F. Beard Bradley C. Hall
President and CEO President

UGI UTILITIES INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES - EXHIBIT 12.1
(Thousands of dollars)

	Year Ended September 30,				
	2015	2014	2013	2012	2011
Earnings:					
Earnings before income taxes	\$ 200,539	\$ 207,929	\$ 171,010	\$ 142,971	\$ 168,693
Interest expense	40,400	37,897	38,578	41,599	41,668
Amortization of debt discount and expense	728	575	731	814	1,060
Estimated interest component of rental expense	2,728	2,398	2,090	2,121	1,740
	<u>\$ 244,395</u>	<u>\$ 248,799</u>	<u>\$ 212,409</u>	<u>\$ 187,505</u>	<u>\$ 213,161</u>
Fixed Charges:					
Interest expense	\$ 40,400	\$ 37,897	\$ 38,578	\$ 41,599	\$ 41,668
Amortization of debt discount and expense	728	575	731	814	1,060
Allowance for funds used during construction (capitalized interest)	407	227	286	10	90
Estimated interest component of rental expense	2,728	2,398	2,090	2,121	1,740
	<u>\$ 44,263</u>	<u>\$ 41,097</u>	<u>\$ 41,685</u>	<u>\$ 44,544</u>	<u>\$ 44,558</u>
Ratio of earnings to fixed charges	<u>5.52</u>	<u>6.05</u>	<u>5.10</u>	<u>4.21</u>	<u>4.78</u>

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-150719) of UGI Utilities, Inc. of our reports dated November 25, 2015, with respect to the consolidated financial statements and schedule of UGI Utilities, Inc., and the effectiveness of internal control over financial reporting of UGI Utilities, Inc., included in this Annual Report (Form 10-K) for the year ended September 30, 2015.

/s/ Ernst & Young LLP
Philadelphia, Pennsylvania
November 25, 2015

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-150719) of UGI Utilities, Inc. of our report dated November 28, 2014 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
November 25, 2015

CERTIFICATION

I, Robert F. Beard, certify that:

1. I have reviewed this annual report on Form 10-K of UGI Utilities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 25, 2015

/s/ Robert F. Beard

Robert F. Beard

President and Chief Executive Officer

CERTIFICATION

I, Kirk R. Oliver, certify that:

1. I have reviewed this annual report on Form 10-K of UGI Utilities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 25, 2015

/s/ Kirk R. Oliver

Kirk R. Oliver

Vice President - Financial Strategy (Principal
Financial Officer)

**Certification by the Chief Executive Officer and Principal Financial Officer
Relating to a Periodic Report Containing Financial Statements**

I, Robert F. Beard, Chief Executive Officer, and I, Kirk R. Oliver, Principal Financial Officer, of UGI Utilities, Inc., a Pennsylvania corporation (the "Company"), hereby certify that to our knowledge:

- (1) The Company's annual report on Form 10-K for the period ended September 30, 2015 (the "Form 10-K") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

* * *

CHIEF EXECUTIVE OFFICER

/s/ Robert F. Beard

Robert F. Beard

PRINCIPAL FINANCIAL OFFICER

/s/ Kirk R. Oliver

Kirk R. Oliver

Date: November 25, 2015

Date: November 25, 2015

UGI UTILITIES INC

FORM 10-Q (Quarterly Report)

Filed 08/07/15 for the Period Ending 06/30/15

Address 2525 N. 12TH STREET, SUITE 360
READING, PA 19612
Telephone 6107963400
CIK 0000100548
SIC Code 4932 - Gas and Other Services Combined
Fiscal Year 09/30

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-1398

UGI UTILITIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

23-1174060
(I.R.S. Employer
Identification No.)

UGI UTILITIES, INC.
2525 N. 12th Street, Suite 360
Reading, PA
(Address of principal executive offices)

19612
(Zip Code)
(610) 796-3400

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At July 31, 2015, there were 26,781,785 shares of UGI Utilities, Inc. Common Stock, par value \$2.25 per share, outstanding, all of which were held, beneficially and of record, by UGI Corporation.

UGI UTILITIES, INC. AND SUBSIDIARIES**TABLE OF CONTENTS**

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UGI UTILITIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(Thousands of dollars)

	June 30, 2015	September 30, 2014	June 30, 2014
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 16,522	\$ 12,401	\$ 28,480
Restricted cash	3,683	3,592	1,109
Accounts receivable (less allowances for doubtful accounts of \$12,534, \$6,992 and \$13,517, respectively)	89,340	65,080	97,144
Accounts receivable — related parties	2,039	2,865	3,484
Accrued utility revenues	7,716	14,330	7,950
Inventories	33,376	95,219	58,750
Deferred income taxes	29,904	1,492	11,908
Regulatory assets	2,763	13,159	9,354
Derivative instruments	1,285	1,028	1,703
Prepaid expenses & other current assets	13,551	18,535	11,057
Total current assets	200,179	227,701	230,939
Property, plant and equipment, at cost (less accumulated depreciation and amortization of \$918,311, \$886,268 and \$888,279, respectively)	1,781,668	1,682,284	1,635,867
Goodwill	182,145	182,145	182,145
Regulatory assets	251,479	255,007	233,272
Derivative instruments	111	—	—
Other assets	7,623	7,506	7,618
Total assets	\$ 2,423,205	\$ 2,354,643	\$ 2,289,841
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities:			
Current maturities of long-term debt	\$ 72,000	\$ 20,000	\$ 20,000
Short-term borrowings	2,700	86,300	—
Accounts payable	44,687	58,453	47,396
Accounts payable — related parties	5,477	11,761	21,131
Deferred fuel refunds	45,564	306	—
Derivative instruments	4,412	1,632	31
Other current liabilities	151,760	99,030	140,404
Total current liabilities	326,600	277,482	228,962
Long-term debt	550,000	622,000	622,000
Deferred income taxes	478,108	461,461	454,871
Deferred investment tax credits	3,681	3,933	4,017
Pension and postretirement benefit obligations	91,804	98,363	61,991
Other noncurrent liabilities	50,752	51,567	53,439
Total liabilities	1,500,945	1,514,806	1,425,280
Commitments and contingencies (Note 7)			
Common stockholder's equity:			
Common Stock, \$2.25 par value (authorized — 40,000,000 shares; issued and outstanding — 26,781,785 shares)	60,259	60,259	60,259
Additional paid-in capital	471,796	471,071	470,844
Retained earnings	396,823	316,688	340,714
Accumulated other comprehensive loss	(6,618)	(8,181)	(7,256)

Total common stockholder's equity	922,260	839,837	864,561
Total liabilities and stockholder's equity	<u>\$ 2,423,205</u>	<u>\$ 2,354,643</u>	<u>\$ 2,289,841</u>

See accompanying notes to condensed consolidated financial statements.

UGI UTILITIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(Thousands of dollars)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Revenues	\$ 143,490	\$ 152,694	\$ 931,369	\$ 965,549
Costs and expenses:				
Cost of sales — gas, fuel and purchased power (excluding depreciation shown below)	53,691	63,323	475,079	515,612
Operating and administrative expenses	51,393	49,862	156,858	145,313
Operating and administrative expenses — related parties	2,647	2,385	9,567	7,997
Taxes other than income taxes	3,706	3,768	12,613	12,748
Depreciation	14,985	14,048	44,300	41,485
Amortization	928	844	2,682	2,500
Other operating income, net	(4,044)	(1,256)	(8,253)	(3,623)
	<u>123,306</u>	<u>132,974</u>	<u>692,846</u>	<u>722,032</u>
Operating income	20,184	19,720	238,523	243,517
Interest expense	9,985	10,433	31,245	28,036
Income before income taxes	10,199	9,287	207,278	215,481
Income taxes	2,892	2,397	81,543	87,195
Net income	<u>\$ 7,307</u>	<u>\$ 6,890</u>	<u>\$ 125,735</u>	<u>\$ 128,286</u>

See accompanying notes to condensed consolidated financial statements.

UGI UTILITIES, INC. AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(unaudited)

(Thousands of dollars)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Net income	\$ 7,307	\$ 6,890	\$ 125,735	\$ 128,286
Other comprehensive income:				
Reclassifications of net losses on derivative instruments (net of tax of \$(277), \$(278), \$(833) and \$(834), respectively)	392	393	1,175	1,176
Benefit plans reclassifications of actuarial losses and prior service costs (net of tax of \$(92), \$(67), \$(275) and \$(206), respectively)	128	95	388	288
Other comprehensive income	520	488	1,563	1,464
Comprehensive income	\$ 7,827	\$ 7,378	\$ 127,298	\$ 129,750

See accompanying notes to condensed consolidated financial statements.

UGI UTILITIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW S

(unaudited)

(Thousands of dollars)

	Nine Months Ended	
	June 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 125,735	\$ 128,286
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	46,982	43,985
Deferred income taxes, net	(10,417)	18,747
Provision for uncollectible accounts	10,997	11,657
Other, net	526	(2,809)
Net change in:		
Accounts receivable and accrued utility revenues	(27,817)	(44,530)
Inventories	61,843	30,911
Deferred fuel and power costs, net of changes in unsettled derivatives	59,397	(17,611)
Accounts payable	(14,884)	4,070
Other current assets	631	4,690
Other current liabilities	47,939	27,947
Net cash provided by operating activities	300,932	205,343
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property, plant and equipment	(141,884)	(104,117)
Net costs of property, plant and equipment disposals	(6,358)	(5,222)
(Increase) decrease in restricted cash	(91)	2,072
Net cash used by investing activities	(148,333)	(107,267)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	(45,600)	(57,549)
Issuances of long-term debt	—	175,000
Repayments of long-term debt	(20,000)	(175,000)
Decrease in short-term borrowings	(83,600)	(17,500)
Other	722	746
Net cash used by financing activities	(148,478)	(74,303)
Cash and cash equivalents increase	\$ 4,121	\$ 23,773
CASH AND CASH EQUIVALENTS:		
End of period	\$ 16,522	\$ 28,480
Beginning of period	12,401	4,707
Increase	\$ 4,121	\$ 23,773

See accompanying notes to condensed consolidated financial statements.

UGI UTILITIES, INC. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

(Thousands of dollars)

Note 1 — Nature of Operations

UGI Utilities, Inc. ("UGI Utilities"), a wholly owned subsidiary of UGI Corporation ("UGI"), and UGI Utilities' wholly owned subsidiaries UGI Penn Natural Gas, Inc. ("PNG") and UGI Central Penn Gas, Inc. ("CPG"), own and operate natural gas distribution utilities in eastern, northeastern and central Pennsylvania and in a portion of one Maryland county. UGI Utilities also owns and operates an electric distribution utility in northeastern Pennsylvania ("Electric Utility"). UGI Utilities' natural gas distribution utility is referred to as "UGI Gas." UGI Gas, PNG and CPG are collectively referred to as "Gas Utility." Gas Utility is subject to regulation by the Pennsylvania Public Utility Commission ("PUC") and, with respect to a small service territory in one Maryland county, the Maryland Public Service Commission, and Electric Utility is subject to regulation by the PUC. Gas Utility and Electric Utility are collectively referred to as "Utilities." Prior to June 1, 2015, PNG also had a heating, ventilation and air-conditioning service business ("UGI Penn HVAC Services, Inc.") which operated principally in the PNG service territory ("HVAC Business"). The assets of the HVAC business principally comprising customer contracts were sold on June 1, 2015. The sale did not have a material impact on the condensed consolidated financial statements.

The term "UGI Utilities" is used sometimes as an abbreviated reference to UGI Utilities, Inc., or to UGI Utilities, Inc. and its subsidiaries, including PNG and CPG.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation. Our condensed consolidated financial statements include the accounts of UGI Utilities and its subsidiaries (collectively, "we" or the "Company"). We eliminate intercompany accounts when we consolidate.

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). They include all adjustments that we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consisted only of normal recurring items unless otherwise disclosed. The September 30, 2014, condensed consolidated balance sheet data was derived from audited financial statements but do not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP").

These financial statements should be read in conjunction with the financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2014 ("the Company's 2014 Annual Report"). Due to the seasonal nature of our businesses, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

Use of Estimates. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and costs. These estimates are based on management's knowledge of current events, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may be different from these estimates and assumptions.

Note 3 — Accounting Changes**Accounting Standards Not Yet Adopted**

Measurement of Inventory. In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-11, "Simplifying the Measurement of Inventory." This ASU amends existing guidance to require inventory to be measured at the lower of cost or net realizable value. Entities will continue to apply their existing impairment models to inventories that are accounted for using "last-in, first-out" and the "retail inventory" methods. The amendments in this ASU are effective for annual periods beginning after December 15, 2016 (Fiscal 2018) including interim periods within those fiscal years. Early adoption is permitted. Entities will apply the new guidance prospectively after the date of adoption. The adoption is not expected to have a material impact on the Company's financial statements.

Debt Issuance Costs. In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This ASU amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a direct deduction

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

from the carrying amount of the related debt liability instead of a deferred charge. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2015. Early adoption is permitted. Entities will apply the new guidance retrospectively to all periods presented. The Company expects to adopt the new guidance in the fourth quarter of Fiscal 2015. The adoption of the new guidance is not expected to have a material impact on the Company's financial statements.

Revenue Recognition. In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." This ASU supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 605, "Revenue Recognition," and most industry-specific guidance included in the ASC. The standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard is effective for the Company for interim and annual periods beginning October 1, 2017 (Fiscal 2018) and allows for either full retrospective adoption or modified retrospective adoption. On July 9, 2015, the FASB voted to delay the effective date by one year. We have not yet selected a transition method and are currently evaluating the impact of adopting this guidance on our consolidated financial statements.

Note 4 — Inventories

Inventories comprise the following:

	June 30, 2015	September 30, 2014	June 30, 2014
Gas Utility natural gas	\$ 19,205	\$ 82,664	\$ 45,701
Materials, supplies and other	14,171	12,555	13,049
Total inventories	\$ 33,376	\$ 95,219	\$ 58,750

At June 30, 2015, UGI Utilities is a party to three principal storage contract administrative agreements ("SCAAs") having terms of three years. Two of the SCAAs are with Energy Services, LLC ("Energy Services"), a second-tier, wholly owned subsidiary of UGI (see Note 12) and one of the SCAAs is with a non-affiliate. Pursuant to SCAAs, UGI Utilities has, among other things, released certain storage and transportation contracts for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon commencement of the SCAAs, will receive a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the terms of the SCAAs. The historical cost of natural gas storage inventories released under the SCAAs, which represents a portion of Gas Utility's total natural gas storage inventories, and any exchange receivable (representing amounts of natural gas inventories used by the other parties to the agreement but not yet replenished for which UGI Utilities has the rights), are included in the caption "Gas Utility natural gas" in the table above.

The carrying value of gas storage inventories released under the SCAAs at June 30, 2015, September 30, 2014 and June 30, 2014, comprising 4.5 billion cubic feet ("bcf"), 11.6 bcf and 6.1 bcf of natural gas, was \$11,337, \$49,897 and \$28,299, respectively. At June 30, 2015, September 30, 2014 and June 30, 2014, UGI Utilities held a total of \$17,700, \$17,600 and \$17,600, respectively, of security deposits from its SCAA counterparties. These amounts are included in other current liabilities on the Condensed Consolidated Balance Sheets.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Note 5 — Regulatory Assets and Liabilities and Regulatory Matters

For a description of the Company's regulatory assets and liabilities other than those described below, see Note 4 in the Company's 2014 Annual Report. UGI Utilities does not recover a rate of return on its regulatory assets. The following regulatory assets and liabilities associated with Gas Utility and Electric Utility are included in our accompanying Condensed Consolidated Balance Sheets:

	June 30, 2015	September 30, 2014	June 30, 2014
Regulatory assets:			
Income taxes recoverable	\$ 111,807	\$ 110,709	\$ 107,166
Underfunded pension and postretirement plans	103,250	110,116	89,236
Environmental costs	14,441	14,616	14,581
Deferred fuel and power costs	—	11,732	9,354
Removal costs, net	19,635	16,790	15,620
Other	5,109	4,203	6,669
Total regulatory assets	\$ 254,242	\$ 268,166	\$ 242,626
Regulatory liabilities:			
Postretirement benefits	\$ 19,687	\$ 18,594	\$ 17,545
Environmental overcollections	—	349	1,631
Deferred fuel and power refunds	45,564	306	—
State tax benefits — distribution system repairs	10,894	10,076	9,271
Other	1,377	3,172	1,862
Total regulatory liabilities (a)	\$ 77,522	\$ 32,497	\$ 30,309

(a) Regulatory liabilities, other than deferred fuel and power refunds, are recorded in other current and noncurrent liabilities in the Condensed Consolidated Balance Sheets.

Deferred fuel and power — costs and refunds. Gas Utility's and Electric Utility's tariffs contain clauses that permit recovery of all prudently incurred purchased gas and power costs through the application of purchased gas cost ("PGC") rates in the case of Gas Utility and default service ("DS") tariffs in the case of Electric Utility. The clauses provide for periodic adjustments to PGC and DS rates for differences between the total amount of purchased gas and electric generation supply costs collected from customers and recoverable costs incurred. Net undercollected costs are classified as a regulatory asset and net overcollections are classified as a regulatory liability.

Gas Utility uses derivative instruments to reduce volatility in the cost of gas it purchases for firm- residential, commercial and industrial ("retail core-market") customers. Realized and unrealized gains or losses on natural gas derivative instruments are included in deferred fuel costs or refunds. Net unrealized gains (losses) on such contracts at June 30, 2015, September 30, 2014, and June 30, 2014, were \$(729), \$(1,363) and \$680, respectively.

Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. Previous to March 1, 2015, we did not designate these purchase contracts as an NPNS election under GAAP. Therefore, we recognized the fair value of these contracts on the balance sheet with an associated adjustment to regulatory assets or liabilities because Electric Utility is entitled to fully recover its DS costs. At June 30, 2015, September 30, 2014, and June 30, 2014, the fair values of Electric Utility's electricity supply contracts were gains (losses) of \$(1,428), \$345 and \$760, respectively. These amounts are reflected in current and noncurrent derivative assets and current and noncurrent derivative liabilities on the Condensed Consolidated Balance Sheets with equal and offsetting amounts reflected in deferred fuel and power costs and refunds in the table above. Effective with Electric Utility forward electricity purchase contracts entered into beginning March 1, 2015, Electric Utility has elected the NPNS exception under GAAP and, as a result, the fair values of such contracts are not recognized on the balance sheet (see Note 10).

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

In order to reduce volatility associated with a substantial portion of its electric transmission congestion costs, Electric Utility obtains financial transmission rights ("FTRs"). FTRs are derivative instruments that entitle the holder to receive compensation for electricity transmission congestion charges when there is insufficient electricity transmission capacity on the electric transmission grid. Because Electric Utility is entitled to fully recover its DS costs, realized and unrealized gains or losses on FTRs are included in deferred fuel and power costs or deferred fuel and power refunds. Unrealized gains or losses on FTRs at June 30, 2015, September 30, 2014, and June 30, 2014, were not material.

Distribution System Improvement Charge. On April 14, 2012, legislation enabling gas and electric utilities in Pennsylvania to seek to charge recovery of eligible capital investment in distribution system infrastructure improvement projects became effective. The charge enabled by the legislation is known as a distribution system improvement charge ("DSIC"). The primary benefit to a company from a DSIC charge is the elimination of regulatory lag, or delayed rate recognition, that occurs under traditional ratemaking relating to qualifying capital expenditures, for up to five percent of distribution rates. To be eligible for a DSIC, a utility must have filed a general rate filing within five years of its petition seeking permission to include a DSIC in its tariff. PNG and CPG began seeking permission to include a DSIC in their tariffs in 2014, while UGI Gas has not had a general rate filing within the required time period to be eligible. Beginning on April 1, 2015, PNG was able to include a DSIC charge in its tariff rate in accordance with a PUC order. The impact of the DSIC charge at PNG did not have a material effect on Gas Utility results of operations.

Note 6 — Debt

On March 27, 2015, UGI Utilities entered into an unsecured revolving credit agreement (the "UGI Utilities 2015 Credit Agreement") with a group of banks providing for borrowings up to \$300,000 (including a \$100,000 sublimit for letters of credit). Concurrently with entering into the UGI Utilities 2015 Credit Agreement, UGI Utilities terminated its then-existing \$300,000 revolving credit agreement dated as of May 25, 2011. Under the UGI Utilities 2015 Credit Agreement, UGI Utilities may borrow at various prevailing market interest rates, including LIBOR and the banks' prime rate, plus a margin. The margin on such borrowings ranges from 0.0% to 1.75% and is based upon the credit ratings of certain indebtedness of UGI Utilities. The UGI Utilities 2015 Credit Agreement requires UGI Utilities not to exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined, of 0.65 to 1.0. The UGI Utilities 2015 Credit Agreement is currently scheduled to expire in March 2016, but may be extended by UGI Utilities to March 2020 if on or before March 25, 2016, the Company receives approval for the UGI Utilities 2015 Credit Agreement by the PUC. The Company filed to obtain such approval on June 30, 2015.

Note 7 — Commitments and Contingencies

Contingencies

Environmental Matters

CPG is party to a Consent Order and Agreement ("CPG-COA") with the Pennsylvania Department of Environmental Protection ("DEP") requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant ("MGP") related facilities were operated ("CPG MGP Properties") and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement ("PNG-COA") with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated ("PNG MGP Properties"). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at \$1,800 and \$1,100, respectively, in any calendar year. The CPG-COA is scheduled to terminate at the end of 2018. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two -year period beginning with the original effective date in March 2004. At June 30, 2015 and 2014, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled \$9,595 and \$11,381, respectively. We have recorded associated regulatory assets for these costs because recovery of these costs from customers is probable.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of MGPs prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882

UGI UTILITIES, INC. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

(Thousands of dollars)

and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas and Electric Utility.

UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because (1) UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five -year average of such prudently incurred remediation costs, and (2) CPG and PNG are currently receiving regulatory recovery of estimated environmental investigation and remediation costs associated with Pennsylvania sites. At June 30, 2015 , neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material for UGI Utilities.

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by its former subsidiaries. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities if a court were to conclude that (1) the subsidiary's separate corporate form should be disregarded, or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary's MGP.

There are pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our consolidated financial position, results of operations or cash flows.

Note 8 — Defined Benefit Pension and Other Postretirement Plans

We sponsor a defined benefit pension plan for employees hired prior to January 1, 2009, of UGI, UGI Utilities, PNG, CPG and certain of UGI's other domestic wholly owned subsidiaries ("Pension Plan"). Pension Plan benefits are based on years of service, age and employee compensation. We also provide postretirement health care benefits to certain retirees and postretirement life insurance benefits to nearly all active and retired employees.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Net periodic pension expense and other postretirement benefit costs relating to the Company's employees include the following components:

Three Months Ended June 30,	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Service cost	\$ 1,741	\$ 1,623	\$ 48	\$ 41
Interest cost	5,628	5,721	119	127
Expected return on assets	(7,225)	(6,649)	(153)	(139)
Amortization of:				
Prior service cost (benefit)	87	87	(160)	(160)
Actuarial loss	2,199	1,660	32	37
Net benefit cost (income)	2,430	2,442	(114)	(94)
Change in associated regulatory liabilities	—	—	938	918
Net benefit cost after change in regulatory liabilities	\$ 2,430	\$ 2,442	\$ 824	\$ 824

Nine Months Ended June 30,	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Service cost	\$ 5,222	\$ 4,869	\$ 145	\$ 123
Interest cost	16,883	17,163	356	381
Expected return on assets	(21,674)	(19,949)	(459)	(417)
Amortization of:				
Prior service cost (benefit)	261	261	(480)	(480)
Actuarial loss	6,595	4,982	95	111
Net benefit cost (income)	7,287	7,326	(343)	(282)
Change in associated regulatory liabilities	—	—	2,813	2,754
Net benefit cost after change in regulatory liabilities	\$ 7,287	\$ 7,326	\$ 2,470	\$ 2,472

Pension Plan assets are held in trust and consist principally of publicly traded, diversified equity and fixed income mutual funds and, to a much lesser extent, smallcap common stocks and UGI Common Stock. It is our general policy to fund amounts for Pension Plan benefits equal to at least the minimum contribution required by ERISA. During the nine months ended June 30, 2015 and 2014, the Company made contributions to the Pension Plan of \$8,348 and \$10,975, respectively. The Company expects to make additional discretionary cash contributions of approximately \$2,800 to the Pension Plan during the remainder of Fiscal 2015.

UGI Utilities has established a Voluntary Employees' Beneficiary Association ("VEBA") trust to pay retiree health care and life insurance benefits by depositing into the VEBA the annual amount of postretirement benefits costs, if any, determined under GAAP. The difference between such amount calculated under GAAP and the amounts included in UGI Gas' and Electric Utility's rates is deferred for future recovery from, or refund to, ratepayers. There were no required contributions to the VEBA during the nine months ended June 30, 2015 and 2014.

We also participate in an unfunded and non-qualified defined benefit supplemental executive retirement plan. Net benefit costs associated with this plan for all periods presented were not material.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Note 9 — Fair Value Measurements**Derivative Instruments**

The following table presents on a gross basis our derivative assets and liabilities including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy, as of June 30, 2015, September 30, 2014 and June 30, 2014:

	Asset (Liability)			
	Level 1	Level 2	Level 3	Total
June 30, 2015:				
Assets:				
Commodity contracts	\$ 1,510	\$ 469	\$ —	\$ 1,979
Liabilities:				
Commodity contracts	\$ (2,390)	\$ (2,605)	\$ —	\$ (4,995)
September 30, 2014:				
Assets:				
Commodity contracts	\$ 679	\$ 1,018	\$ —	\$ 1,697
Liabilities:				
Commodity contracts	\$ (2,095)	\$ (206)	\$ —	\$ (2,301)
June 30, 2014 (a):				
Assets:				
Commodity contracts	\$ 1,500	\$ 1,016	\$ —	\$ 2,516
Liabilities:				
Commodity contracts	\$ (693)	\$ (151)	\$ —	\$ (844)

(a) Certain immaterial amounts have been revised to correct the classification of derivatives.

The fair values of our Level 1 exchange-traded commodity futures and option derivative contracts and certain non exchange-traded electricity forward contracts are based upon actively-quoted market prices for identical assets and liabilities. The fair values of the remainder of our derivative financial instruments and electricity forward contracts, which are designated as Level 2, are generally based upon recent market transactions and related market indicators. There were no transfers between Level 1 and Level 2 during the periods presented.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. The carrying amount and estimated fair value of our long-term debt (including current maturities) at June 30, 2015, were \$622,000 and \$683,521, respectively. The carrying amount and estimated fair value of our long-term debt (including current maturities) at June 30, 2014, were \$642,000 and \$708,916, respectively. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar types of debt (Level 2).

UGI UTILITIES, INC. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

(Thousands of dollars)

Note 10 — Derivative Instruments and Hedging Activities

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are (1) commodity price risk and (2) interest rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies, which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. Because most of our commodity derivative instruments are generally subject to regulatory ratemaking mechanisms, we have limited commodity price risk associated with our Gas Utility or Electric Utility operations. For more information on the accounting for our derivative instruments, see Note 2, "Summary of Significant Accounting Policies," in the Company's 2014 Annual Report.

Commodity Price Risk

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. As permitted and agreed to by the PUC pursuant to Gas Utility's annual PGC filings, Gas Utility currently uses New York Mercantile Exchange ("NYMEX") natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. At June 30, 2015 and 2014, the volumes of natural gas associated with Gas Utility's unsettled NYMEX natural gas futures and option contracts totaled 13.1 million dekatherms and 10.9 million dekatherms, respectively. At June 30, 2015, the maximum period over which Gas Utility is economically hedging natural gas market price risk is 15 months. Gains and losses on natural gas futures contracts and any gains on natural gas option contracts are recorded in regulatory assets or liabilities on the Condensed Consolidated Balance Sheets because it is probable such gains or losses will be recoverable from, or refundable to, customers through the PGC recovery mechanism (see Note 5).

Electric Utility's DS tariffs permit the recovery of all prudently incurred costs of electricity it sells to DS customers, including the cost of financial instruments used to hedge electricity costs. Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. For such contracts entered into by Electric Utility prior to March 1, 2015, Electric Utility chose not to elect the NPNS exception under GAAP related to these derivative instruments and the fair values of these contracts are reflected in current and noncurrent derivative instrument assets and liabilities in the accompanying Condensed Consolidated Balance Sheets. Associated gains and losses on these forward contracts are recorded in regulatory assets and liabilities on the Condensed Consolidated Balance Sheets in accordance with GAAP because it is probable such gains or losses will be recoverable from, or refundable to, customers through the DS mechanism (see Note 5). Effective with Electric Utility forward electricity purchase contracts entered into beginning March 1, 2015, Electric Utility has elected the NPNS exception under GAAP and, as a result, the fair values of such contracts are not recognized on the balance sheet. At June 30, 2015 and 2014, the volumes of Electric Utility's forward electricity purchase contracts were 494.5 million kilowatt hours and 315.8 million kilowatt hours, respectively. At June 30, 2015, the maximum period over which these contracts extend is 11 months.

In order to reduce volatility associated with a substantial portion of its electricity transmission congestion costs, Electric Utility obtains FTRs through an annual allocation process. Gains and losses on Electric Utility FTRs are recorded in regulatory assets or liabilities in accordance with GAAP because it is probable such gains or losses will be recoverable from, or refundable to, customers through the DS mechanism (see Note 5). At June 30, 2015 and 2014, the total volumes associated with FTRs totaled 381.6 million kilowatt hours and 319.7 million kilowatt hours, respectively. At June 30, 2015, the maximum period over which we are economically hedging electricity congestion is 11 months.

In order to reduce operating expense volatility, UGI Utilities from time to time enters into NYMEX gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in the operation of its vehicles and equipment.

Interest Rate Risk

Our long-term debt typically is issued at fixed rates of interest. As these long-term debt issues mature, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). We account for IRPAs as cash flow hedges. As of June 30, 2015

UGI UTILITIES, INC. AND SUBSIDIARIES

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(unaudited)

(Thousands of dollars)

and 2014 , we had no unsettled IRPAs. At June 30, 2015 , the amount of net losses associated with IRPAs expected to be reclassified into earnings during the next twelve months is \$2,550 .

Derivative Instrument Credit Risk

Our natural gas exchange-traded futures contracts generally require cash deposits in margin accounts. At June 30, 2015 , restricted cash in brokerage accounts totaled \$3,683 . At June 30, 2014 , there was \$1,109 restricted cash in brokerage accounts.

Fair Value of Derivative Instruments

The following table presents the Company's derivative assets and liabilities on a gross basis as of June 30, 2015 and 2014 :

	<u>June 30, 2015</u>	<u>June 30, 2014 (a)</u>
Derivative assets:		
Derivatives subject to PGC and DS mechanisms:		
Commodity contracts	\$ 1,943	\$ 2,450
Derivatives not subject to PGC and DS mechanisms:		
Commodity contracts	36	66
Total derivative assets	<u>\$ 1,979</u>	<u>\$ 2,516</u>
Derivative liabilities:		
Derivatives subject to PGC and DS mechanisms:		
Commodity contracts	\$ (4,807)	\$ (844)
Derivatives not subject to PGC and DS mechanisms:		
Commodity contracts	(188)	—
Total derivative liabilities	<u>\$ (4,995)</u>	<u>\$ (844)</u>

(a) Certain immaterial amounts have been revised to correct the classification of derivatives.

Offsetting Derivative Assets and Liabilities

Derivative assets and liabilities are presented net by counterparty on our Condensed Consolidated Balance Sheets if the right of offset exists. Our derivative instruments include both those that are executed on an exchange through brokers and centrally cleared and over-the-counter transactions. Exchange contracts utilize a financial intermediary, exchange or clearinghouse to enter, execute or clear the transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter and exchange contracts contain contractual rights of offset through master netting arrangements, derivative clearing agreements and contract default provisions. In addition, the contracts are subject to conditional rights of offset through counterparty nonperformance, insolvency or other conditions.

In general, most of our over-the-counter transactions and all exchange contracts are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on our Condensed Consolidated Balance Sheets with our derivative counterparties are not included in the table below but could reduce our net exposure to such counterparties because such balances are subject to master netting or similar arrangements.

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The following table presents the Company's derivative assets and liabilities, as well as the effects of offsetting, as of June 30, 2015 and 2014 :

	Gross Amounts Recognized	Gross Amounts Offset in Balance Sheet	Net Amounts Recognized	Cash Collateral (Received) Pledged	Net Amounts Recognized in Balance Sheet
June 30, 2015					
Derivative assets	\$ 1,979	\$ (583)	\$ 1,396	\$ —	\$ 1,396
Derivative liabilities	\$ (4,995)	\$ 583	\$ (4,412)	\$ —	\$ (4,412)
June 30, 2014					
Derivative assets	\$ 2,516	\$ (813)	\$ 1,703	\$ —	\$ 1,703
Derivative liabilities	\$ (844)	\$ 813	\$ (31)	\$ —	\$ (31)

Effect of Derivative Instruments

The following table provides information on the effects of derivative instruments on the Condensed Consolidated Statements of Income and changes in AOCI for the three and nine months ended June 30, 2015 and 2014 :

	Gain (Loss) Recognized in AOCI		Gain (Loss) Reclassified from AOCI into Income		Location of Gain (Loss) Reclassified from AOCI into Income
	2015	2014	2015	2014	
Three Months Ended June 30,					
Cash Flow Hedges:					
Interest rate contracts	\$ —	\$ —	\$ (669)	\$ (671)	Interest expense
Derivatives Not Subject to PGC and DS Mechanisms:					
Gasoline contracts	\$ 111	\$ 49	Operating expenses/other operating income, net		
Nine Months Ended June 30,					
Cash Flow Hedges:					
Interest rate contracts	\$ —	\$ —	\$ (2,008)	\$ (2,010)	Interest expense
Derivatives Not Subject to PGC and DS Mechanisms:					
Gasoline contracts	\$ (415)	\$ 128	Operating expenses/other operating income, net		

We are also a party to a number of other contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders, contracts which provide for the purchase and delivery of natural gas and electricity, and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments. Although many of these contracts have the requisite elements of a derivative instrument, these contracts qualify for normal purchase and normal sale exception accounting under GAAP because they provide for the delivery of products or

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services in quantities that are expected to be used in the normal course of operating our business and the price in the contract is based on an underlying that is directly associated with the price of the product or service being purchased or sold.

Note 11 — Accumulated Other Comprehensive Income

The tables below present changes in AOCI, net of tax, during the three and nine months ended June 30, 2015 and 2014 :

	Postretirement Benefit Plans	Derivative Instruments	Total
Three Months Ended June 30, 2015			
AOCI - March 31, 2015	\$ (6,051)	\$ (1,087)	\$ (7,138)
Reclassifications of benefit plan actuarial losses and prior service cost	128	—	128
Reclassifications of net losses on interest rate protection agreements	—	392	392
AOCI - June 30, 2015	<u>\$ (5,923)</u>	<u>\$ (695)</u>	<u>\$ (6,618)</u>
Three Months Ended June 30, 2014			
AOCI - March 31, 2014	\$ (5,090)	\$ (2,654)	\$ (7,744)
Reclassifications of benefit plan actuarial losses and prior service cost	95	—	95
Reclassifications of net losses on interest rate protection agreements	—	393	393
AOCI - June 30, 2014	<u>\$ (4,995)</u>	<u>\$ (2,261)</u>	<u>\$ (7,256)</u>
	Postretirement Benefit Plans	Derivative Instruments	Total
Nine Months Ended June 30, 2015			
AOCI - September 30, 2014	\$ (6,311)	\$ (1,870)	\$ (8,181)
Reclassifications of benefit plan actuarial losses and prior service cost	388	—	388
Reclassifications of net losses on interest rate protection agreements	—	1,175	1,175
AOCI - June 30, 2015	<u>\$ (5,923)</u>	<u>\$ (695)</u>	<u>\$ (6,618)</u>
Nine Months Ended June 30, 2014			
AOCI - September 30, 2013	\$ (5,283)	\$ (3,437)	\$ (8,720)
Reclassifications of benefit plan actuarial losses and prior service cost	288	—	288
Reclassifications of net losses on interest rate protection agreements	—	1,176	1,176
AOCI - June 30, 2014	<u>\$ (4,995)</u>	<u>\$ (2,261)</u>	<u>\$ (7,256)</u>

Note 12 — Related Party Transactions

UGI provides certain financial and administrative services to UGI Utilities. UGI bills UGI Utilities monthly for all direct expenses incurred by UGI on behalf of UGI Utilities and an allocated share of indirect corporate expenses incurred or paid with respect to services provided to UGI Utilities. The allocation of indirect UGI corporate expenses to UGI Utilities utilizes a weighted, three-component formula comprising revenues, operating expenses and net assets employed and considers UGI Utilities' relative percentage of such items to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. Management believes that this allocation method is reasonable and equitable to UGI Utilities and this allocation method has been accepted by the PUC in past rate case proceedings and management audits as a reasonable method of allocating such expenses. These billed expenses are classified as operating and administrative expenses - related parties in the Condensed Consolidated Statements of Income. In addition, UGI Utilities provides limited administrative services to UGI and certain of UGI's subsidiaries under PUC approved affiliated interest agreements. Amounts billed to these entities by UGI Utilities for all periods presented were not material.

UGI Utilities is a party to two SCAAs with Energy Services which have terms of three years. Under the SCAAs, UGI Utilities has, among other things, and subject to recall for operational purposes, released certain storage and transportation contracts to

UGI UTILITIES, INC. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

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Energy Services for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon the commencement of the SCAAs, receives a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the term of the SCAAs. Energy Services, in turn, provides a firm delivery service and makes certain payments to UGI Utilities for its various obligations under the SCAAs. UGI Utilities incurred costs associated with Energy Services' SCAAs totaling \$5,691 and \$10,898 during the three and nine months ended June 30, 2015, respectively, and \$16,894 and \$23,590 during the three and nine months ended June 30, 2014, respectively. In conjunction with the SCAAs, UGI Utilities received security deposits from Energy Services. The amount of such security deposits, which are included in other current liabilities on the Condensed Consolidated Balance Sheets, was \$10,700, \$10,600, and \$10,600 as of June 30, 2015, September 30, 2014 and June 30, 2014, respectively.

UGI Utilities reflects the historical cost of the gas storage inventories and any exchange receivable from Energy Services (representing amounts of natural gas inventories used but not yet replenished by Energy Services) on its balance sheet under the caption inventories. The carrying value of these gas storage inventories at June 30, 2015, September 30, 2014 and June 30, 2014, comprising 2.6 bcf, 7.7 bcf and 4.0 bcf of natural gas, was \$6,809, \$33,057 and \$19,410, respectively.

UGI Utilities has gas supply and delivery service agreements with Energy Services pursuant to which Energy Services provides certain gas supply and related delivery service to Gas Utility principally during the heating season months of November through March. The capacity charges for these transactions (exclusive of transactions pursuant to the SCAAs) during the three and nine months ended June 30, 2015 totaled \$2,380 and \$45,413, respectively. During the three and nine months ended June 30, 2014, such transactions totaled \$1,551 and \$34,259, respectively, and are reflected in cost of sales.

From time to time, the Company sells natural gas or pipeline capacity to Energy Services. During the three and nine months ended June 30, 2015, revenues associated with such sales to Energy Services totaled \$9,129 and \$71,546, respectively. During the three and nine months ended June 30, 2014, revenues associated with such sales to Energy Services totaled \$9,869 and \$102,118, respectively. Also from time to time, the Company purchases natural gas, pipeline capacity and electricity from Energy Services (in addition to those transactions already described above) and purchases a firm storage service from UGI Storage Company, a subsidiary of Energy Services, under one -year agreements. During the three and nine months ended June 30, 2015, such purchases totaled \$8,431 and \$79,956, respectively. During the three and nine months ended June 30, 2014, such purchases totaled \$22,114 and \$114,811, respectively.

Note 13 — Segment Information

We have determined that we have two reportable segments: (1) Gas Utility and (2) Electric Utility. Gas Utility revenues are derived principally from the sale and distribution of natural gas to customers in eastern, northeastern and central Pennsylvania. Electric Utility derives its revenues principally from the sale and distribution of electricity in two northeastern Pennsylvania counties. The HVAC Business, prior to its sale in June 2015, did not meet the quantitative thresholds for separate segment reporting under GAAP relating to business segment reporting and has been included in "Other" below.

The accounting policies of our reportable segments are the same as those described in Note 2 of the Company's 2014 Annual Report. We evaluate the performance of our Gas Utility and Electric Utility segments principally based upon their income before income taxes.

No single customer represents more than ten percent of our consolidated revenues and there are no significant intersegment transactions. In addition, all of our reportable segments' revenues are derived from sources within the United States, and all of our reportable segments' long-lived assets are located in the United States.

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Financial information by business segment follows:

Three Months Ended June 30, 2015 :

	Total	Reportable Segments		Other
		Gas Utility	Electric Utility	
Revenues	\$ 143,490	\$ 119,412	\$ 23,875	\$ 203
Cost of sales	\$ 53,691	\$ 41,352	\$ 12,339	\$ —
Depreciation and amortization	\$ 15,913	\$ 14,786	\$ 1,127	\$ —
Operating income	\$ 20,184	\$ 15,099	\$ 4,071	\$ 1,014
Interest expense	\$ 9,985	\$ 9,483	\$ 502	\$ —
Income before income taxes	\$ 10,199	\$ 5,616	\$ 3,569	\$ 1,014
Capital expenditures	\$ 43,315	\$ 41,324	\$ 1,991	\$ —

Three Months Ended June 30, 2014 :

	Total	Reportable Segments		Other
		Gas Utility	Electric Utility	
Revenues	\$ 152,694	\$ 128,264	\$ 23,954	\$ 476
Cost of sales	\$ 63,323	\$ 49,257	\$ 14,066	\$ —
Depreciation and amortization	\$ 14,892	\$ 13,774	\$ 1,118	\$ —
Operating income	\$ 19,720	\$ 17,115	\$ 2,304	\$ 301
Interest expense	\$ 10,433	\$ 9,904	\$ 529	\$ —
Income before income taxes	\$ 9,287	\$ 7,211	\$ 1,775	\$ 301
Capital expenditures	\$ 38,215	\$ 35,955	\$ 2,260	\$ —

Nine Months Ended June 30, 2015 :

	Total	Reportable Segments		Other
		Gas Utility	Electric Utility	
Revenues	\$ 931,369	\$ 847,890	\$ 82,621	\$ 858
Cost of sales	\$ 475,079	\$ 426,715	\$ 48,364	\$ —
Depreciation and amortization	\$ 46,982	\$ 43,555	\$ 3,427	\$ —
Operating income	\$ 238,523	\$ 226,248	\$ 11,300	\$ 975
Interest expense	\$ 31,245	\$ 29,717	\$ 1,528	\$ —
Income before income taxes	\$ 207,278	\$ 196,531	\$ 9,772	\$ 975
Capital expenditures	\$ 139,624	\$ 134,018	\$ 5,606	\$ —

As of June 30, 2015

Total assets (at period end)	\$ 2,423,205	\$ 2,278,975	\$ 144,230	\$ —
Goodwill (at period end)	\$ 182,145	\$ 182,145	\$ —	\$ —

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Nine Months Ended June 30, 2014 :

	Total	Reportable Segments		Other
		Gas Utility	Electric Utility	
Revenues	\$ 965,549	\$ 879,989	\$ 84,467	\$ 1,093
Cost of sales	\$ 515,612	\$ 463,492	\$ 52,120	\$ —
Depreciation and amortization	\$ 43,985	\$ 40,733	\$ 3,252	\$ —
Operating income	\$ 243,517	\$ 233,728	\$ 9,485	\$ 304
Interest expense	\$ 28,036	\$ 26,652	\$ 1,384	\$ —
Income before income taxes	\$ 215,481	\$ 207,076	\$ 8,101	\$ 304
Capital expenditures	\$ 104,117	\$ 98,806	\$ 5,311	\$ —
As of June 30, 2014 .				
Total assets (at period end)	\$ 2,289,841	\$ 2,147,407	\$ 142,434	\$ —
Goodwill (at period end)	\$ 182,145	\$ 182,145	\$ —	\$ —

UGI UTILITIES, INC. AND SUBSIDIARIES**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Forward-Looking Statements**

Information contained in this Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements use forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," or other similar words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the following important factors that could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) adverse weather conditions resulting in reduced demand; (2) price volatility and availability of oil, electricity and natural gas and the capacity to transport them to market areas; (3) changes in laws and regulations, including safety, tax, consumer protection and accounting matters; (4) inability to timely recover costs through utility rate proceedings; (5) the impact of pending and future legal proceedings; (6) competitive pressures from the same and alternative energy sources; (7) liability for environmental claims; (8) customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (9) adverse labor relations; (10) large customer, counterparty or supplier defaults; (11) increased uncollectible accounts expense; (12) liability for personal injury and property damage arising from explosions and other catastrophic events, including acts of terrorism, resulting from operating hazards and risks incidental to generating and distributing electricity and transporting, storing and distributing natural gas, including liability in excess of insurance coverage; (13) political, regulatory and economic conditions in the United States; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; and (15) changes in commodity market prices resulting in significantly higher cash collateral requirements.

These factors, and those factors set forth in Item 1A. Risk Factors in the Company's 2014 Annual Report, are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

UGI UTILITIES, INC. AND SUBSIDIARIES

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare our results of operations for the three months ended June 30, 2015 (“2015 three-month period”) with the three months ended June 30, 2014 (“2014 three-month period”) and the nine months ended June 30, 2015 (“2015 nine-month period”) with the nine months ended June 30, 2014 (“2014 nine-month period”). Our analyses of results of operations should be read in conjunction with the segment information included in Note 13 to the condensed consolidated financial statements.

2015 three-month period compared with 2014 three-month period

Three Months Ended June 30,	2015	2014	Increase (Decrease)	
(Millions of dollars)				
Gas Utility:				
Revenues	\$ 119.4	\$ 128.3	\$ (8.9)	(6.9)%
Total margin (a)	\$ 78.1	\$ 79.0	\$ (0.9)	(1.1)%
Operating and administrative expenses	\$ 48.6	\$ 47.0	\$ 1.6	3.4 %
Operating income	\$ 15.1	\$ 17.1	\$ (2.0)	(11.7)%
Income before income taxes	\$ 5.6	\$ 7.2	\$ (1.6)	(22.2)%
System throughput — billions of cubic feet (“bcf”)				
Core market	8.9	9.2	(0.3)	(3.3)%
Total	38.6	37.5	1.1	2.9 %
Heating degree days — % (warmer) than normal (b)	(22.2)%	(6.3)%	—	—
Electric Utility:				
Revenues	\$ 23.9	\$ 24.0	\$ (0.1)	(0.4)%
Total margin (a)	\$ 10.3	\$ 8.6	\$ 1.7	19.8 %
Operating and administrative expenses	\$ 5.1	\$ 5.1	\$ —	— %
Operating income	\$ 4.1	\$ 2.3	\$ 1.8	78.3 %
Income before income taxes	\$ 3.6	\$ 1.8	\$ 1.8	100.0 %
Distribution sales — millions of kilowatt-hours (“gwh”)	219.7	217.7	2.0	0.9 %

- (a) Gas Utility’s total margin represents total revenues less total cost of sales. Electric Utility’s total margin represents total revenues less total cost of sales and revenue-related taxes, i.e. Electric Utility gross receipts taxes, of \$1.2 million and \$1.3 million during the three months ended June 30, 2015 and 2014, respectively. For financial statement purposes, revenue-related taxes are included in taxes other than income taxes in the Condensed Consolidated Statements of Income.
- (b) Deviation from average heating degree days for the 15-year period 1995-2009 based upon weather statistics provided by the National Oceanic and Atmospheric Administration (“NOAA”) for airports located within Gas Utility’s service territory.

Gas Utility

Temperatures in Gas Utility’s service territory in the 2015 three-month period based upon heating degree days were 22.2% warmer than normal and 17.0% warmer than the 2014 three-month period. Notwithstanding the warmer temperatures, total distribution system throughput increased 1.1 bcf (2.9%) principally reflecting higher delivery service volumes partially offset by slightly lower core market volumes. The lower core market volumes reflect the effects of the warmer spring weather partially offset by the benefits of a 1.7% increase in the number of core market customers. Gas Utility’s core market customers comprise firm- residential, commercial and industrial (“retail core-market”) customers who purchase their gas from Gas Utility and, to a much lesser extent, residential and small commercial customers who purchase their gas from alternate suppliers.

Gas Utility revenues decreased \$8.9 million during the 2015 three-month period principally reflecting lower revenues from core market customers (\$5.3 million). The decrease in core market revenues principally reflects the effects of the lower core market throughput and slightly lower average PGC rates during the 2015 three-month period. Increases or decreases in retail core-market revenues and cost of sales principally result from changes in retail core-market volumes and the level of gas costs collected through the PGC recovery mechanism. Under the PGC recovery mechanism, Gas Utility records the cost of gas associated with sales to retail core-market customers at amounts included in PGC rates. The difference between actual gas costs and the amounts included in rates is deferred on the balance sheet as a regulatory asset or liability and represents amounts to be collected from or refunded to customers in a future period. As a result of this PGC recovery mechanism, increases or decreases in the cost of gas associated

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with retail core-market customers have no direct effect on retail core-market margin. Gas Utility's cost of sales was \$41.4 million in the 2015 three-month period compared with \$49.3 million in the 2014 three-month period principally reflecting the effects of the lower average PGC rates (\$4.1 million) and lower retail core-market volumes sold (\$1.2 million).

Gas Utility 2015 three-month period total margin decreased \$0.9 million principally reflecting lower margin from interruptible delivery service customers and the effects of the slightly lower core market throughput.

Gas Utility operating income and income before income taxes during the 2015 three-month period decreased \$2.0 million and \$1.6 million, respectively, compared with the prior-year period. The decrease in Gas Utility operating income and income before income taxes during the 2015 three-month period principally reflects the decrease in total margin (\$0.9 million), higher depreciation expense (\$1.1 million) and slightly higher operating and administrative expenses (\$1.6 million) partially offset by an increase in other operating income (\$1.7 million). The increase in operating and administrative expenses includes, among other things, higher distribution system maintenance expenses and general and administrative expenses. The higher other operating income includes incremental margin from construction services.

Electric Utility

Temperatures based upon heating degree days during the 2015 three-month period were approximately 25.1% warmer than normal and approximately 15.1% warmer than the prior year. Cooling degree days in the current-year period were 57.4% higher than the prior-year period. Electric Utility distribution sales were slightly higher than in the prior-year three-month period. Electric Utility revenues decreased due primarily to lower average default service ("DS") rates partially offset by higher transmission revenue primarily reflecting the effects of a \$1.6 million adjustment associated with prior years. Electric Utility cost of sales decreased to \$12.3 million in the 2015 three-month period from \$14.1 million in the 2014 three-month period principally reflecting the effects of the lower average DS rates.

Electric Utility total margin, net of gross receipts taxes, increased \$1.7 million principally reflecting an increase in transmission revenue including a \$1.6 million recovery of transmission revenues associated with prior years.

Electric Utility operating income and income before income taxes in the 2015 three-month period were each \$1.8 million higher than the 2014 three-month period principally reflecting the previously mentioned increase in total margin.

Interest Expense and Income Taxes

Our interest expense in the 2015 three-month period was slightly lower than the prior-year three month period principally reflecting lower average long-term debt outstanding. Our effective income tax rate for the three months ended June 30, 2015 was comparable to the effective tax rate in the prior-year period.

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2015 nine-month period compared with 2014 nine-month period

Nine Months Ended June 30,	2015	2014	Increase (Decrease)	
Gas Utility:				
Revenues	\$ 847.9	\$ 880.0	\$ (32.1)	(3.6)%
Total margin (a)	\$ 421.2	\$ 416.5	\$ 4.7	1.1%
Operating and administrative expenses	\$ 150.7	\$ 138.0	\$ 12.7	9.2%
Operating income	\$ 226.2	\$ 233.7	\$ (7.5)	(3.2)%
Income before income taxes	\$ 196.5	\$ 207.1	\$ (10.6)	(5.1)%
System throughput — billions of cubic feet ("bcf")				
Core market	76.4	75.1	1.3	1.7%
Total	176.3	172.8	3.5	2.0%
Heating degree days — % colder than normal (b)	7.2%	10.2%	—	—
Electric Utility:				
Revenues	\$ 82.6	\$ 84.5	\$ (1.9)	(2.2)%
Total margin (a)	\$ 29.9	\$ 27.7	\$ 2.2	7.9%
Operating and administrative expenses	\$ 14.7	\$ 14.5	\$ 0.2	1.4%
Operating income	\$ 11.3	\$ 9.5	\$ 1.8	18.9%
Income before income taxes	\$ 9.8	\$ 8.1	\$ 1.7	21.0%
Distribution sales — millions of kilowatt-hours ("gwh")	764.4	775.8	(11.4)	(1.5)%

(a) Gas Utility's total margin represents total revenues less total cost of sales. Electric Utility's total margin represents total revenues less total cost of sales and revenue-related taxes, i.e. Electric Utility gross receipts taxes, of \$4.4 million and \$4.6 million during the nine months ended June 30, 2015 and 2014, respectively. For financial statement purposes, revenue-related taxes are included in taxes other than income taxes in the Condensed Consolidated Statements of Income.

(b) Deviation from average heating degree days for the 15-year period 1995-2009 based upon weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for airports located within Gas Utility's service territory.

Gas Utility

Temperatures in Gas Utility's service territory in the 2015 nine-month period based upon heating degree days were 7.2% colder than normal but 2.8% warmer than the 2014 nine-month period. Total distribution system throughput increased 3.5 bcf, notwithstanding the warmer weather, principally reflecting higher firm delivery service volumes and slightly higher core market volumes reflecting, in large part, a 1.7% increase in the number of core market customers.

Gas Utility revenues decreased \$32.1 million during the 2015 nine-month period principally reflecting lower revenues from off-system sales (\$30.4 million) and lower other revenues partially offset by higher revenues from core market customers (\$3.0 million). The increase in core market revenues principally reflects the effects of the higher core market throughput offset by slightly lower average PGC rates during the 2015 nine-month period. Gas Utility's cost of sales was \$426.7 million in the 2015 nine-month period compared with \$463.5 million in the 2014 nine-month period principally reflecting the effects of the lower off-system sales (\$30.4 million) and the slightly lower average PGC rates.

Gas Utility nine-month period total margin increased \$4.7 million principally reflecting higher core market total margin (\$6.3 million) on the higher core market sales. This increase was partially offset principally by lower margin from interruptible customers.

Gas Utility operating income and income before income taxes during the 2015 nine-month period decreased \$7.5 million and \$10.6 million, respectively, compared to the prior-year period. The \$7.5 million decrease in Gas Utility operating income, notwithstanding the \$4.7 million increase in total margin, principally reflects higher operating and administrative expenses and higher depreciation expense. Operating and administrative expenses were modestly higher than the prior-year period principally reflecting, among other things, higher 2015 nine-month period distribution system maintenance expenses (\$5.3 million), higher depreciation expense (\$2.7 million) and higher employee benefits and other general administrative expenses. The \$10.6 million decrease in Gas Utility income before income taxes reflects the lower operating income (\$7.5 million) and higher long-term debt interest expense.

UGI UTILITIES, INC. AND SUBSIDIARIES***Electric Utility***

Temperatures based upon heating degree days during the 2015 nine-month period were approximately 3.2% colder than normal and approximately 3.6% warmer than the prior year. Total kilowatt-hour sales decreased by 1.5% reflecting in large part the effects of the warmer weather on heating-related sales in addition to customer conservation. The \$1.9 million decrease in Electric Utility revenues primarily reflects the lower sales and lower average DS rates partially offset by higher transmission revenue. Electric Utility cost of sales decreased to \$52.7 million in the 2015 nine-month period from \$56.8 million in the 2014 nine-month period principally reflecting the effects of the lower sales and lower average DS rates.

Electric Utility total margin, net of gross receipts taxes, increased \$2.2 million principally reflecting an increase in transmission revenue including a \$1.6 million recovery of transmission revenues associated with prior years.

Electric Utility operating income and income before income taxes in the 2015 nine-month period increased \$1.8 million and \$1.7 million, respectively, principally reflecting the increase in total margin partially offset by higher general and administrative expenses.

Interest Expense and Income Taxes

Our interest expense in the 2015 nine-month period was higher than the prior year principally reflecting interest on the 4.98% Senior Notes due March 2044 issued in March 2014 the proceeds of which were used to refinance UGI Utilities' 364-day Term Loan Credit Agreement. Our effective income tax rate for the nine months ended June 30, 2015 was slightly lower than the prior-year nine-month period.

FINANCIAL CONDITION AND LIQUIDITY

UGI Utilities' total debt outstanding at June 30, 2015, was \$624.7 million, which includes \$2.7 million of short-term borrowings, compared with total debt outstanding of \$728.3 million at September 30, 2014, which includes \$86.3 million of short-term borrowings. Total long-term debt outstanding at June 30, 2015, comprises \$450.0 million of Senior Notes and \$172.0 million of Medium-Term Notes.

On March 27, 2015, UGI Utilities entered into an unsecured revolving credit agreement (the "UGI Utilities 2015 Credit Agreement") with a group of banks providing for borrowings up to \$300 million (including a \$100 million sublimit for letters of credit). Concurrently with entering into the UGI Utilities 2015 Credit Agreement, UGI Utilities terminated its then-existing \$300 million revolving credit agreement dated as of May 25, 2011. Under the UGI Utilities 2015 Credit Agreement, UGI Utilities may borrow at various prevailing market interest rates, including LIBOR and the banks' prime rate, plus a margin. The margin on such borrowings ranges from 0.0% to 1.75% and is based upon the credit ratings of certain indebtedness of UGI Utilities. The UGI Utilities 2015 Credit Agreement requires UGI Utilities not to exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined, of 0.65 to 1.0. The UGI Utilities 2015 Credit Agreement is currently scheduled to expire in March 2016, but may be extended by UGI Utilities to March 2020 if on or before March 25, 2016, the Company receives approval for the UGI Utilities 2015 Credit Agreement by the Pennsylvania Public Utility Commission. The Company filed to obtain such approval on June 30, 2015.

Borrowings under the UGI Utilities 2015 Credit Agreement and the predecessor credit agreement are classified as short-term borrowings on the Consolidated Balance Sheets. During the 2015 and 2014 nine-month periods, average daily short-term borrowings were \$73.6 million and \$30.4 million, respectively, and peak short-term borrowings totaled \$163.6 million and \$84.0 million, respectively. At June 30, 2015, UGI Utilities' available borrowing capacity under the UGI Utilities 2015 Credit Agreement was \$295.3 million. Peak short-term borrowings typically occur during the heating season months of December and January when UGI Utilities' investment in working capital, principally accounts receivable and inventories, is generally greatest.

We believe that we have sufficient liquidity in the forms of cash and cash equivalents on hand, cash expected to be generated from Gas Utility and Electric Utility operations, short-term borrowings available under the UGI Utilities 2015 Credit Agreement and the ability to refinance long-term debt as it matures to meet our anticipated contractual and projected cash commitments.

Cash Flows

Operating activities. Due to the seasonal nature of UGI Utilities' businesses, cash flows from our operating activities are generally greatest during the second and third fiscal quarters when customers pay for natural gas and electricity consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the first and fourth fiscal quarters when the Company's investment in working capital, principally accounts receivable and inventories, is generally greatest. UGI Utilities uses borrowings under its Credit Agreement to manage seasonal cash flow needs.

UGI UTILITIES, INC. AND SUBSIDIARIES

Cash provided by operating activities was \$300.9 million in the 2015 nine-month period compared to \$205.3 million in the prior-year period. Cash flow from operating activities before changes in operating working capital was \$173.8 million in the 2015 nine-month period compared to \$199.9 million recorded in the prior-year period. Changes in operating working capital provided \$127.1 million of operating cash flow during the 2015 nine-month period compared to \$5.5 million of cash used during the prior-year period. Among other things, cash flows from changes in operating working capital includes \$59.4 million of cash flow from overcollections of gas costs under the PGC mechanism during the 2015 nine-month period compared to undercollections of gas costs of \$17.6 million during the prior-year period. The significantly higher overcollections in the current-year period reflects the impact of significant declines in natural gas prices.

Investing activities. Cash used by investing activities was \$148.3 million in the 2015 nine-month period compared to \$107.3 million in the 2014 nine-month period. Total cash capital expenditures were \$141.9 million in the 2015 nine-month period compared with \$104.1 million recorded in the prior-year period. The increase in the 2015 nine-month period principally reflects higher Gas Utility growth and maintenance capital expenditures. Changes in restricted cash in futures brokerage accounts used \$0.1 million of cash in the 2015 nine-month period compared with cash provided of \$2.1 million in the prior-year period.

Financing activities. Cash used by financing activities was \$148.5 million in the 2015 nine-month period compared with \$74.3 million in the 2014 nine-month period. Financing activity cash flows are primarily the result of net borrowings and repayments under our Credit Agreement, cash dividends paid to UGI and capital contributions from UGI. During the 2015 nine-month period there were net Credit Agreement repayments of \$83.6 million compared with net repayments of \$17.5 million during the prior-year period. The higher Credit Agreement repayments in the 2015 nine-month period reflects the use of a portion of the previously mentioned increase in 2015 nine-month period cash flow from operating activities. Cash dividends in the 2015 nine-month period totaled \$45.6 million compared to cash dividends of \$57.5 million in the prior-year period. During the 2015 three-month period the Company repaid \$20 million of maturing Medium-Term debt.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk exposures are (1) commodity price risk and (2) interest rate risk. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Commodity Price Risk

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to its customers, including the cost of financial instruments used to hedge purchased gas costs. The recovery clauses provide for periodic adjustments for the difference between the total amounts actually collected from customers through PGC rates and the recoverable costs incurred. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Gas Utility operations. Gas Utility uses derivative financial instruments including natural gas futures and option contracts traded on the NYMEX to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these derivative financial instruments, net of any associated gains or losses, is included in Gas Utility's PGC recovery mechanism. The change in market value of natural gas futures contracts can require daily deposits of cash in futures accounts. At June 30, 2015 and 2014, the fair values of our natural gas futures and option contracts were gains (losses) of \$(0.7) million and \$0.7 million, respectively.

Electric Utility's DS tariffs contain clauses which permit recovery of all prudently incurred power costs, including the cost of financial instruments used to hedge electricity costs, through the application of DS rates. Because of this ratemaking mechanism, there is limited power cost risk, including the cost of FTRs and forward electricity purchase contracts, associated with our Electric Utility operations. At June 30, 2015 and 2014, the fair values of Electric Utility's electricity supply contracts were gains (losses) of \$(1.4) million and \$0.8 million, respectively. At June 30, 2015 and 2014, the fair values of FTRs were not material.

In addition, Gas Utility and Electric Utility from time to time enter into exchange-traded gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in their operations. These gasoline futures and swap contracts are recorded at fair value with changes in fair value reflected in net income.

At June 30, 2015, UGI Utilities had \$3.7 million of restricted cash in commodity brokerage accounts. At June 30, 2014, UGI Utilities had \$1.1 million restricted cash in commodity brokerage accounts.

UGI UTILITIES, INC. AND SUBSIDIARIES

Interest Rate Risk

In order to reduce interest rate risk associated with near- or medium-term issuances of fixed-rate debt, from time to time we enter into IRPAs. There were no unsettled IRPAs outstanding at June 30, 2015 and 2014 .

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's Chief Executive Officer and Principal Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Report. Based on that evaluation, the Chief Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Report, were effective at the reasonable assurance level.

(b) Change in Internal Control over Financial Reporting

No change in the Company's internal control over financial reporting occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

UGI UTILITIES, INC. AND SUBSIDIARIES

PART II OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the information presented in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2014, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing the Company. Other unknown or unpredictable factors could also have material adverse effects on future results.

ITEM 6. EXHIBITS

The exhibits filed as part of this report are as follows:

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
12.1	Computation of ratio of earnings to fixed charges			
31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-Q for the quarter ended June 30, 2015, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2	Certification by the Principal Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended June 30, 2015, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32	Certification by the Chief Executive Officer and the Principal Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended June 30, 2015, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS	XBRL Instance			
101.SCH	XBRL Taxonomy Extension Schema			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase			
101.DEF	XBRL Taxonomy Extension Definition Linkbase			
101.LAB	XBRL Taxonomy Extension Labels Linkbase			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase			

UGI UTILITIES, INC. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UGI Utilities, Inc.
(Registrant)

Date: August 7, 2015

By: /s/ Ann P. Kelly
Ann P. Kelly
Controller (Principal Accounting Officer)

UGI UTILITIES, INC. AND SUBSIDIARIES**EXHIBIT INDEX**

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UGI UTILITIES, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES - EXHIBIT 12.1
(Thousands of dollars)

	Nine Months Ended June 30,	Year Ended September 30,			
	2015	2014	2013	2012	2011
Earnings:					
Earnings before income taxes	\$ 207,278	\$ 207,929	\$ 171,010	\$ 142,971	\$ 168,693
Interest expense	31,245	38,471	39,309	42,412	42,728
Amortization of debt discount and expense	588	575	731	814	1,060
Estimated interest component of rental expense	1,993	2,398	2,090	2,121	1,740
	<u>\$ 241,104</u>	<u>\$ 249,373</u>	<u>\$ 213,140</u>	<u>\$ 188,318</u>	<u>\$ 214,221</u>
Fixed Charges:					
Interest expense	\$ 31,245	\$ 38,471	\$ 39,309	\$ 42,412	\$ 42,728
Amortization of debt discount and expense	588	575	731	814	1,060
Allowance for funds used during construction (capitalized interest)	294	227	286	10	90
Estimated interest component of rental expense	1,993	2,398	2,090	2,121	1,740
	<u>\$ 34,120</u>	<u>\$ 41,671</u>	<u>\$ 42,416</u>	<u>\$ 45,357</u>	<u>\$ 45,618</u>
Ratio of earnings to fixed charges	<u>7.07</u>	<u>5.98</u>	<u>5.02</u>	<u>4.15</u>	<u>4.70</u>

CERTIFICATION

I, Robert F. Beard, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Utilities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2015

/s/ Robert F. Beard

Robert F. Beard

President and Chief Executive Officer

CERTIFICATION

I, Kirk R. Oliver, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Utilities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2015

/s/ Kirk R. Oliver

Kirk R. Oliver

Vice President - Financial Strategy
(Principal Financial Officer)

Certification by the Chief Executive Officer and Principal Financial Officer

Relating to a Periodic Report Containing Financial Statements

I, Robert F. Beard, Chief Executive Officer, and I, Kirk R. Oliver, Principal Financial Officer, of UGI Utilities, Inc., a Pennsylvania corporation (the "Company"), hereby certify that to our knowledge:

- (1) The Company's periodic report on Form 10-Q for the period ended June 30, 2015 (the "Form 10-Q") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

CHIEF EXECUTIVE OFFICER

PRINCIPAL FINANCIAL OFFICER

/s/ Robert F. Beard

/s/ Kirk R. Oliver

Robert F. Beard

Kirk R. Oliver

Date: August 7, 2015

Date: August 7, 2015

UGI UTILITIES INC

FORM 10-Q (Quarterly Report)

Filed 02/06/15 for the Period Ending 12/31/14

Address 2525 N. 12TH STREET, SUITE 360
READING, PA 19612
Telephone 6107963400
CIK 0000100548
SIC Code 4932 - Gas and Other Services Combined
Fiscal Year 09/30

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-1398

UGI UTILITIES, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

23-1174060
(I.R.S. Employer
Identification No.)

UGI UTILITIES, INC.
2525 N. 12th Street, Suite 360
Reading, PA
(Address of principal executive offices)

19612
(Zip Code)
(610) 796-3400

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At January 31, 2015, there were 26,781,785 shares of UGI Utilities, Inc. Common Stock, par value \$2.25 per share, outstanding, all of which were held, beneficially and of record, by UGI Corporation.

UGI UTILITIES, INC. AND SUBSIDIARIES

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UGI UTILITIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(Thousands of dollars)

	December 31, 2014	September 30, 2014	December 31, 2013
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 14,267	\$ 12,401	\$ 13,008
Restricted cash	8,963	3,592	—
Accounts receivable (less allowances for doubtful accounts of \$6,764, \$6,992 and \$5,885, respectively)	116,454	65,080	111,840
Accounts receivable — related parties	2,901	2,865	9,431
Accrued utility revenues	52,743	14,330	66,370
Inventories	85,429	95,219	80,675
Deferred income taxes	1,600	1,492	12,317
Regulatory assets	16,773	13,159	361
Derivative instruments	—	1,028	2,058
Prepaid expenses & other current assets	19,052	18,535	14,649
Total current assets	318,182	227,701	310,709
Property, plant and equipment, at cost (less accumulated depreciation and amortization of \$897,802, \$886,268 and \$865,852, respectively)	1,727,117	1,682,284	1,594,554
Goodwill	182,145	182,145	182,145
Regulatory assets	253,826	255,007	233,636
Other assets	7,351	7,506	5,626
Total assets	\$ 2,488,621	\$ 2,354,643	\$ 2,326,670
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities:			
Current maturities of long-term debt	\$ 92,000	\$ 20,000	\$ —
Short-term borrowings	153,500	86,300	73,500
Accounts payable	65,574	58,453	60,405
Accounts payable — related parties	10,716	11,761	17,250
Derivative instruments	9,434	1,632	3,272
Other current liabilities	123,285	99,336	139,037
Total current liabilities	454,509	277,482	293,464
Long-term debt	550,000	622,000	642,000
Deferred income taxes	466,037	461,461	440,645
Deferred investment tax credits	3,849	3,933	4,185
Pension and postretirement benefit obligations	96,861	98,363	73,132
Derivative instruments	344	—	—
Other noncurrent liabilities	53,418	51,567	53,610
Total liabilities	1,625,018	1,514,806	1,507,036
Commitments and contingencies (Note 6)			
Common stockholder's equity:			
Common Stock, \$2.25 par value (authorized — 40,000,000 shares; issued and outstanding — 26,781,785 shares)	60,259	60,259	60,259
Additional paid-in capital	471,076	471,071	470,189
Retained earnings	339,927	316,688	297,417
Accumulated other comprehensive loss	(7,659)	(8,181)	(8,231)
Total common stockholder's equity	863,603	839,837	819,634

Total liabilities and stockholder's equity

\$ 2,488,621 \$ 2,354,643 \$ 2,326,670

See accompanying notes to condensed consolidated financial statements.

UGI UTILITIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(Thousands of dollars)

	Three Months Ended	
	December 31,	
	2014	2013
Revenues	\$ 287,306	\$ 298,899
Costs and expenses:		
Cost of sales — gas, fuel and purchased power (excluding depreciation shown below)	143,052	151,865
Operating and administrative expenses	46,548	41,145
Operating and administrative expenses — related parties	2,782	1,843
Taxes other than income taxes	4,104	4,179
Depreciation	14,558	13,622
Amortization	867	828
Other operating income, net	(245)	(426)
	<u>211,666</u>	<u>213,056</u>
Operating income	75,640	85,843
Interest expense	10,649	8,797
Income before income taxes	64,991	77,046
Income taxes	26,152	31,760
Net income	<u>\$ 38,839</u>	<u>\$ 45,286</u>

See accompanying notes to condensed consolidated financial statements.

UGI UTILITIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

(Thousands of dollars)

	Three Months Ended December 31,	
	2014	2013
Net income	\$ 38,839	\$ 45,286
Other comprehensive income:		
Reclassifications of net losses on derivative instruments (net of tax of \$(278) and \$(278), respectively)	391	391
Benefit plans reclassifications of actuarial losses and prior service costs (net of tax of \$(91) and \$(70), respectively)	131	98
Other comprehensive income	522	489
Comprehensive income	\$ 39,361	\$ 45,775

See accompanying notes to condensed consolidated financial statements.

UGI UTILITIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW S

(unaudited)

(Thousands of dollars)

	Three Months Ended	
	December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 38,839	\$ 45,286
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	15,425	14,450
Deferred income taxes, net	3,921	5,157
Provision for uncollectible accounts	2,490	2,249
Other, net	3,534	(124)
Net change in:		
Accounts receivable and accrued utility revenues	(92,313)	(114,184)
Inventories	9,790	8,985
Deferred fuel and power costs, net of changes in unsettled derivatives	4,393	2,086
Accounts payable	6,075	13,198
Other current assets	(4,821)	802
Other current liabilities	25,356	24,405
Net cash provided by operating activities	12,689	2,310
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property, plant and equipment	(55,029)	(34,254)
Net costs of property, plant and equipment disposals	(2,028)	(1,491)
(Increase) decrease in restricted cash	(5,371)	3,181
Net cash used by investing activities	(62,428)	(32,564)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	(15,600)	(17,536)
Increase in short-term borrowings	67,200	56,000
Other	5	91
Net cash provided by financing activities	51,605	38,555
Cash and cash equivalents increase	\$ 1,866	\$ 8,301
CASH AND CASH EQUIVALENTS:		
End of period	\$ 14,267	\$ 13,008
Beginning of period	12,401	4,707
Increase	\$ 1,866	\$ 8,301

See accompanying notes to condensed consolidated financial statements.

UGI UTILITIES, INC. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

(Thousands of dollars)

Note 1 — Nature of Operations

UGI Utilities, Inc. ("UGI Utilities"), a wholly owned subsidiary of UGI Corporation ("UGI"), and UGI Utilities' wholly owned subsidiaries UGI Penn Natural Gas, Inc. ("PNG") and UGI Central Penn Gas, Inc. ("CPG"), own and operate natural gas distribution utilities in eastern, northeastern and central Pennsylvania and in a portion of one Maryland county. UGI Utilities also owns and operates an electric distribution utility in northeastern Pennsylvania ("Electric Utility"). UGI Utilities' natural gas distribution utility is referred to as "UGI Gas." UGI Gas, PNG and CPG are collectively referred to as "Gas Utility." Gas Utility is subject to regulation by the Pennsylvania Public Utility Commission ("PUC") and, with respect to a small service territory in one Maryland county, the Maryland Public Service Commission, and Electric Utility is subject to regulation by the PUC. Gas Utility and Electric Utility are collectively referred to as "Utilities." PNG also has a heating, ventilation and air-conditioning service business ("UGI Penn HVAC Services, Inc.") which operates principally in the PNG service territory ("HVAC Business").

The term "UGI Utilities" is used sometimes as an abbreviated reference to UGI Utilities, Inc., or to UGI Utilities, Inc. and its subsidiaries, including PNG and CPG.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation. Our condensed consolidated financial statements include the accounts of UGI Utilities and its subsidiaries (collectively, "we" or the "Company"). We eliminate intercompany accounts when we consolidate.

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). They include all adjustments that we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consisted only of normal recurring items unless otherwise disclosed. The September 30, 2014, condensed consolidated balance sheet data was derived from audited financial statements but do not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP").

These financial statements should be read in conjunction with the financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2014 ("the Company's 2014 Annual Report"). Due to the seasonal nature of our businesses, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

Use of Estimates. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and costs. These estimates are based on management's knowledge of current events, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may be different from these estimates and assumptions.

Note 3 — Accounting Changes**Accounting Standards Not Yet Adopted**

Extraordinary Items. In January 2015, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which eliminates the concept of an extraordinary item. Under current accounting guidance, to be considered an extraordinary item an event or transaction must be both unusual in nature and must occur infrequently. Under the new guidance, the concept of an extraordinary item has been eliminated. As a result, an entity will no longer be permitted to segregate an extraordinary item from its results of operations; present an extraordinary item, net of tax, after income from continuing operations; or disclose earnings per share data applicable to an extraordinary item. The new guidance does not affect, however, the reporting and disclosure requirements for an event that is unusual in nature or that occurs infrequently. The guidance is effective for annual periods beginning after December 31, 2015 and interim periods within those annual periods. Early adoption is permitted. Entities may apply the guidance prospectively or retrospectively. If an entity chooses to apply the new guidance prospectively, it must disclose whether amounts included in income from continuing operations include items that would have qualified as extraordinary items previously. We expect to adopt the new guidance in Fiscal 2017.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Revenue Recognition. In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers.” This ASU supersedes the revenue recognition requirements in Accounting Standards Codification (“ASC”) 605, “Revenue Recognition,” and most industry-specific guidance included in the ASC. The standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard is effective for the Company beginning in Fiscal 2018 and allows for either full retrospective adoption or modified retrospective adoption. The Company is in the process of assessing the impact of the adoption of ASU 2014-09 on its results of operations, cash flows and financial position.

Note 4 — Inventories

Inventories comprise the following:

	December 31, 2014	September 30, 2014	December 31, 2013
Gas Utility natural gas	\$ 72,442	\$ 82,664	\$ 69,117
Materials, supplies and other	12,987	12,555	11,558
Total inventories	\$ 85,429	\$ 95,219	\$ 80,675

At December 31, 2014, UGI Utilities is a party to four principal storage contract administrative agreements (“SCAAs”) having terms of one to three years. Three of the SCAAs are with Energy Services, LLC (“Energy Services”), a second-tier, wholly owned subsidiary of UGI (see Note 11) and one of the SCAAs is with a non-affiliate. Pursuant to SCAAs, UGI Utilities has, among other things, released certain storage and transportation contracts for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon commencement of the SCAAs, will receive a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the terms of the SCAAs. The historical cost of natural gas storage inventories released under the SCAAs, which represents a portion of Gas Utility’s total natural gas storage inventories, and any exchange receivable (representing amounts of natural gas inventories used by the other parties to the agreement but not yet replenished for which UGI Utilities has the rights), are included in the caption “Gas Utility natural gas” in the table above.

The carrying value of gas storage inventories released under the SCAAs at December 31, 2014, September 30, 2014 and December 31, 2013, comprising 9.9 billion cubic feet (“bcf”), 11.6 bcf and 9.8 bcf of natural gas, was \$41,937, \$49,897 and \$39,362, respectively. At December 31, 2014, September 30, 2014 and December 31, 2013, UGI Utilities held a total of \$17,600 of security deposits from its SCAA counterparties. These amounts are included in other current liabilities on the Condensed Consolidated Balance Sheets.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Note 5 — Regulatory Assets and Liabilities and Regulatory Matters

For a description of the Company's regulatory assets and liabilities other than those described below, see Note 4 in the Company's 2014 Annual Report. UGI Utilities does not recover a rate of return on its regulatory assets. The following regulatory assets and liabilities associated with Gas Utility and Electric Utility are included in our accompanying Condensed Consolidated Balance Sheets:

	December 31, 2014	September 30, 2014	December 31, 2013
Regulatory assets:			
Income taxes recoverable	\$ 111,075	\$ 110,709	\$ 106,435
Underfunded pension and postretirement plans	107,827	110,116	92,755
Environmental costs	14,738	14,616	14,910
Deferred fuel and power costs	16,761	11,732	427
Removal costs, net	17,550	16,790	13,748
Other	2,648	4,203	5,722
Total regulatory assets	\$ 270,599	\$ 268,166	\$ 233,997
Regulatory liabilities:			
Postretirement benefits	\$ 18,959	\$ 18,594	\$ 16,846
Environmental overcollections	179	349	2,329
Deferred fuel and power refunds	—	306	7,524
State tax benefits — distribution system repairs	10,349	10,076	8,725
Other	3,401	3,172	1,332
Total regulatory liabilities (a)	\$ 32,888	\$ 32,497	\$ 36,756

(a) Regulatory liabilities are recorded in other current and noncurrent liabilities in the Condensed Consolidated Balance Sheets.

Deferred fuel and power — costs and refunds. Gas Utility's and Electric Utility's tariffs contain clauses which permit recovery of all prudently incurred purchased gas and power costs through the application of purchased gas cost ("PGC") rates in the case of Gas Utility and default service ("DS") tariffs in the case of Electric Utility. The clauses provide for periodic adjustments to PGC and DS rates for differences between the total amount of purchased gas and electric generation supply costs collected from customers and recoverable costs incurred. Net undercollected costs are classified as a regulatory asset and net overcollections are classified as a regulatory liability.

Gas Utility uses derivative instruments to reduce volatility in the cost of gas it purchases for firm- residential, commercial and industrial ("retail core-market") customers. Realized and unrealized gains or losses on natural gas derivative instruments are included in deferred fuel costs or refunds. Net unrealized gains (losses) on such contracts at December 31, 2014, September 30, 2014, and December 31, 2013, were \$(6,798), \$(1,363) and \$1,968, respectively.

Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. Because we have chosen not to elect the normal purchase and normal sales exception under GAAP related to these derivative instruments, these electricity supply contracts are recognized on the balance sheet at fair value with an associated adjustment to regulatory assets or liabilities because Electric Utility is entitled to fully recover its DS costs. At December 31, 2014, September 30, 2014, and December 31, 2013, the fair values of Electric Utility's electricity supply contracts were gains (losses) of \$(2,397), \$345 and \$(3,182), respectively. These amounts are reflected in current derivative assets and current derivative liabilities on the Condensed Consolidated Balance Sheets with equal and offsetting amounts reflected in deferred fuel and power costs and refunds in the table above.

In order to reduce volatility associated with a substantial portion of its electric transmission congestion costs, Electric Utility obtains financial transmission rights ("FTRs"). FTRs are derivative instruments that entitle the holder to receive compensation for electricity transmission congestion charges when there is insufficient electricity transmission capacity on the electric

UGI UTILITIES, INC. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

(Thousands of dollars)

transmission grid. Because Electric Utility is entitled to fully recover its DS costs, realized and unrealized gains or losses on FTRs are included in deferred fuel and power costs or deferred fuel and power refunds. Unrealized gains or losses on FTRs at December 31, 2014, September 30, 2014, and December 31, 2013, were not material.

Note 6 — Commitments and Contingencies**Contingencies*****Environmental Matters***

CPG is party to a Consent Order and Agreement (“CPG-COA”) with the Pennsylvania Department of Environmental Protection (“DEP”) requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant (“MGP”) related facilities were operated (“CPG MGP Properties”) and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement (“PNG-COA”) with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated (“PNG MGP Properties”). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at \$1,800 and \$1,100, respectively, in any calendar year. The CPG-COA is scheduled to terminate at the end of 2018. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two -year period beginning with the original effective date in March 2004. At December 31, 2014 and 2013, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled \$11,233 and \$12,147, respectively. We have recorded associated regulatory assets in equal amounts because recovery of these costs from CPG customers is probable.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of MGPs prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas and Electric Utility.

UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because (1) UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five -year average of such prudently incurred remediation costs and (2) CPG and PNG are currently receiving regulatory recovery of estimated environmental investigation and remediation costs associated with Pennsylvania sites. At December 31, 2014, neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material for UGI Utilities.

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by its former subsidiaries. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities if a court were to conclude that (1) the subsidiary’s separate corporate form should be disregarded or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary’s MGP.

There are pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our consolidated financial position, results of operations or cash flows.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Thousands of dollars)

Note 7 — Defined Benefit Pension and Other Postretirement Plans

We sponsor a defined benefit pension plan for employees hired prior to January 1, 2009, of UGI, UGI Utilities, PNG, CPG and certain of UGI's other domestic wholly owned subsidiaries ("Pension Plan"). Pension Plan benefits are based on years of service, age and employee compensation. We also provide postretirement health care benefits to certain retirees and postretirement life insurance benefits to nearly all active and retired employees.

Net periodic pension expense and other postretirement benefit costs relating to the Company's employees include the following components:

Three Months Ended December 31,	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Service cost	\$ 1,741	\$ 1,623	\$ 48	\$ 41
Interest cost	5,627	5,721	119	127
Expected return on assets	(7,224)	(6,650)	(153)	(139)
Amortization of:				
Prior service cost (benefit)	87	87	(160)	(160)
Actuarial loss	2,198	1,661	32	37
Net benefit cost (income)	2,429	2,442	(114)	(94)
Change in associated regulatory liabilities	—	—	937	918
Net benefit cost after change in regulatory liabilities	\$ 2,429	\$ 2,442	\$ 823	\$ 824

Pension Plan assets are held in trust and consist principally of publicly traded, diversified equity and fixed income mutual funds and UGI Common Stock. It is our general policy to fund amounts for Pension Plan benefits equal to at least the minimum contribution required by ERISA. During the three months ended December 31, 2014 and 2013, the Company made contributions to the Pension Plan of \$2,783 and \$3,486, respectively. The Company expects to make additional discretionary cash contributions of \$8,349 to the Pension Plan during the remainder of Fiscal 2015.

UGI Utilities has established a Voluntary Employees' Beneficiary Association ("VEBA") trust to pay retiree health care and life insurance benefits by depositing into the VEBA the annual amount of postretirement benefits costs, if any, determined under GAAP. The difference between such amount calculated under GAAP and the amounts included in UGI Gas' and Electric Utility's rates is deferred for future recovery from, or refund to, ratepayers. There were no required contributions to the VEBA during the three months ended December 31, 2014 and 2013.

We also participate in an unfunded and non-qualified defined benefit supplemental executive retirement plan. Net benefit costs associated with this plan for all periods presented were not material.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Note 8 — Fair Value Measurements**Derivative Instruments**

The following table presents on a gross basis our derivative assets and liabilities including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy, as of December 31, 2014, September 30, 2014 and December 31, 2013:

	Asset (Liability)			Total
	Level 1	Level 2	Level 3	
December 31, 2014:				
Assets:				
Commodity contracts	\$ —	\$ 177	\$ —	\$ 177
Liabilities:				
Commodity contracts	\$ (7,355)	\$ (2,600)	\$ —	\$ (9,955)
September 30, 2014:				
Assets:				
Commodity contracts	\$ 679	\$ 1,018	\$ —	\$ 1,697
Liabilities:				
Commodity contracts	\$ (2,095)	\$ (206)	\$ —	\$ (2,301)
December 31, 2013 (a):				
Assets:				
Commodity contracts	\$ 2,130	\$ —	\$ —	\$ 2,130
Liabilities:				
Commodity contracts	\$ (338)	\$ (3,006)	\$ —	\$ (3,344)

(a) Certain immaterial amounts have been revised to correct the classification of derivatives.

The fair values of our Level 1 exchange-traded commodity futures and option derivative contracts and certain non exchange-traded electricity forward contracts are based upon actively-quoted market prices for identical assets and liabilities. The fair values of the remainder of our derivative financial instruments and electricity forward contracts, which are designated as Level 2, are generally based upon recent market transactions and related market indicators. There were no transfers between Level 1 and Level 2 during the periods presented.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. The carrying amount and estimated fair value of our long-term debt (including current maturities) at December 31, 2014, were \$642,000 and \$741,853, respectively. The carrying amount and estimated fair value of our long-term debt (including current maturities) at December 31, 2013, were \$642,000 and \$694,220, respectively. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar types of debt (Level 2).

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Note 9 — Derivative Instruments and Hedging Activities

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are (1) commodity price risk and (2) interest rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. Because most of our commodity derivative instruments are generally subject to regulatory ratemaking mechanisms, we have limited commodity price risk associated with our Gas Utility or Electric Utility operations. For more information on the accounting for our derivative instruments, see Note 2, "Summary of Significant Accounting Policies," in the Company's 2014 Annual Report.

Commodity Price Risk

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. As permitted and agreed to by the PUC pursuant to Gas Utility's annual PGC filings, Gas Utility currently uses New York Mercantile Exchange ("NYMEX") natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. At December 31, 2014 and 2013, the volumes of natural gas associated with Gas Utility's unsettled NYMEX natural gas futures and option contracts totaled 11.2 million dekatherms and 9.7 million dekatherms, respectively. At December 31, 2014, the maximum period over which Gas Utility is economically hedging natural gas market price risk is 9 months. Gains and losses on natural gas futures contracts and any gains on natural gas option contracts are recorded in regulatory assets or liabilities on the Condensed Consolidated Balance Sheets because it is probable such gains or losses will be recoverable from, or refundable to, customers through the PGC recovery mechanism (see Note 5).

Electric Utility's DS tariffs permit the recovery of all prudently incurred costs of electricity it sells to DS customers, including the cost of financial instruments used to hedge electricity costs. Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. Because we have chosen not to elect the normal purchase and normal sales exception under GAAP related to these derivative instruments, the fair values of these contracts are reflected in current and noncurrent derivative instrument liabilities in the accompanying Condensed Consolidated Balance Sheets. Associated gains and losses on these forward contracts are recorded in regulatory assets and liabilities on the Condensed Consolidated Balance Sheets in accordance with GAAP because it is probable such gains or losses will be recoverable from, or refundable to, customers through the DS mechanism (see Note 5). At December 31, 2014 and 2013, the volumes of Electric Utility's forward electricity purchase contracts were 486.2 million kilowatt hours and 324.4 million kilowatt hours, respectively. At December 31, 2014, the maximum period over which these contracts extend is 17 months.

In order to reduce volatility associated with a substantial portion of its electricity transmission congestion costs, Electric Utility obtains FTRs through an annual allocation process. Gains and losses on Electric Utility FTRs are recorded in regulatory assets or liabilities in accordance with GAAP because it is probable such gains or losses will be recoverable from, or refundable to, customers through the DS mechanism (see Note 5). At December 31, 2014 and 2013, the total volumes associated with FTRs totaled 144.6 million kilowatt hours and 117.9 million kilowatt hours, respectively. At December 31, 2014, the maximum period over which we are economically hedging electricity congestion is 5 months.

In order to reduce operating expense volatility, UGI Utilities from time to time enters into NYMEX gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in the operation of its vehicles and equipment.

Interest Rate Risk

Our long-term debt typically is issued at fixed rates of interest. As these long-term debt issues mature, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). We account for IRPAs as cash flow hedges. As of December 31, 2014 and 2013, we had no unsettled IRPAs. At December 31, 2014, the amount of net losses associated with IRPAs expected to be reclassified into earnings during the next twelve months based upon current fair values is \$2,670.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Derivative Instrument Credit Risk

Our natural gas exchange-traded futures contracts generally require cash deposits in margin accounts. At December 31, 2014, restricted cash in brokerage accounts totaled \$8,963. At December 31, 2013, there was no restricted cash in brokerage accounts.

Fair Value of Derivative Instruments

The following table presents the Company's derivative assets and liabilities on a gross basis as of December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013 (a)
Derivative assets:		
Derivatives subject to utility rate regulation:		
Commodity contracts	\$ 177	\$ 2,041
Derivatives not designated as hedging instruments:		
Commodity contracts	—	89
Total derivative assets	<u>\$ 177</u>	<u>\$ 2,130</u>
Derivative liabilities:		
Derivatives subject to utility rate regulation:		
Commodity contracts	\$ (9,398)	\$ (3,344)
Derivatives not designated as hedging instruments:		
Commodity contracts	(557)	—
Total derivative liabilities	<u>\$ (9,955)</u>	<u>\$ (3,344)</u>

(a) Certain immaterial amounts have been revised to correct the classification of derivatives.

Offsetting Derivative Assets and Liabilities

Derivative assets and liabilities are presented net by counterparty on our Condensed Consolidated Balance Sheets if the right of offset exists. Our derivative instruments include both those that are executed on an exchange through brokers and centrally cleared and over-the-counter transactions. Exchange contracts utilize a financial intermediary, exchange, or clearinghouse to enter, execute, or clear the transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter and exchange contracts contain contractual rights of offset through master netting arrangements, derivative clearing agreements, and contract default provisions. In addition, the contracts are subject to conditional rights of offset through counterparty nonperformance, insolvency, or other conditions.

In general, most of our over-the-counter transactions and all exchange contracts are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on our Condensed Consolidated Balance Sheets with our derivative counterparties are not included in the table below but could reduce our net exposure to such counterparties because such balances are subject to master netting or similar arrangements.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

The following table presents the Company's derivative assets and liabilities, as well as the effects of offsetting, as of December 31, 2014 and 2013 :

	Gross Amounts Recognized	Gross Amounts Offset in Balance Sheet	Net Amounts Recognized	Cash Collateral (Received) Pledged	Net Amounts Recognized in Balance Sheet
December 31, 2014					
Derivative assets	\$ 177	\$ (177)	\$ —	\$ —	\$ —
Derivative liabilities	\$ (9,955)	\$ 177	\$ (9,778)	\$ —	\$ (9,778)
December 31, 2013					
Derivative assets	\$ 2,130	\$ (72)	\$ 2,058	\$ —	\$ 2,058
Derivative liabilities	\$ (3,344)	\$ 72	\$ (3,272)	\$ —	\$ (3,272)

Effect of Derivative Instruments

The following table provides information on the effects of derivative instruments on the Condensed Consolidated Statements of Income and changes in AOCI for the three months ended December 31, 2014 and 2013 :

Three Months Ended December 31,	Gain (Loss) Recognized in AOCI		Gain (Loss) Reclassified from AOCI into Income		Location of Gain (Loss) Reclassified from AOCI into Income
	2014	2013	2014	2013	
Cash Flow Hedges:					
Interest rate contracts	\$ —	\$ —	\$ (669)	\$ (669)	Interest expense
Three Months Ended December 31,	Gain (Loss) Recognized in Income		Location of Gain (Loss) Recognized in Income		
2014	2013	2014	2013		
Derivatives Not Designated as Hedging Instruments:					
Commodity contracts	\$ (522)	\$ 97	Operating expenses/other operating income, net		

The amounts of derivative gains and losses on cash flow hedges representing ineffectiveness were not material for all periods presented.

We are also a party to a number of other contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders, contracts which provide for the purchase and delivery of natural gas, and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments. Although many of these contracts have the requisite elements of a derivative instrument, these contracts qualify for normal purchase and normal sale exception accounting under GAAP because they provide for the delivery of products or services in quantities that are expected to be used in the normal course of operating our business and the price in the contract is based on an underlying that is directly associated with the price of the product or service being purchased or sold.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Note 10 — Accumulated Other Comprehensive Income

The table below presents changes in AOCI, net of tax, during the three months ended December 31, 2014 and 2013 :

	Postretirement Benefit Plans	Derivative Instruments	Total
Three Months Ended December 31, 2014			
AOCI - September 30, 2014	\$ (6,311)	\$ (1,870)	\$ (8,181)
Reclassification of benefit plan actuarial losses and prior service cost	131	—	131
Reclassifications of net losses on interest rate protection agreements	—	391	391
AOCI - December 31, 2014	<u>\$ (6,180)</u>	<u>\$ (1,479)</u>	<u>\$ (7,659)</u>
Three Months Ended December 31, 2013			
AOCI - September 30, 2013	\$ (5,283)	\$ (3,437)	\$ (8,720)
Reclassification of benefit plan actuarial losses and prior service cost	98	—	98
Reclassifications of net losses on interest rate protection agreements	—	391	391
AOCI - December 31, 2013	<u>\$ (5,185)</u>	<u>\$ (3,046)</u>	<u>\$ (8,231)</u>

Note 11 — Related Party Transactions

UGI provides certain financial and administrative services to UGI Utilities. UGI bills UGI Utilities monthly for all direct expenses incurred by UGI on behalf of UGI Utilities and an allocated share of indirect corporate expenses incurred or paid with respect to services provided to UGI Utilities. The allocation of indirect UGI corporate expenses to UGI Utilities utilizes a weighted, three-component formula comprising revenues, operating expenses and net assets employed and considers UGI Utilities' relative percentage of such items to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. Management believes that this allocation method is reasonable and equitable to UGI Utilities and this allocation method has been accepted by the PUC in past rate case proceedings and management audits as a reasonable method of allocating such expenses. These billed expenses are classified as operating and administrative expenses - related parties in the Condensed Consolidated Statements of Income. In addition, UGI Utilities provides limited administrative services to UGI and certain of UGI's subsidiaries. Amounts billed to these entities by UGI Utilities for all periods presented were not material.

UGI Utilities is a party to several SCAAs with Energy Services which have terms of one to three years. Under the SCAAs, UGI Utilities has, among other things, and subject to recall for operational purposes, released certain storage and transportation contracts to Energy Services for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon the commencement of the SCAAs, receives a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the term of the SCAAs. Energy Services, in turn, provides a firm delivery service and makes certain payments to UGI Utilities for its various obligations under the SCAAs. UGI Utilities incurred costs associated with Energy Services' SCAAs totaling \$4,956 and \$6,448 during the three months ended December 31, 2014 and 2013, respectively. In conjunction with the SCAAs, UGI Utilities received security deposits from Energy Services. The amount of such security deposits, which are included in other current liabilities on the Condensed Consolidated Balance Sheets, was \$10,600 as of December 31, 2014, September 30, 2014 and December 31, 2013, respectively.

UGI Utilities reflects the historical cost of the gas storage inventories and any exchange receivable from Energy Services (representing amounts of natural gas inventories used but not yet replenished by Energy Services) on its balance sheet under the caption inventories. The carrying value of these gas storage inventories at December 31, 2014, September 30, 2014 and December 31, 2013, comprising 6.5 bcf, 7.7 bcf and 6.8 bcf of natural gas, was \$27,501, \$33,057 and \$27,052, respectively.

UGI Utilities has gas supply and delivery service agreements with Energy Services pursuant to which Energy Services provides certain gas supply and related delivery service to Gas Utility during the heating season months of November through March. The aggregate amount of these transactions (exclusive of transactions pursuant to the SCAAs) during the three months ended December 31, 2014 and 2013, totaled \$23,747 and \$19,378, respectively.

UGI UTILITIES, INC. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

(Thousands of dollars)

From time to time, the Company sells natural gas or pipeline capacity to Energy Services. During the three months ended December 31, 2014 and 2013, revenues associated with such sales to Energy Services totaled \$16,190 and \$17,116, respectively. Also from time to time, the Company purchases natural gas, pipeline capacity and electricity from Energy Services (in addition to those transactions already described above) and purchases a firm storage service from UGI Storage Company, a subsidiary of Energy Services, under one-year agreements. During the three months ended December 31, 2014 and 2013, such purchases totaled \$21,775 and \$22,078, respectively.

Note 12 — Segment Information

We have determined that we have two reportable segments: (1) Gas Utility and (2) Electric Utility. Gas Utility revenues are derived principally from the sale and distribution of natural gas to customers in eastern, northeastern and central Pennsylvania. Electric Utility derives its revenues principally from the sale and distribution of electricity in two northeastern Pennsylvania counties. The HVAC Business does not meet the quantitative thresholds for separate segment reporting under GAAP relating to business segment reporting and has been included in "Other" below.

The accounting policies of our reportable segments are the same as those described in Note 2 of the Company's 2014 Annual Report. We evaluate the performance of our Gas Utility and Electric Utility segments principally based upon their income before income taxes.

No single customer represents more than ten percent of our consolidated revenues and there are no significant intersegment transactions. In addition, all of our reportable segments' revenues are derived from sources within the United States, and all of our reportable segments' long-lived assets are located in the United States.

UGI UTILITIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars)

Financial information by business segment follows:

Three Months Ended December 31, 2014 :

	Total	Reportable Segments		
		Gas Utility	Electric Utility	Other
Revenues	\$ 287,306	\$ 260,478	\$ 26,423	\$ 405
Cost of sales	\$ 143,052	\$ 127,208	\$ 15,844	\$ —
Depreciation and amortization	\$ 15,425	\$ 14,280	\$ 1,145	\$ —
Operating income	\$ 75,640	\$ 71,846	\$ 3,719	\$ 75
Interest expense	\$ 10,649	\$ 10,130	\$ 519	\$ —
Income before income taxes	\$ 64,991	\$ 61,716	\$ 3,200	\$ 75
Total assets (at period end)	\$ 2,488,621	\$ 2,346,169	\$ 142,452	\$ —
Goodwill (at period end)	\$ 182,145	\$ 182,145	\$ —	\$ —
Capital expenditures	\$ 55,029	\$ 53,492	\$ 1,537	\$ —

Three Months Ended December 31, 2013 :

	Total	Reportable Segments		
		Gas Utility	Electric Utility	Other
Revenues	\$ 298,899	\$ 271,562	\$ 26,961	\$ 376
Cost of sales	\$ 151,865	\$ 135,487	\$ 16,378	\$ —
Depreciation and amortization	\$ 14,450	\$ 13,384	\$ 1,066	\$ —
Operating income	\$ 85,843	\$ 82,053	\$ 3,689	\$ 101
Interest expense	\$ 8,797	\$ 8,386	\$ 411	\$ —
Income before income taxes	\$ 77,046	\$ 73,667	\$ 3,278	\$ 101
Total assets (at period end)	\$ 2,326,670	\$ 2,188,623	\$ 138,047	\$ —
Goodwill (at period end)	\$ 182,145	\$ 182,145	\$ —	\$ —
Capital expenditures	\$ 34,254	\$ 32,812	\$ 1,442	\$ —

UGI UTILITIES, INC. AND SUBSIDIARIES**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Forward-Looking Statements**

Information contained in this Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements use forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," or other similar words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the following important factors that could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) adverse weather conditions resulting in reduced demand; (2) price volatility and availability of oil, electricity and natural gas and the capacity to transport them to market areas; (3) changes in laws and regulations, including safety, tax, consumer protection and accounting matters; (4) inability to timely recover costs through utility rate proceedings; (5) the impact of pending and future legal proceedings; (6) competitive pressures from the same and alternative energy sources; (7) liability for environmental claims; (8) customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (9) adverse labor relations; (10) large customer, counterparty or supplier defaults; (11) increased uncollectible accounts expense; (12) liability for personal injury and property damage arising from explosions and other catastrophic events, including acts of terrorism, resulting from operating hazards and risks incidental to generating and distributing electricity and transporting, storing and distributing natural gas, including liability in excess of insurance coverage; (13) political, regulatory and economic conditions in the United States; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; and (15) changes in commodity market prices resulting in significantly higher cash collateral requirements.

These factors, and those factors set forth in Item 1A. Risk Factors in the Company's 2014 Annual Report, are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

UGI UTILITIES, INC. AND SUBSIDIARIES

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare our results of operations for the three months ended December 31, 2014 (“2014 three-month period”) with the three months ended December 31, 2013 (“2013 three-month period”). Our analyses of results of operations should be read in conjunction with the segment information included in Note 12 to the condensed consolidated financial statements.

2014 three-month period compared with 2013 three-month period

Three Months Ended December 31,	2014	2013	Increase (Decrease)	
(Millions of dollars)				
Gas Utility:				
Revenues	\$ 260.5	\$ 271.6	\$ (11.1)	(4.1)%
Total margin (a)	\$ 133.3	\$ 136.1	\$ (2.8)	(2.1)%
Operating income	\$ 71.8	\$ 82.1	\$ (10.3)	(12.5)%
Income before income taxes	\$ 61.7	\$ 73.7	\$ (12.0)	(16.3)%
System throughput — billions of cubic feet (“bcf”)				
Core market	23.2	24.1	(0.9)	(3.7)%
Total	56.8	56.7	0.1	0.2%
Heating degree days — % (warmer) colder than normal (b)	(3.9)%	3.0%	—	—
Electric Utility:				
Revenues	\$ 26.4	\$ 27.0	\$ (0.6)	(2.2)%
Total margin (a)	\$ 9.2	\$ 9.1	\$ 0.1	1.1%
Operating income	\$ 3.7	\$ 3.7	\$ —	—%
Income before income taxes	\$ 3.2	\$ 3.3	\$ (0.1)	(3.0)%
Distribution sales — millions of kilowatt-hours (“gwh”)	244.8	256.3	(11.5)	(4.5)%

(a) Gas Utility’s total margin represents total revenues less total cost of sales. Electric Utility’s total margin represents total revenues less total cost of sales and revenue-related taxes, i.e. Electric Utility gross receipts taxes, of \$1.4 million and \$1.5 million during the three months ended December 31, 2014 and 2013, respectively. For financial statement purposes, revenue-related taxes are included in taxes other than income taxes in the Condensed Consolidated Statements of Income.

(b) Deviation from average heating degree days for the 15-year period 1995-2009 based upon weather statistics provided by the National Oceanic and Atmospheric Administration (“NOAA”) for airports located within Gas Utility’s service territory.

Gas Utility

Temperatures in Gas Utility’s service territory in the 2014 three-month period based upon heating degree days were 3.9% warmer than normal and 6.8% warmer than the 2013 three-month period. Although core market throughput was slightly lower than the prior-year period from the warmer weather, total distribution system throughput in the 2014 three-month period was about equal with the prior-year period principally reflecting slightly higher large firm delivery service volumes and 1.9% year-over-year growth in the number of core market customers. Gas Utility’s core market customers comprise firm- residential, commercial and industrial (“retail core-market”) customers who purchase their gas from Gas Utility and, to a much lesser extent, residential and small commercial customers who purchase their gas from alternate suppliers.

Gas Utility revenues decreased \$11.1 million during the 2014 three-month period principally reflecting lower revenues from core market customers (\$8.0 million) and lower revenues from off-system sales (\$2.9 million). The decrease in core market revenues principally reflects the effects of the lower core market throughput and slightly lower average PGC rates during the 2014 three-month period. Increases or decreases in retail core-market revenues and cost of sales principally result from changes in retail core-market volumes and the level of gas costs collected through the PGC recovery mechanism. Under the PGC recovery mechanism, Gas Utility records the cost of gas associated with sales to retail core-market customers at amounts included in PGC rates. The difference between actual gas costs and the amounts included in rates is deferred on the balance sheet as a regulatory asset or liability and represents amounts to be collected from or refunded to customers in a future period. As a result of this PGC recovery mechanism, increases or decreases in the cost of gas associated with retail core-market customers have no direct effect on retail core-market margin. Gas Utility’s cost of sales was \$127.2 million in the 2014 three-month period compared with \$135.5 million in the 2013 three-month period principally reflecting the effects of the lower retail core-market volumes sold (\$4.8 million) and the lower off-system sales (\$2.9 million).

UGI UTILITIES, INC. AND SUBSIDIARIES

Gas Utility 2014 three-month period total margin decreased \$2.8 million principally reflecting lower core market total margin (\$2.9 million). The lower core market total margin reflects the effects of the previously mentioned warmer weather on heating related sales partially offset by customer growth.

Gas Utility operating income and income before income taxes during the 2014 three-month period decreased \$10.3 million and \$12.0 million, respectively, over the 2013 three-month period. The decrease in Gas Utility operating income principally reflects the \$2.8 million decrease in total margin and higher operating, administrative and depreciation expenses. These expenses were modestly higher than the prior year principally reflecting, among other things, higher 2014 three-month period distribution system maintenance expenses (\$2.9 million), higher depreciation expense (\$0.9 million) and higher employee benefit and information technology expenses. The decrease in Gas Utility income before income taxes reflects the lower operating income (\$10.3 million) and higher interest expense.

Electric Utility

Temperatures based upon heating degree days during the 2014 three-month period were approximately 8.5% warmer than normal and approximately 8.6% warmer than the prior year. The decrease in kilowatt-hour sales reflects in large part the effects of the warmer weather on heating related sales. The slight decrease in Electric Utility revenues primarily reflects the lower sales partially offset by slightly higher average DS rates and higher transmission revenue. Electric Utility cost of sales decreased to \$15.8 million in the 2014 three-month period from \$16.4 million in the 2013 three-month period principally reflecting the effects of the lower total sales partially offset by the slightly higher DS rates.

Electric Utility total margin, operating income and income before income taxes in the 2014 three-month period were comparable to the prior-year period.

Interest Expense and Income Taxes

Our interest expense in the 2014 three-month period was higher than the prior year principally reflecting interest on the 4.98% Senior Notes issued in March 2014 the proceeds of which were used to refinance UGI Utilities' 364-day Term Loan Credit Agreement. Our effective income tax rate for the three months ended December 31, 2014 was comparable with the prior-year three-month period.

FINANCIAL CONDITION AND LIQUIDITY

UGI Utilities' total debt outstanding at December 31, 2014, was \$795.5 million, which includes \$153.5 million of short-term borrowings, compared with total debt outstanding of \$728.3 million at September 30, 2014, which includes \$86.3 million of short-term borrowings. Total long-term debt outstanding at December 31, 2014, comprises \$450.0 million of Senior Notes and \$192.0 million of Medium-Term Notes.

UGI Utilities has a credit agreement ("Credit Agreement") with a group of banks providing for borrowings up to \$300 million (including a \$100 million sublimit for letters of credit) which expires in October 2015. We expect to renew the Credit Agreement prior to its expiration. Borrowings under the Credit Agreement are classified as short-term borrowings on the Consolidated Balance Sheets. During the 2014 and 2013 three-month periods, average daily short-term borrowings were \$115.7 million and \$53.0 million, respectively, and peak short-term borrowings totaled \$163.6 million and \$84.0 million, respectively. At December 31, 2014, UGI Utilities' available borrowing capacity under the Credit Agreement was \$144.5 million. Peak short-term borrowings typically occur during the heating season months of December and January when UGI Utilities' investment in working capital, principally accounts receivable and inventories, is generally greatest.

We believe that we have sufficient liquidity in the forms of cash and cash equivalents on hand, cash expected to be generated from Gas Utility and Electric Utility operations, short-term borrowings available under the Credit Agreement and the ability to refinance long-term debt as it matures to meet our anticipated contractual and projected cash commitments.

UGI UTILITIES, INC. AND SUBSIDIARIES

Cash Flows

Operating activities. Due to the seasonal nature of UGI Utilities' businesses, cash flows from our operating activities are generally greatest during the second and third fiscal quarters when customers pay for natural gas and electricity consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the first and fourth fiscal quarters when the Company's investment in working capital, principally accounts receivable and inventories, is generally greatest. UGI Utilities uses borrowings under its Credit Agreement to manage seasonal cash flow needs.

Cash provided by operating activities was \$12.7 million in the 2014 three-month period compared to \$2.3 million in the prior-year three-month period. Cash flow from operating activities before changes in operating working capital was \$64.2 million in the 2014 three-month period comparable to the \$67.0 million recorded in the prior-year three-month period. Changes in operating working capital used \$51.5 million of operating cash flow during the 2014 three-month period compared to \$64.7 million of cash used during the prior-year three-month period.

Investing activities. Cash used by investing activities was \$62.4 million in the 2014 three-month period compared to \$32.6 million in the 2013 three-month period. Total cash capital expenditures were \$55.0 million in the 2014 three-month period compared with \$34.3 million recorded in the prior-year three-month period. The increase in the 2014 three-month period principally reflects higher Gas Utility growth capital expenditures. Changes in restricted cash in futures brokerage accounts used \$5.4 million of cash in the 2014 three-month period compared with cash provided of \$3.2 million in the prior-year period.

Financing activities. Cash provided by financing activities was \$51.6 million in the 2014 three-month period compared with \$38.6 million in the 2013 three-month period. Financing activity cash flows are primarily the result of net borrowings and repayments under our Credit Agreement, cash dividends paid to UGI and capital contributions from UGI. During the 2014 three-month period there were net Credit Agreement borrowings of \$67.2 million compared with net borrowings of \$56.0 million during the prior-year three-month period. Cash dividends in the 2014 three-month period totaled \$15.6 million compared to cash dividends of \$17.6 million in the prior-year three-month period.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk exposures are (1) commodity price risk and (2) interest rate risk. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Commodity Price Risk

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to its customers, including the cost of financial instruments used to hedge purchased gas costs. The recovery clauses provide for periodic adjustments for the difference between the total amounts actually collected from customers through PGC rates and the recoverable costs incurred. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Gas Utility operations. Gas Utility uses derivative financial instruments including natural gas futures and option contracts traded on the NYMEX to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these derivative financial instruments, net of any associated gains or losses, is included in Gas Utility's PGC recovery mechanism. The change in market value of natural gas futures contracts can require daily deposits of cash in futures accounts. At December 31, 2014 and 2013, the fair values of our natural gas futures and option contracts were gains (losses) of \$(6.8) million and \$2.0 million, respectively.

Electric Utility's DS tariffs contain clauses which permit recovery of all prudently incurred power costs, including the cost of financial instruments used to hedge electricity costs, through the application of DS rates. Because of this ratemaking mechanism, there is limited power cost risk, including the cost of FTRs and forward electricity purchase contracts, associated with our Electric Utility operations. At December 31, 2014 and 2013, the fair values of Electric Utility's electricity supply contracts were losses of \$(2.4) million and \$(3.2) million, respectively. At December 31, 2014 and 2013, the fair values of FTRs were not material.

In addition, Gas Utility and Electric Utility from time to time enter into exchange-traded gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in their operations. These gasoline futures and swap contracts are recorded at fair value with changes in fair value reflected in net income.

At December 31, 2014, UGI Utilities had \$9.0 million of restricted cash in commodity brokerage accounts. At December 31, 2013, UGI Utilities had no restricted cash in commodity brokerage accounts.

UGI UTILITIES, INC. AND SUBSIDIARIES**Interest Rate Risk**

In order to reduce interest rate risk associated with near- or medium-term issuances of fixed-rate debt, from time to time we enter into IRPAs. There were no unsettled IRPAs outstanding at December 31, 2014 and 2013 .

ITEM 4. CONTROLS AND PROCEDURES**(a) Evaluation of Disclosure Controls and Procedures**

The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Report, were effective at the reasonable assurance level.

(b) Change in Internal Control over Financial Reporting

No change in the Company's internal control over financial reporting occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

UGI UTILITIES, INC. AND SUBSIDIARIES

PART II OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the information presented in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2014, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing the Company. Other unknown or unpredictable factors could also have material adverse effects on future results.

ITEM 6. EXHIBITS

The exhibits filed as part of this report are as follows:

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
12.1	<i>Computation of ratio of earnings to fixed charges</i>			
31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-Q for the quarter ended December 31, 2014, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2	Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended December 31, 2014, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32	Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended December 31, 2014, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS	XBRL.Instance			
101.SCH	XBRL Taxonomy Extension Schema			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase			
101.DEF	XBRL Taxonomy Extension Definition Linkbase			
101.LAB	XBRL Taxonomy Extension Labels Linkbase			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase			

UGI UTILITIES, INC. AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 6, 2015

UGI Utilities, Inc.
(Registrant)

By: /s/ Donald E. Brown

Donald E. Brown
Vice President - Finance and
Chief Financial Officer (Principal
Accounting Officer)

UGI UTILITIES, INC. AND SUBSIDIARIES**EXHIBIT INDEX**

12.1	Computation of ratio of earnings to fixed charges.
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101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

UGI UTILITIES, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES - EXHIBIT 12.1
(Thousands of dollars)

	Three Months Ended December 31,	Year Ended September 30,			
	2014	2014	2013	2012	2011
Earnings:					
Earnings before income taxes	\$ 64,991	\$ 207,929	\$ 171,010	\$ 142,971	\$ 168,693
Interest expense	10,649	38,471	39,309	42,412	42,728
Amortization of debt discount and expense	146	575	731	814	1,060
Estimated interest component of rental expense	658	2,398	2,090	2,121	1,740
	<u>\$ 76,444</u>	<u>\$ 249,373</u>	<u>\$ 213,140</u>	<u>\$ 188,318</u>	<u>\$ 214,221</u>
Fixed Charges:					
Interest expense	\$ 10,649	\$ 38,471	\$ 39,309	\$ 42,412	\$ 42,728
Amortization of debt discount and expense	146	575	731	814	1,060
Allowance for funds used during construction (capitalized interest)	82	227	286	10	90
Estimated interest component of rental expense	658	2,398	2,090	2,121	1,740
	<u>\$ 11,535</u>	<u>\$ 41,671</u>	<u>\$ 42,416</u>	<u>\$ 45,357</u>	<u>\$ 45,618</u>
Ratio of earnings to fixed charges	<u>6.63</u>	<u>5.98</u>	<u>5.02</u>	<u>4.15</u>	<u>4.70</u>

CERTIFICATION

I, Robert F. Beard, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Utilities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2015

/s/ Robert F. Beard

Robert F. Beard

President and Chief Executive Officer

CERTIFICATION

I, Donald E. Brown, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Utilities, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2015

/s/ Donald E. Brown

Donald E. Brown

Vice President - Finance and Chief

Financial Officer

Certification by the Chief Executive Officer and Chief Financial Officer

Relating to a Periodic Report Containing Financial Statements

I, Robert F. Beard, Chief Executive Officer, and I, Donald E. Brown, Chief Financial Officer, of UGI Utilities, Inc., a Pennsylvania corporation (the "Company"), hereby certify that to our knowledge:

- (1) The Company's periodic report on Form 10-Q for the period ended December 31, 2014 (the "Form 10-Q") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

/s/ Robert F. Beard

/s/ Donald E. Brown

Robert F. Beard

Donald E. Brown

Date: February 6, 2015

Date: February 6, 2015

UGI
CORPORATION

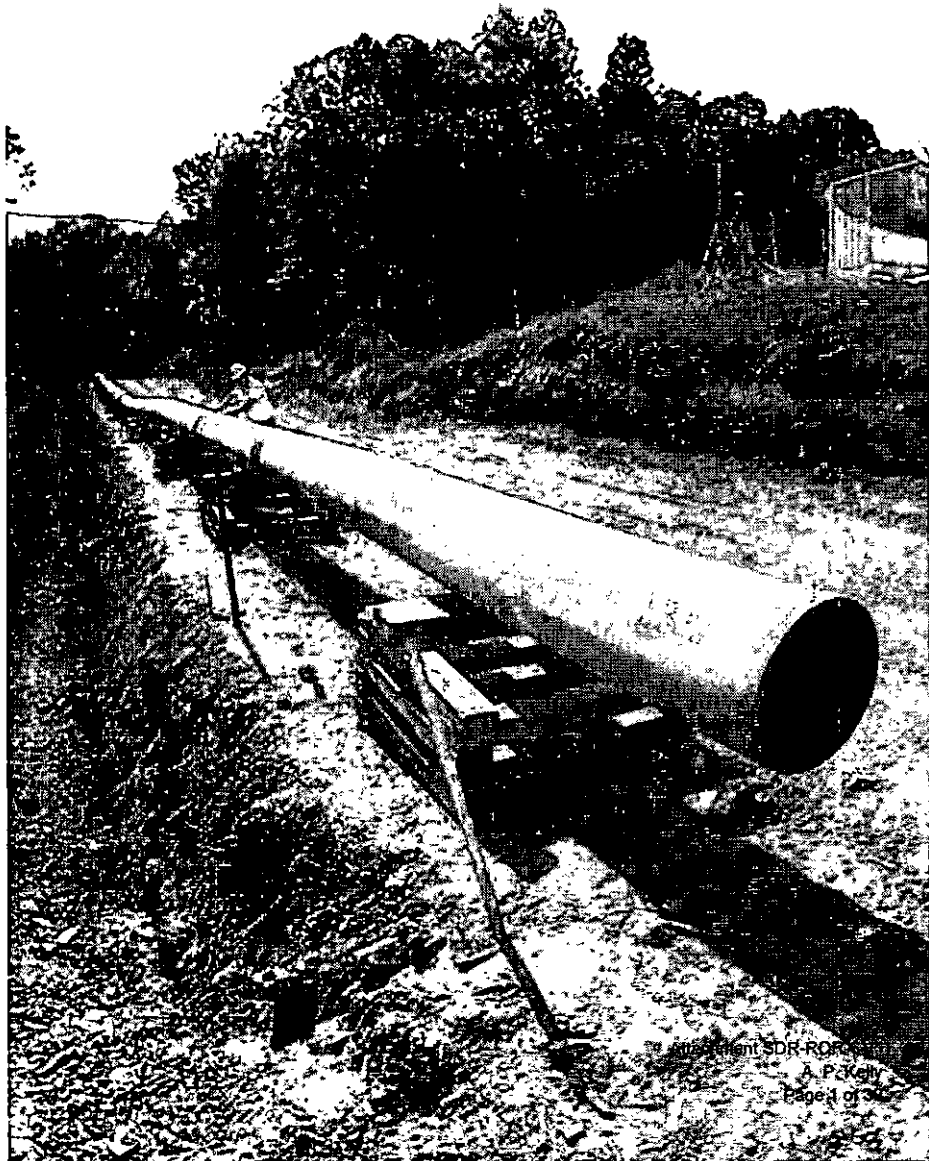
AmeriGas

FQ4 and FY15 Results
FY16 Outlook

John Walsh
President & CEO, UGI

Kirk Oliver
Chief Financial Officer, UGI

Jerry Sheridan
President & CEO, AmeriGas



Investment SDR-ROR
A. P. Kelly
Page 1 of 3

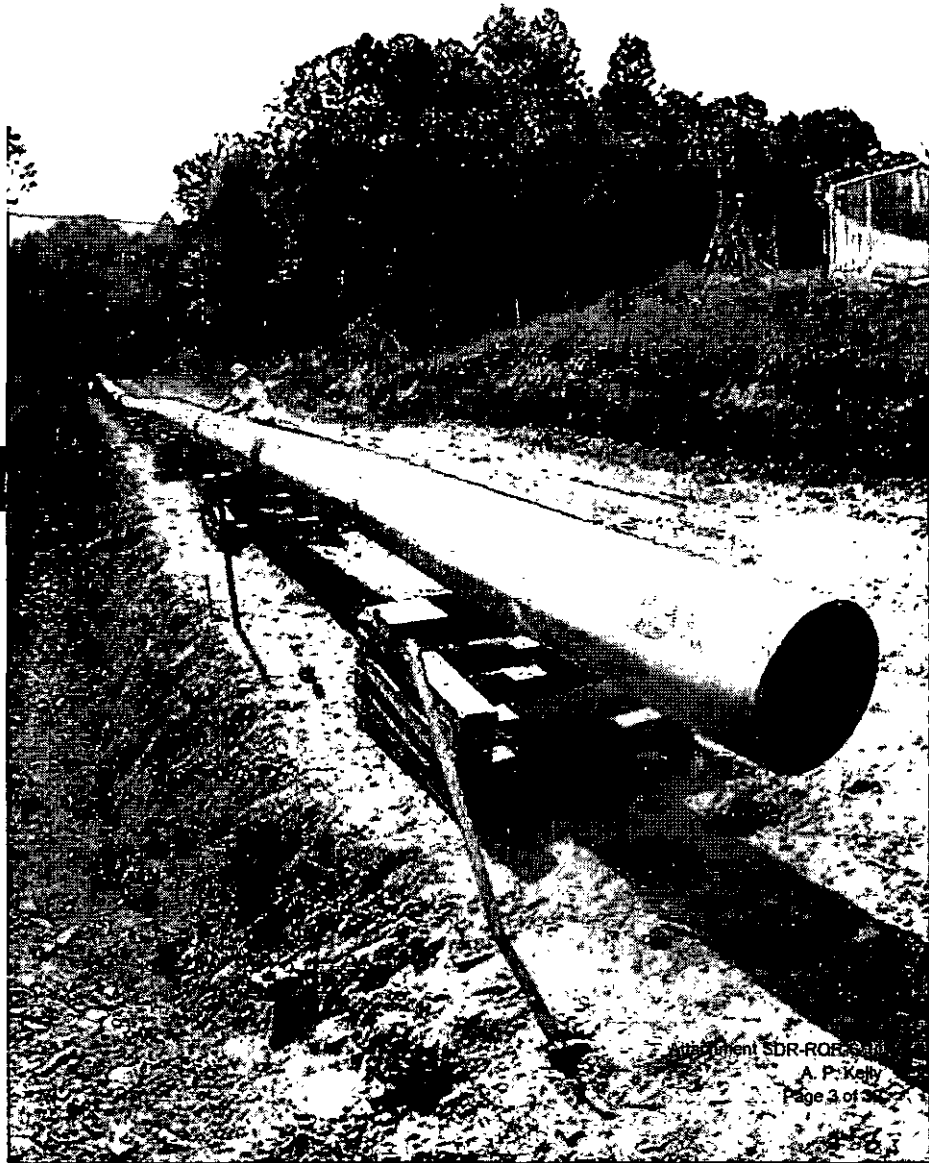
About This Presentation



This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K and quarterly reports on Form 10-Q for a more extensive list of factors that could affect results. Among them are adverse weather conditions, cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, increased customer conservation measures, the impact of pending and future legal proceedings, domestic and international political, regulatory and economic conditions in the United States and in foreign countries, including the current conflicts in the Middle East and those involving Russia, and currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our acquisitions, commercial initiatives and investments to grow our business, and our ability to successfully integrate acquired businesses and achieve anticipated synergies. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

2015 Fiscal Year Recap

John Walsh
President & CEO, UGI

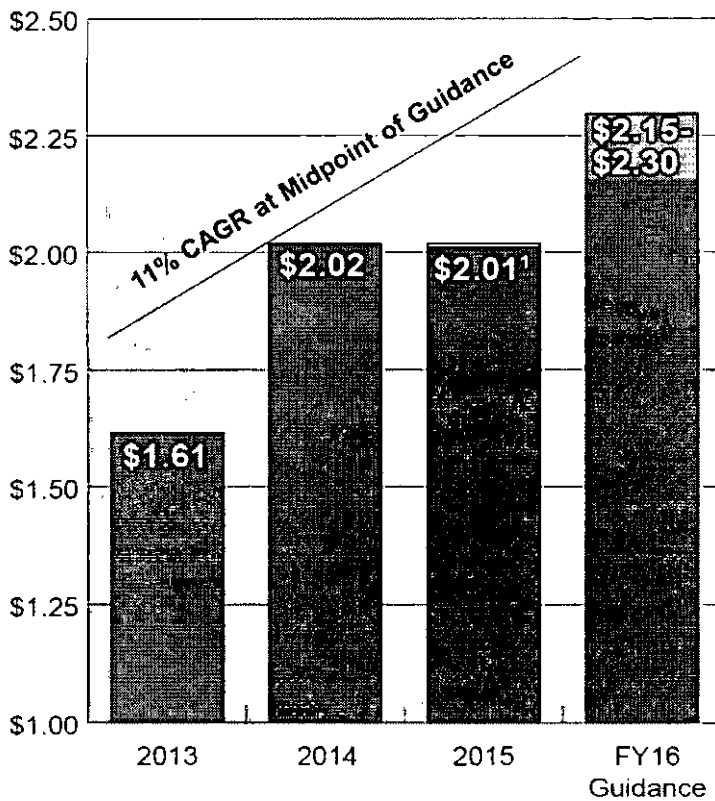


Attachment SDR-ROCS
A. P. Kelly
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FY15 Earnings Recap



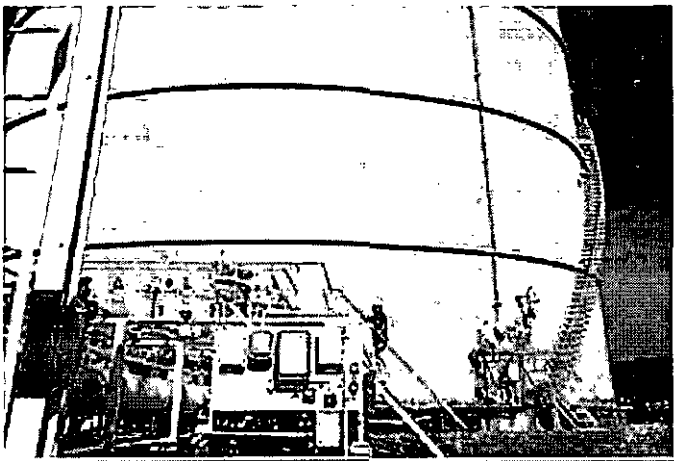
Adjusted Diluted Earnings Per Share



- Second consecutive year of record-level results
- Strong operational performance, but with less extreme cold weather and volatility than in FY14
- FY16 guidance reflects underlying strength of the business and contributions from new investments

¹ Includes \$0.01 seasonal loss related to Finagaz operations.

Key Accomplishments – FY15



Midstream & Marketing

- Completed Auburn III expansion, Union Dale lateral, and Temple LNG expansion
- Announced Sunbury Pipeline and filed with FERC
- Filed PennEast Pipeline with FERC
- Announced Manning LNG expansion
- Solid organic growth in Gas Marketing

Gas Utility

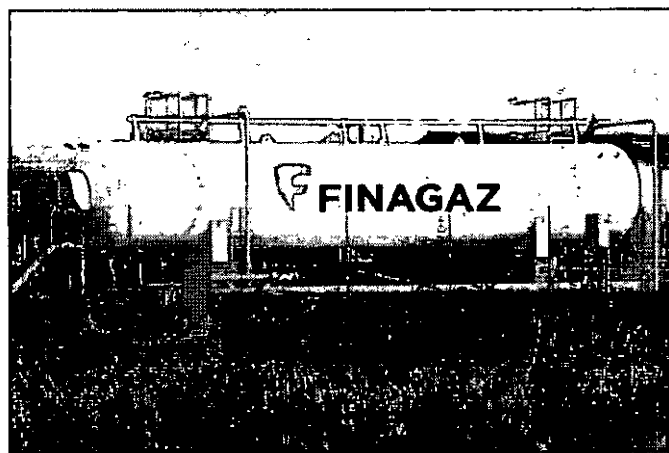
- Added ~15,000 new residential customers
- Added ~2,400 commercial and industrial accounts
- Several large commercial and industrial projects underway
- Infrastructure replacement remains on accelerated schedule

Key Accomplishments – FY15



AmeriGas

- 14% growth in National Accounts
- Closed 9 acquisitions
- Continued investment in technology to drive efficiencies

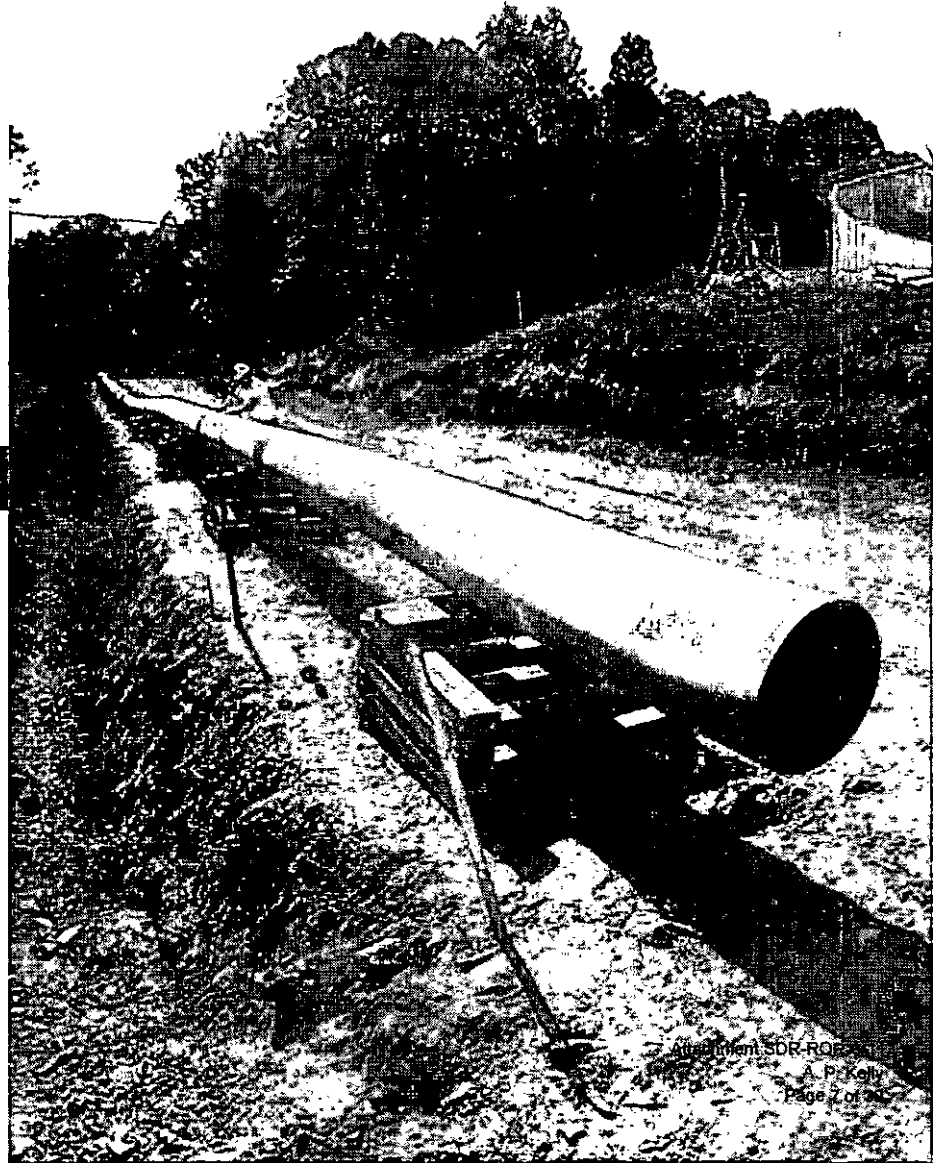


International

- Acquired Finagaz (Total's LPG distribution in France) for €423 million
 - Significantly accretive in FY16
- Acquired Total's LPG distribution business in Hungary

Financial Review

Kirk Oliver
Chief Financial Officer, UGI



Weather



VERSUS NORMAL ¹	AmeriGas		Antargaz		Flaga		Gas Utility	
Colder		3.4%					5.9%	10.0%
	Year	2015	2014	2015	2014	2015	2014	2015
Warmer	(5.3%)		(11.0%)	(14.1%)	(12.6%)	(15.7%)		
	VERSUS PRIOR YEAR¹	(8.9%) Warmer		3.6% Colder		3.8% Colder		(3.7%) Warmer

¹Percent change in Heating Degree Days.

Financial Results – Gas Utility



Gas Utility	2014	2015	Weather
(\$ in millions)			
2014 Income Before Taxes	\$ 199.6		<p>Colder</p> <p>vs. Normal 10.0%</p> <p>5.9%</p> <p>2015 2014</p> <p>Warmer</p> <p>3.7% warmer than prior year</p>
Total Margin	\$ 4.0		
Operating and Administrative Expenses	\$ (13.1)		
Depreciation and Amortization	\$ (4.2)		
Interest Expense	\$ (2.5)		
Other	\$ 3.6		
2015 Income Before Taxes		\$ 187.4	

- Customer growth led to higher throughput and total margin despite warmer temperatures
- Higher distribution system expenses, driven by cold weather and increasing demand on the system
- Increased distribution system capex led to higher depreciation

Financial Results – Midstream & Marketing



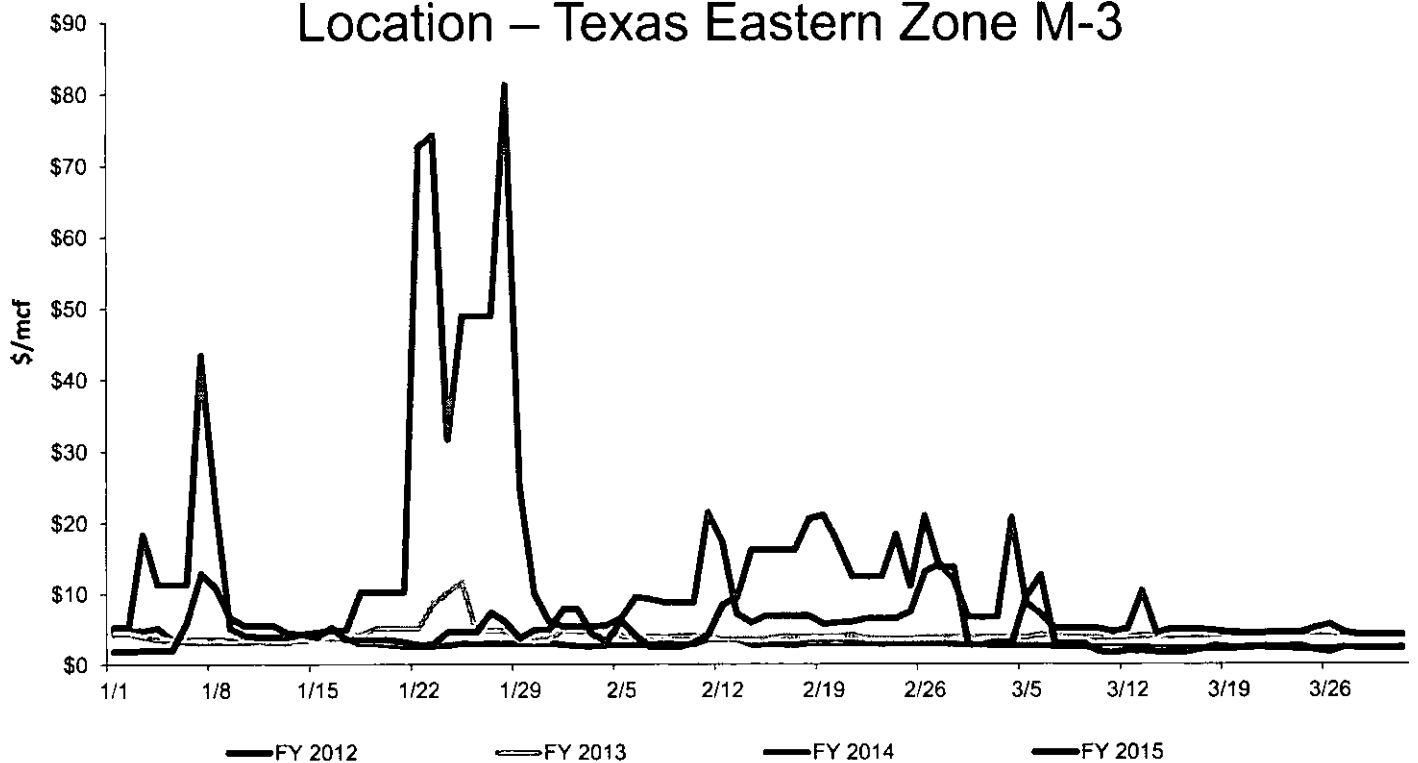
Midstream & Marketing	2014	2015
(\$ in millions)		
2014 Income Before Taxes	\$ 195.7	
Total Margin	\$ (7.6)	
Operating and Administrative Expenses	\$ (2.4)	
Depreciation and Amortization	\$ (4.1)	
Interest Expense	\$ 0.8	
Other	\$ 0.3	
2015 Income Before Taxes		\$ 182.7

- Lower margin in natural gas marketing, peaking, and capacity management offset by higher retail power margin
- Lower average unit margins
- Higher depreciation associated with storage and natural gas gathering assets

Volatility – Q2 Basis Differentials



Spot Price Comparison Location – Texas Eastern Zone M-3



Less extreme price volatility in FY15 vs. FY14

Financial Results – AmeriGas



AmeriGas	2014	2015
(\$ in millions)		
2014 Operating Income	\$ 472.0	
Retail Volume	\$ (101.0)	} Total Margin
Retail Unit Margin	\$ 47.2	
Wholesale and Other Total Margin	\$ (6.7)	
Operating and Administrative Expenses	\$ 10.0	
Depreciation and Amortization	\$ 2.3	
Other	\$ 3.8	
2015 Operating Income		\$ 427.6

Weather	
Colder	
vs. Normal	
3.4%	
2015	2014
(5.8%)	
Warmer	
8.9% warmer than prior year	

- Warmer weather than prior year led to lower volume, partially offset by higher retail unit margin
- Lower operating expenses driven by lower vehicle expenses, primarily lower fuel costs and lower uncollectible accounts
- Other primarily reflects the sale of excess assets/properties

Financial Results – UGI International



UGI International	2014	2015
(\$ in millions)		
2014 Income Before Taxes	\$ 87.4	
Total Margin	\$ 24.1	
Operating and Administrative Expenses	\$ (23.5)	
Depreciation and Amortization	\$ (5.3)	
Interest Expense	\$ (5.2)	
Other	\$ (1.1)	
2015 Income Before Taxes		\$ 76.4

Acquisition and Transition related expenses	\$ 6.5	\$ 22.6
Loss on Debt Extinguishment	\$ -	\$ 10.3
Adjusted Income Before Taxes	\$ 93.9	\$ 109.3

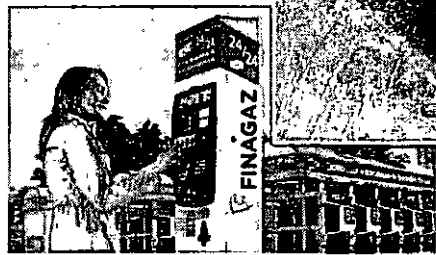
Antargaz Weather		Flaga Weather	
Colder vs. Normal		Colder vs. Normal	
2015	2014	2015	2014
(01.0%)	(14.1%)	(12.6%)	(15.7%)
Warmer		Warmer	
3.6% colder than prior year		3.8% colder than prior year	

- Higher total margin from Finagaz contribution and higher unit margins
- Increase in operating expenses driven primarily by Finagaz acquisition and transition costs
- Early extinguishment of debt in France drove increase in interest expense

Finagaz Acquisition Update



- Immediately accretive in FY16
- Integration has been progressing as planned, with some operational efficiencies achieved ahead of schedule
- Expect ~\$0.15 accretion in FY16, with results improving as operations are aligned over the next few years
- Transition expenses expected to be ~€50-60mm over the next four years
 - Approximately €6-10mm of transition expenses will be incurred in FY16



Growth Profile

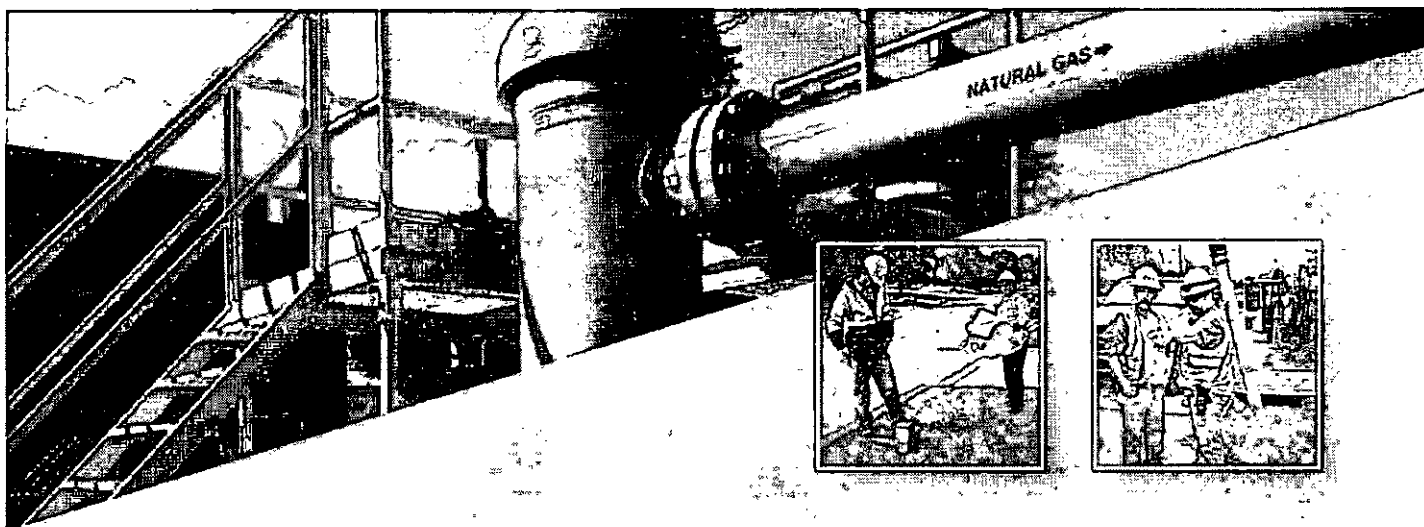


¹ Relatively normal weather year

Growth Profile



Strong Pipeline of Projects



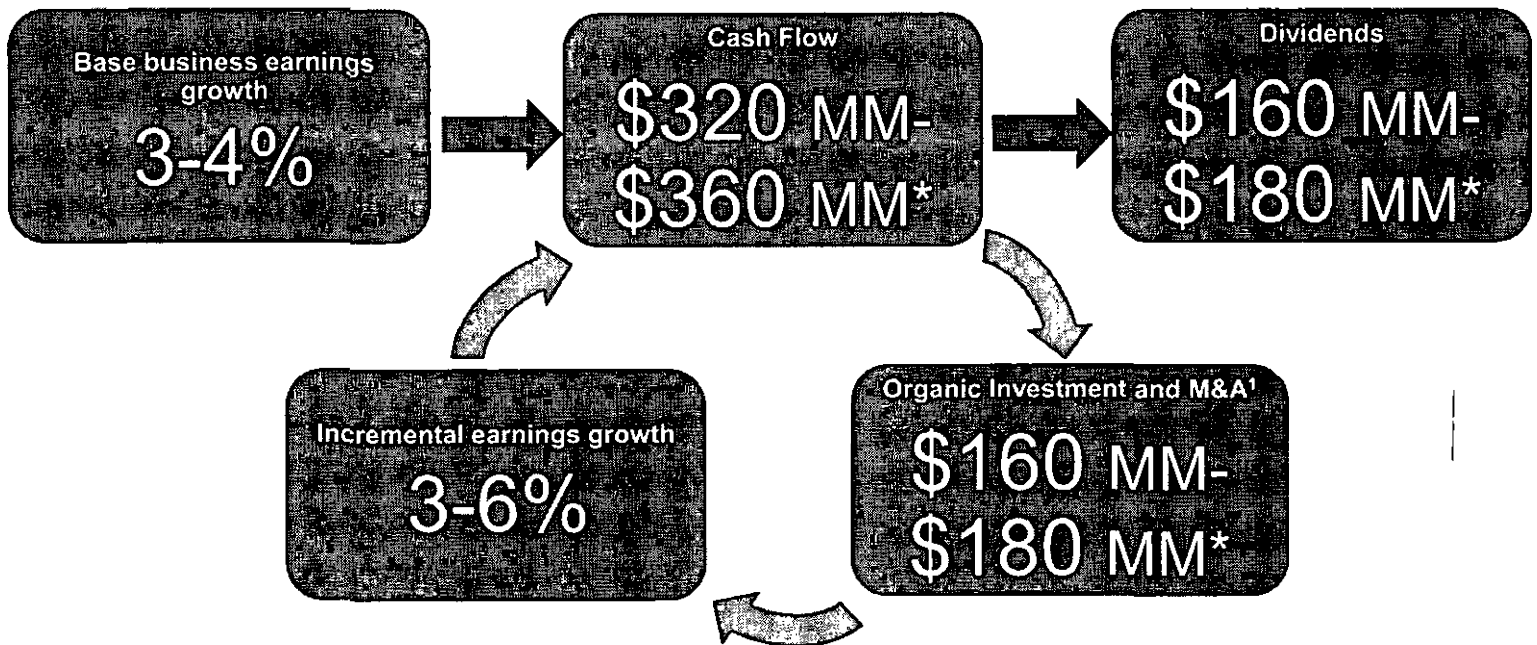
- 380,000 Potential New Gas Customers
- UGI Gas Rate Case
- Large C&I Gas Conversions
- PennEast Pipeline
- Sunbury Pipeline
- Manning LNG Expansion

- Continued Marcellus Build-Out
- AmeriGas Acquisitions, ACE and National Accounts Growth
- AmeriGas IDRs
- Finagaz = Full Realization
- Continued European Acquisitions

Accelerating Cash Generation



Income-producing businesses generate cash for growth opportunities and dividends



*multi-year average forecast
¹ after business unit CAPEX

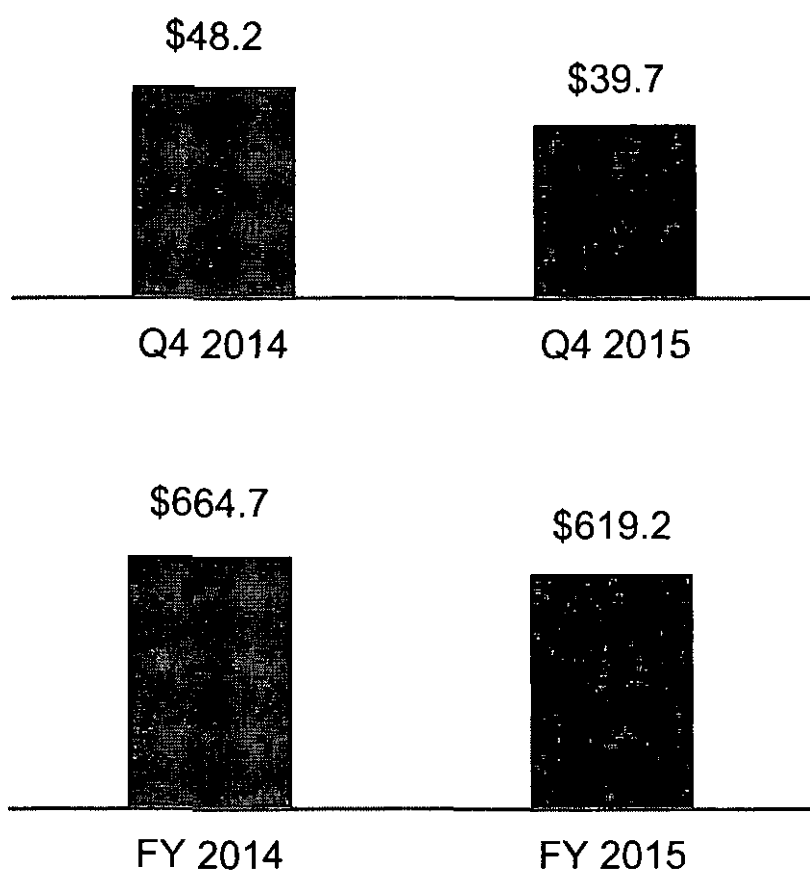
AmeriGas

Fiscal Year Recap

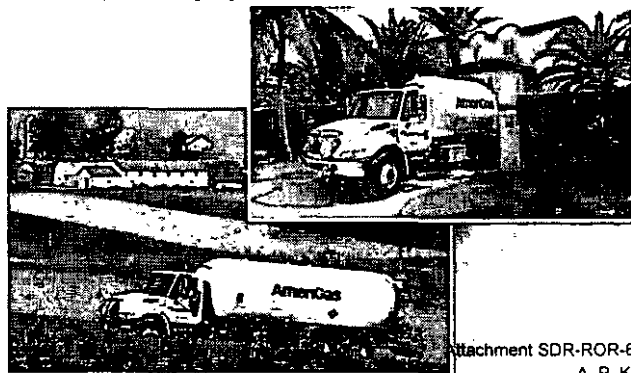
Jerry Sheridan
President & CEO, AmeriGas



Q4 and FY15 Adjusted EBITDA



- Weather in FY15 was 8.9% warmer than FY14
- Weather in Q4 was 32% warmer than the prior year period driven by September weather that was 38% warmer than the prior year
- FY15 Unit margins \$0.08 higher y/y



Growth Initiatives



- National Accounts volume increased 14% in fiscal 2015
- Closed nine acquisitions
 - 3rd consecutive year acquisitions were funded by the proceeds of the sale of excess assets
 - Acquisition pipeline remains strong
- AmeriGas Cylinder Exchange continued to grow
- Continued focus on enhanced customer service

**FY 2016 Guidance:
\$660-690mm Adjusted EBITDA**

Conclusion

John Walsh
President & CEO, UGI



Attachment SDR-ROR
A. P. Kelly
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Conclusion

- **Unprecedented demand for natural gas, along with the lag in pipeline capacity have accentuated the infrastructure gap**
- **Our Pipeline, LNG, and Utility capital projects have several benefits:**
 - ✓ Closing the infrastructure gap
 - ✓ Doubling our ability to meet peaking demand
 - ✓ Fee-based revenue streams
 - ✓ Majority of fees guaranteed
- **Lower Propane and Butane costs are good for our business and customers:**
 - ✓ Down 60-75% over past twelve months
 - ✓ Near 15 year historic lows

- ✓ **Major investments in FY15 are all accretive to FY16**
- ✓ **Cash flow and balance sheet strength to support additional investments and continue long track record of profitable growth**



Appendix



UGI Supplemental Footnotes



- ❖ Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Adjusted net income attributable to UGI is net income attributable to UGI Corporation after excluding net after-tax gains and losses on commodity derivative instruments not associated with current period transactions, loss on extinguishment of debt, Finagaz transition and acquisition expenses and the retroactive impact of a change in French tax law. Volatility in net income at UGI can occur as a result of gains and losses on commodity derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP"). Midstream & Marketing records gains and losses on commodity derivative instruments not associated with current-period transactions in cost of sales or revenues for all periods presented. Effective October 1, 2014, UGI International determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative transactions and also de-designated its then-existing commodity derivative instruments accounted for as cash flow hedges. Also effective October 1, 2014, AmeriGas Propane de-designated its remaining commodity derivative instruments accounted for as cash flow hedges. Previously, AmeriGas Propane had discontinued cash flow hedge accounting for all commodity derivative instruments entered into beginning April 1, 2014.
- ❖ Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on commodity derivative instruments not associated with current-period transactions and (2) other discrete items that can affect the comparison of period-over-period results.
- ❖ The following table reconciles net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

UGI Adjusted Net Income and EPS



	Three Months Ended		Twelve Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Adjusted net income attributable to UGI:				
Net (loss) income attributable to UGI Corporation	\$ (9.2)	\$ (19.8)	\$ 281.0	\$ 337.2
Net after-tax losses on commodity derivative instruments not associated with current period	7.1	6.6	53.3	6.6
Net after-tax acquisition and integration expenses associated with Finagaz	4.0	4.3	14.9	4.3
Loss on Antargaz extinguishment of debt	0.0	0.0	4.6	0.0
Retroactive impact of change in French tax law	0.0	0.0	0.0	5.7
Adjusted net income attributable to UGI Corporation	<u>\$ 1.9</u>	<u>\$ (8.9)</u>	<u>\$ 353.8</u>	<u>\$ 353.8</u>

	Three Months Ended		Twelve Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Adjusted diluted earnings per share:				
UGI Corporation (loss) earnings per share - diluted	\$ (0.05)	\$ (0.11)	\$ 1.60	\$ 1.92
Net after-tax losses on commodity derivative instruments not associated with current period	0.04	0.04	0.30	0.04
Net after-tax acquisition and integration expenses associated with Finagaz	0.02	0.02	0.08	0.03
Loss on Antargaz extinguishment of debt	0.00	0.00	0.03	0.00
Retroactive impact of change in French tax law	0.00	0.00	0.00	0.03
Adjusted diluted earnings per share	<u>\$ 0.01</u>	<u>\$ (0.05)</u>	<u>\$ 2.01</u>	<u>\$ 2.02</u>

(1) Includes impact of rounding.

AmeriGas Supplemental Footnotes



- ❖ The enclosed supplemental information contains a reconciliation of earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA to Net Income.
- ❖ EBITDA and Adjusted EBITDA are not measures of performance or financial condition under accounting principles generally accepted in the United States ("GAAP"). Management believes EBITDA and Adjusted EBITDA are meaningful non-GAAP financial measures used by investors to compare the Partnership's operating performance with that of other companies within the propane industry. The Partnership's definitions of EBITDA and Adjusted EBITDA may be different from those used by other companies.
- ❖ EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (loss) attributable to AmeriGas Partners, L.P. Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. Management uses Adjusted EBITDA to exclude from AmeriGas Partners' EBITDA gains and losses that competitors do not necessarily have to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. In view of the omission of interest, income taxes, depreciation and amortization from EBITDA and Adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant years. Management also uses EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA to assess the profitability of the Partnership, which is one of UGI Corporation's business segments. UGI Corporation discloses the Partnership's EBITDA in its disclosures about its business segments as the profitability measure for its domestic propane segment.

AmeriGas Adjusted EBITDA



	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2015	2014	2015	2014
EBITDA and Adjusted EBITDA:				
Net income (loss) attributable to AmeriGas Partners, L.P.	\$ (49,695)	\$ (47,347)	\$ 211,211	\$ 289,893
Income tax expense	420	407	2,898	2,611
Interest expense	40,438	40,617	162,842	165,581
Depreciation	38,750	37,095	152,204	154,020
Amortization	10,611	10,784	42,676	43,195
EBITDA	40,524	41,556	571,831	655,300
(Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	(837)	6,714	47,841	9,495
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period	9	(68)	(483)	(96)
Adjusted EBITDA	\$ 39,696	\$ 48,202	\$ 619,189	\$ 664,699

AmeriGas Adjusted EBITDA Guidance



	Forecast Fiscal Year Ending September 30, 2016
Net income attributable to AmeriGas Partners, L.P. (estimate) (d)	\$ 317,000
Interest expense (estimate)	166,000
Income tax expense (estimate)	3,000
Depreciation (estimate)	147,000
Amortization (estimate)	42,000
Adjusted EBITDA (e)	<u>\$ 675,000</u>

- (d) Represents estimated net income attributable to AmeriGas Partners, L.P. after adjusting for gains and losses on commodity derivative instruments not associated with current-period transactions. It is impracticable to determine actual gains and losses on commodity derivative instruments not associated with current-period transactions that will be reported in GAAP net income as such gains and losses will depend upon future changes in commodity prices for propane which cannot be forecasted.
- (e) Represents the midpoint of Adjusted EBITDA guidance range for fiscal 2016.

Liquidity



- Balance sheet remains flexible with significant borrowing capacity
- All segments have sufficient liquidity to meet investment needs

	Total	AmeriGas	UGI International	Utilities	Midstream & Marketing	Corporate & Other
Cash on Hand	\$384.1	\$14.8	\$272.6	\$3.1	\$20.6	\$73.0
Revolving Credit Facilities		\$525.0	142.4	\$300.0	\$240.0	NA
Accounts Receivable Facility		NA	NA	NA	44.1	NA
Drawn on Facilities		68.1	0.5	71.7	49.5	NA
Letters of Credit		64.7	23.7	2.0	0.0	NA
Available Facilities		\$392.2	\$118.1	\$226.3	\$234.6	
Available Liquidity		\$407.0	\$390.6	\$229.4	\$255.2	

Excluding cash residing at operating subsidiaries, UGI had \$77.2 million of cash at 9/30/15 compared with \$229.6 million at 9/30/14.

UGI
CORPORATION

meriGas

Investor Relations:

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Vive le LPGs! PO to \$56

UGI to purchase Totalgaz

This morning, UGI announced it has reached an agreement in principle to acquire Total's liquefied petroleum gas (LPG) distribution business in France (Totalgaz) for approximately €400-450mn (\$500-615mn). Management expects the deal to be accretive to EPS in the first full year after closing, which is anticipated during 1H15. We view the deal favorably as the transaction multiple looks attractive (we estimate 5-6x EBITDA pre-synergies depending on weather, margins etc) – and we think synergies could be material given overlapping operations between Totalgaz and UGI's existing LPG distribution business in France (Antargaz).

EBITDA multiple of ~5-6x attractive

Totalgaz distributed over 265mn gallons of LPG during 2013 and generates close to €1bn in annual revenue. Using these metrics, Totalgaz seems to be comparable in scale to Antargaz (250mn gallons of LPG and \$1.37mn during FY13). Antargaz generated ~\$155mn in EBITDA during FY13 and likely has a relatively higher margin since its retail volumes are comprised of a higher percentage of cylinder/small bulk sales. After taking into account the somewhat favorable European weather conditions during FY13, we estimate Totalgaz generates \$110-130mn in EBITDA, which implies an upfront pre-synergy transaction multiple of ~5x EBITDA. Potential synergies between Totalgaz and Antargaz could add further value to the deal, in our opinion. The two businesses have significant geographic overlay according the UGI management.

\$0.30-0.40 accretive to EPS pre-synergies

UGI is likely to finance the transaction with debt and cash, in our opinion. UGI had \$494mn of cash on its balance sheet and a net debt to EBITDA ratio of <3.0x as of 31 March 2014. We anticipate leverage to increase slightly but remain in the ~3x range. With these financing assumptions, we expect the transaction to be \$0.30-0.40 accretive to annual EPS (our current UGI 2014E EPS stands at \$3.00).

PO to \$56; reiterate Buy

We increase our PO to \$56 (from \$53) based on anticipated EPS accretion from the Totalgaz transaction. However, we await further progress on the deal and management commentary before changing our official estimates. Pushback on the deal includes lack of disclosed details around financial metrics, investor views that M&A domestically may be more appreciated than international M&A, and the apparent low multiple paid for Totalgaz perhaps indicative of a lower valuation for UGI's International Propane assets. We reiterate our Buy rating on UGI as its focus on growing its midstream assets, diversified business operations, underappreciated GP interest in AmeriGas (APU) and exposure to the Marcellus Shale should drive above peer average EPS growth, in our view.

Equity | United States | Natural Gas-Local Distribution
Companies
02 July 2014



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Stock Data

Price	US\$50.37
Price Objective	US\$53.00 to US\$56.00
Date Established	2-Jul-2014
Investment Opinion	B-1-7
Volatility Risk	MEDIUM
BofAML Ticker / Exchange	UGI / NYS
Bloomberg / Reuters	UGI US / UGI.N

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Refer to important disclosures on page 3 to 5. Analyst Certification on Page 2. Price Objective Basis/Risk on page 2. Link to Definitions on page 2. 11402833

Price objective basis & risk

UGI Corporation (UGI)

Our \$56 PO is based on a SOP analysis. We assign each of UGI's subsidiaries a target 2016 EPS multiple except for APU, which we separate into its LP and GP components. We assign a 16.5x multiple for the forecasted GP payments from APU and value UGI's 26.3% LP unit stake in APU with a mark-to-market valuation. We assign a 15.5x mult. to UGI Utilities based on trading mult. to peers, a 12.0x multiple for UGI's International Propane business (inclusive of \$0.30 EPS accretion from the pending Totalgaz transaction) which we feel is warranted given the utility-like nature of UGI's propane dist. operations, but also higher business risk due susceptibility to weather and margins, a 15x mult. to Midstream and Marketing as high growth Midstream operations are offset by lower mult. and more volatile Marketing earnings, and a 14x multiple to the Corporate/Other segments. We assign a \$3 premium give the announced acquisition of Totalgaz. Downside risks to our PO are: unfavorable weather, propane logistics issues and shortages domestically or in Europe, reduced conversion rates or slower new home construction within PA, and the potential inability to find new infrastructure projects through UGIES now that Auburn II is in-service.

Link to Definitions

Energy

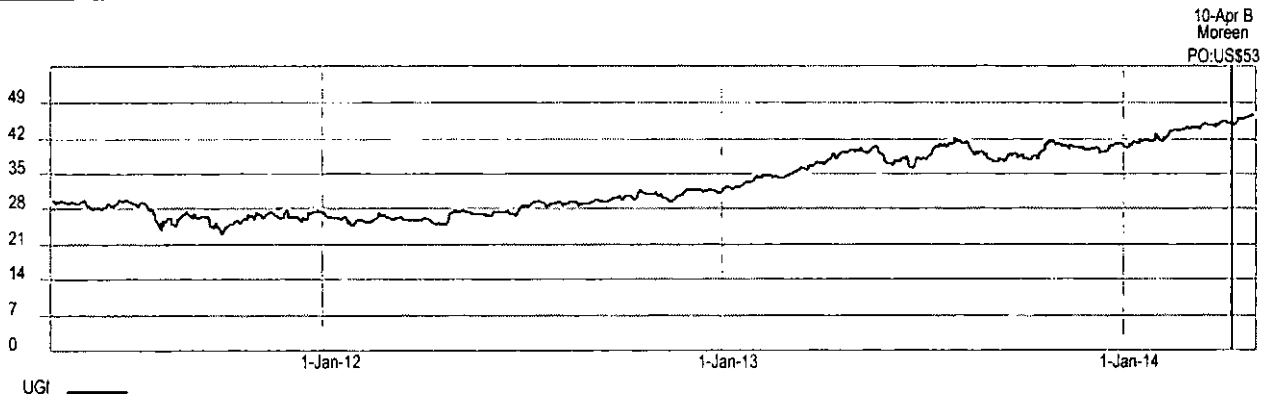
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Analyst Certification

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UGI Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of May 31, 2014 or such later date as indicated.

Investment Rating Distribution: Energy Group (as of 30 Jun 2014)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	133	51.55%	Buy	111	83.46%
Neutral	71	27.52%	Neutral	62	87.32%
Sell	54	20.93%	Sell	39	72.22%

Investment Rating Distribution: Global Group (as of 30 Jun 2014)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	1696	51.39%	Buy	1275	75.18%
Neutral	837	25.36%	Neutral	619	73.95%
Sell	767	23.24%	Sell	489	63.75%

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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FY4Q15 beat and FY16 guidance robust; reiterate Buy

Reiterate Rating: BUY | PO: 40.00 USD | Price: 34.06 USD

Equity | 12 November 2015

FY4Q15 beat

Earlier this week, UGI reported FY4Q15 adjusted diluted EPS of \$0.01 versus the BofAML/consensus estimates of \$(0.05)/(0.04). The beat was largely attributable to a lower than expected income tax expense during the quarter offsetting a slight APU miss (see: [FY4Q15 miss on weather; FY16 guidance robust](#)). Note due to the seasonal nature of UGI's business, FY3Q and FY4Q typically generate <20% of annual gross margin.

FY16 guidance robust

UGI introduced weather-normalized FY16 EPS guidance of \$2.15-2.30, above the prior BofAML/consensus estimates of \$2.17/2.15. We recognize some risk of warmer than normal weather given an unusually warm October 2015 and a high probability of El Nino negatively impacting the number of heating degree days (HDDs) during the 2015-16 heating season. However, the robust weather-normalized guidance likely also reflects contribution from recently completed organic growth projects (including Auburn III and Temple Liquefaction). Further, management quantified the expected EPS accretion from Finagaz (rebranded Totalgaz) to be \$0.15 during FY16, which compares to our prior expectation of \$0.10-15 (see: [Incorporating Totalgaz; \\$0.10-0.15 accretive to FY16 EPS](#)).

Visible growth through FY17

UGI's growth through FY17 will be largely driven by its midstream investments (PennEast and Sunbury), supplemented by its Manning LNG project. Management anticipates growth capex in FY16 to increase YoY from FY15 (an already robust \$470mn). We also see upside from an expected rate case for UGI's utility during FY16 (the first in 20 years) and potential synergies from the integration of Finagaz (an incremental \$0.08-0.12 to EPS though realized gradually over the next 36-48 months).

Reiterate Buy and \$40 PO

We are somewhat surprised by UGI's underperformance before and after the earnings announcement (down 7% MTD vs 2% for utilities). We reiterate our Buy rating on UGI for its focus on growing its midstream assets, diversified business operations, underappreciated GP interest in AmeriGas (APU) and exposure to the Marcellus Shale. Our \$40 PO is based on a 17 target P/E on our FY17 EPS estimate of \$2.38.

Estimates (Sep)

(US\$)	2014A	2015A	2016E	2017E	2018E
EPS	2.00	2.01	2.19	2.38	2.54
GAAP EPS	1.92	1.60	2.19	2.38	2.54
EPS Change (YoY)	25.0%	0.5%	9.0%	8.7%	6.7%
Consensus EPS (Bloomberg)			2.15	2.26	NA
DPS	0.82	0.90	0.96	1.02	1.08

Valuation (Sep)

	2014A	2015A	2016E	2017E	2018E
P/E	17.0x	16.9x	15.6x	14.3x	13.4x
GAAP P/E	17.7x	21.3x	15.6x	14.3x	13.4x
Dividend Yield	2.4%	2.6%	2.8%	3.0%	3.2%
EV / EBITDA*	8.6x	9.5x	8.3x	7.9x	7.7x
Free Cash Flow Yield*	9.2%	14.0%	9.2%	12.0%	12.7%

* For full definitions of *IQmethod*SM measures, see page 5.

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Key Changes

(US\$)	Previous	Current
2016E EPS	2.15	2.19
2017E EPS	2.35	2.38
2018E EPS	NA	2.54
2016E EBITDA (m)	1,429.3	1,437.1
2017E EBITDA (m)	1,507.8	1,511.5
2018E EBITDA (m)	NA	1,550.8

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Stock Data

Price	34.06 USD
Price Objective	40.00 USD
Date Established	18-May-2015
Investment Opinion	B-1-7
52-Week Range	31.54 USD - 39.75 USD
Mkt Val (mn) / Shares Out (mn)	5,950 USD / 174.7
Average Daily Value (mn)	25.13 USD
BofAML Ticker / Exchange	UGI / NYS
Bloomberg / Reuters	UGI US / UGI.N
ROE (2016E)	14.4%
Net Dbt to Eqty (Sep-2015A)	92.2%

iQprofileSM UGI Corporation**iQmethodSM – Bus Performance***

(US\$ Millions)	2014A	2015A	2016E	2017E	2018E
Return on Capital Employed	7.8%	6.4%	7.9%	8.6%	8.9%
Return on Equity	13.6%	13.5%	14.4%	14.7%	14.7%
Operating Margin	12.1%	8.1%	11.7%	12.4%	12.6%
Free Cash Flow	549	834	549	715	756

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2014A	2015A	2016E	2017E	2018E
Cash Realization Ratio	2.9x	3.7x	2.8x	2.7x	2.6x
Asset Replacement Ratio	1.3x	1.3x	1.3x	1.0x	1.0x
Tax Rate	30.6%	30.0%	30.0%	30.0%	30.0%
Net Debt-to-Equity Ratio	90.1%	92.2%	85.0%	74.0%	63.1%
Interest Cover	4.2x	3.5x	4.9x	5.0x	5.7x

Income Statement Data (Sep)

(US\$ Millions)	2014A	2015A	2016E	2017E	2018E
Sales	8,277	6,691	8,795	8,912	9,053
% Change	15.0%	-19.2%	31.5%	1.3%	1.6%
Gross Profit	3,102	2,668	3,326	3,428	3,495
% Change	8.1%	-14.0%	24.6%	3.1%	1.9%
EBITDA	1,381	1,257	1,437	1,512	1,551
% Change	15.6%	-9.0%	14.3%	5.2%	2.6%
Net Interest & Other Income	(238)	(243)	(211)	(220)	(201)
Net Income (Adjusted)	350	354	385	417	445
% Change	25.7%	1.2%	8.8%	8.2%	6.9%

Free Cash Flow Data (Sep)

(US\$ Millions)	2014A	2015A	2016E	2017E	2018E
Net Income from Cont Operations (GAAP)	337	281	385	417	445
Depreciation & Amortization	363	371	407	407	407
Change in Working Capital	(6)	408	100	100	100
Deferred Taxation Charge	67	(40)	0	0	0
Other Adjustments, Net	245	295	188	203	215
Capital Expenditure	(457)	(481)	(532)	(412)	(412)
Free Cash Flow	549	834	549	715	756
% Change	73.9%	52.0%	-34.2%	30.2%	5.7%

Balance Sheet Data (Sep)

(US\$ Millions)	2014A	2015A	2016E	2017E	2018E
Cash & Equivalents	420	479	308	383	381
Trade Receivables	685	428	328	228	128
Other Current Assets	559	444	444	444	444
Property, Plant & Equipment	4,544	4,975	5,099	5,104	5,108
Other Non-Current Assets	3,886	4,038	4,038	4,038	4,038
Total Assets	10,093	10,365	10,218	10,198	10,100
Short-Term Debt	288	151	151	151	151
Other Current Liabilities	1,143	1,188	1,188	1,188	1,188
Long-Term Debt	3,434	3,628	3,328	3,128	2,828
Other Non-Current Liabilities	1,565	1,817	1,817	1,817	1,817
Total Liabilities	6,430	6,784	6,484	6,284	5,984
Total Equity	3,663	3,580	3,733	3,913	4,116
Total Equity & Liabilities	10,093	10,365	10,218	10,198	10,100

* For full definitions of iQmethodSM measures, see page 5.**Company Sector**

Natural Gas-Local Distribution Companies

Company Description

UGI Corporation (UGI) is a natural gas transmission and energy distribution company headquartered in King of Prussia, PA. Operations are divided between four business units: Domestic Propane - AmeriGas Partners, LP (NYSE: APU), UGI International Propane, UGI Utilities and Midstream and Marketing. APU distributes propane to more than 2mn customers while UGI Utilities serves more than 600,000 customers in PA and MD.

Investment Rationale

We see UGI as attractively valued given its above peer average EPS growth potential and ample FCF generation that gives UGI flexibility on capital return and reinvestment, high customer growth potential at UGI Utilities, an attractive outlook for UGIES, its strong balance sheet and management's posture of remaining conservative with prospective acquisitions.

Stock Data

Average Daily Volume 737,915

Quarterly Earnings Estimates

	2015	2016
Q1	0.66A	0.85E
Q2	1.23A	1.20E
Q3	0.03A	0.19E
Q4	0.01A	-0.05E

Share buyback could supplement dividend payout

UGI repurchased ~1mn shares outstanding during FY15 versus ~1.3mn during FY14. Although the share buyback program remains a more modest means of returning capital to investors in relation to UGI's dividend payout (amount spent on share buyback being <30% of dividends paid), we view the program positively. It may increase in size particularly as UGI's capex deployment potentially decelerates beyond FY18, in our view. UGI's payout ratio (40-50%) is towards the lower end of LDC peers. Our model does not incorporate significant share buyback going forward.

Finagaz synergies could provide upside

Due to Finagaz's more labor-friendly operating base in France, we had not anticipated meaningful synergies in the foreseeable future. Management's \$0.08-0.12 potential synergy number within 36 to 48 months could provide upside to our estimates. Finagaz was acquired earlier this year for €423mn (then \$461mn) (see: [Incorporating Totalgaz: \\$0.10-0.15 accretive to FY16 EPS](#))

Adjusting estimates

We adjust our estimates to incorporate FY4Q15 results and FY16 guidance. Our FY16 EPS increases modestly but remain at the lower end of the guidance range (\$2.19 versus guidance of \$2.15-2.30) as we account for potentially warmer than normal weather. We also introduce our FY18 estimates, implying 7/6% DPS growth over FY17, which compares to UGI's long-term guidance of 6-10% EPS/DPS growth. Our FY16/17/18 EPS estimates of \$2.19/2.38/2.54 compare to consensus estimates of \$2.15/2.26, respectively.

Table 1: BofAML LDC comp table

Ticker	Name	BofAML rating		Current	Current	2014-17	Market	EV			S&P			Moody's
				Price (\$)	Dividend Rate (%)	DPS CAGR (%)*	Cap (\$mns)	(\$mns)	2015E	2016E	2017E	credit rating	credit rating	
GAS	AGL Resources Inc			61.74	3.3	3.9	7,424	11,823	20.9	20.4	19.6	BBB+	N/A	
ATO	Atmos Energy Corp	A-1-7	Buy	60.58	2.6	6.7	6,149	6,789	19.6	18.6	17.6	A-	A2	
LG	Laclede Group Inc/The	A-1-7	Buy	56.21	3.3	4.3	2,435	4,277	17.3	16.4	15.7	A-	Baa2	
NJR	New Jersey Resources Corp	A-3-7	Underperform	29.82	3.2	6.7	2,550	3,142	17.2	18.1	17.1	N/A	N/A	
NWN	Northwest Natural Gas Co	A-3-7	Underperform	48.14	4.1	5.6	1,263	2,092	20.9	20.1	19.3	A+	(P)A3	
OGE	ONE Gas Inc	A-2-7	Neutral	47.02	2.6	6.7	2,452	3,512	21.4	20.0	18.8	A-	A2	
PNY	Piedmont Natural Gas Co Inc	-6-	No Rating	57.53	2.3	3.1	4,557	4,794	19.9	28.8	27.0	A	A2	
STR	Questar Corp	B-3-7	Underperform	18.85	4.5	6.5	3,261	4,983	14.3	14.2	13.3	A	A2	
SWX	Southwest Gas Corp	A-1-7	Buy	55.28	2.9	8.0	2,619	4,302	19.1	16.3	15.4	BBB+	A3	
UGI	UGI Corp	B-1-7	Buy	34.08	2.7	7.6	5,885	10,288	16.9	15.5	14.3	N/A	N/A	
VVC	Vectren Corp	A-3-7	Underperform	41.32	3.9	5.2	3,417	4,840	18.0	16.9	15.9	A-	N/A	
WGL	WGL Holdings Inc	A-3-7	Underperform	59.22	3.1	5.0	2,945	3,813	18.4	19.4	18.2	A+	A3	
NI	NISource Inc			19.14	3.2	7.7	6,069	12,531	13.6	17.6	16.7	BBB+	(P)Ba1	
SJI	South Jersey Industries Inc			23.74	4.2		1,645	2,987	15.3	14.6	13.7	BBB+	N/A	
Average					3.3	5.9			19.0	18.4	17.3			

Source: Bloomberg, BofA Merrill Lynch Global Research

Data as of 12 November 2015

*2014-17 DPS CAGR is pro-rated for those names that IPOed during or after 2014 and used consensus DPS estimates when BofAML estimates are unavailable

*P/E ratios assume consensus EPS when BofAML estimates are unavailable

Price objective basis & risk

UGI Corporation (UGI)

Our \$40 PO is based on a 17x target P/E on our FY17 EPS estimate of \$2.38. UGI offers an attractive EPS growth that should be driven by accelerated recovery on its regulated investments, attractive earnings growth at UGIES, and a high earnings retention ratio, which allows UGI to reinvest in its businesses while diminishing its potential financing overhang. However, UGI has a sizable exposure to the propane distribution business, which is more seasonal, volatile, and competitive than regulated utilities, in our opinion. Risks to our PO include: unfavorable weather, propane logistics issues and shortages domestically or in Europe, reduced conversion rates or slower new home construction within PA, the potential inability to find new infrastructure projects through UGIES now that Auburn II is in-service, and unfavorable currency exchange rates. Macroeconomic concerns include rising interest rates, volatile and rising natural gas prices, and a general economic slowdown.

Analyst Certification

I, Gabe Moreen, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Natural Gas Utilities Coverage Cluster

Investment rating	Company	BofA Merrill Lynch ticker	Bloomberg symbol	Analyst
BUY				
	Atmos Energy	ATO	ATO US	Gabe Moreen
	Southwest Gas	SWX	SWX US	Gabe Moreen
	The Laclede Group, Inc.	LG	LG US	Gabe Moreen
	UGI Corporation	UGI	UGI US	Gabe Moreen
NEUTRAL				
	ONE Gas, Inc.	OGS	OGS US	Gabe Moreen
UNDERPERFORM				
	New Jersey Resources Corporation	NJR	NJR US	Gabe Moreen
	Northwest Natural Gas Co.	NWN	NWN US	Gabe Moreen
	Questar Corp	STR	STR US	Gabe Moreen
	Vectren Corp	VVC	VVC US	Gabe Moreen
	WGL Holdings, Inc.	WGL	WGL US	Gabe Moreen
RSTR				
	Sempra Energy	SRE	SRE US	Gabe Moreen

iQmethodSM Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) * (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$	$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill Amortization}$
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5-Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings		
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt, Less Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit		
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap. = Current Share Price * Current Basic Shares
Enterprise Value / Sales	$\text{EV} = \text{Current Share Price} * \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Other LT Liabilities}$	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

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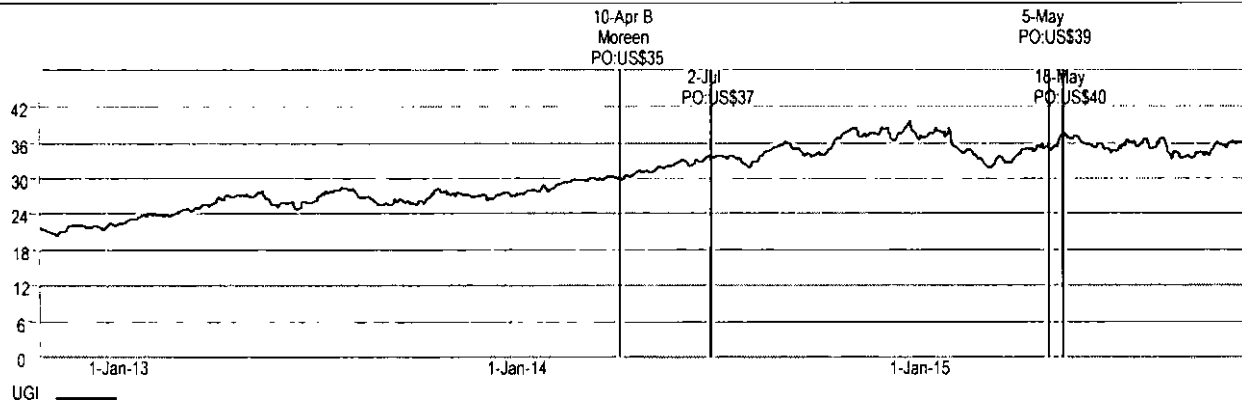
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UGI Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Equity Investment Rating Distribution: Energy Group (as of 30 Sep 2015)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	116	50.66%	Buy	101	87.07%
Hold	50	21.83%	Hold	39	78.00%
Sell	63	27.51%	Sell	49	77.78%

Equity Investment Rating Distribution: Global Group (as of 30 Sep 2015)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	1732	51.79%	Buy	1301	75.12%
Hold	773	23.12%	Hold	550	71.15%
Sell	839	25.09%	Sell	515	61.38%

* Companies that were investment banking clients of BofA Merrill Lynch or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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2 July 2014

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UGI Corp. Announces Agreement in Principle to Acquire Total's LPG Distribution Business in France

Stock Rating/Industry View: Equal Weight/Neutral

Price Target: USD 47.00

Price (01-Jul-2014): USD 50.53

Potential Upside/Downside: -7%

Tickers: UGI

This morning, UGI Corporation announced that it has reached an agreement in principal to acquire Total's liquefied petroleum gas (LPG) distribution business in France for a price of approximately €400-€450 million. In acquiring one of its largest competitors and moving to further consolidate the French market, we think the company is following the playbook from AmeriGas Partners' (APU) 2010 acquisition of Heritage Propane, albeit on a smaller scale. Given UGI's established presence in the French market and acquisition experience across the broader continent, we have a high degree of confidence in the company's ability to successfully integrate Total's LPG operations.

Per the terms of the transaction agreement with Total, UGI is unable to provide any insight into the EBITDA contribution and purchase multiple of the asset. That said, we wanted to provide some data points that we think will be helpful for investors to analyze the transaction's economics. UGI's domestic propane subsidiary, APU, typically targets a purchase multiple of 6x-8x EBITDA. In the European market, purchases often occur below this range, with the French market in particular being impacted by declining volumes, competition from electricity produced by nuclear power plants, and government policies that favor alternative energy sources. Assuming the transaction occurred in a range of 5x-7x EBITDA and at the midpoint of the expected purchase price (€425 million), implied EBITDA ranges from €61 million to €85 million. The transaction is expected to close during the first half of calendar year 2015, enabling UGI to reap a partial benefit of the business's profitability during that year's winter.

As an additional point of reference, we estimate that the French market accounted for approximately €110 million, or ~65%, of the EBITDA generated by UGI's international LPG distribution segment in FY13. Because Total's business carries a smaller portion of higher margin cylinder and small bulk volumes than UGI's existing retail business in France, we are not surprised that the implied EBITDA uplift is somewhat lower than the 2x increase otherwise suggested by the incremental volumes that the acquired business will contribute. As is often the case with acquisitions made by APU, we also expect UGI will be able to extract synergies over time through means such as the consolidation of distribution networks and the elimination of other duplicate expenses. However, we think that the realization of synergies is likely to occur at a slower pace than a comparable domestic transaction would support as a result of various labor laws and regulations in France.

We will revisit our model and price target to incorporate the expected impact of the transaction in advance of UGI's 3Q earnings report.

Transaction Analysis

@MM unless Noted			
Purchase Price (midpoint)	€ 425	€ 425	€ 425
Multiple	5.0x	6.0x	7.0x
Implied EBITDA	€ 85.0	€ 70.8	€ 60.7
- Interest (3.0x Debt/EBITDA @ 5.5% Interest Rate)	€ 14.0	€ 11.7	€ 10.0
- DD&A (Assumes 35% of EBITDA)	€ 29.8	€ 24.8	€ 21.3
EBT	€ 41.2	€ 34.4	€ 29.4
- Tax (35%)	€ 14.4	€ 12.0	€ 10.3
Net Income	€ 26.8	€ 22.3	€ 19.1
Net Income (\$MM; Assumes \$1.36/€1.00)	\$36.4	\$30.4	\$26.0
EPS Impact (116.7 million shares outstanding as of 3/31/14)	\$0.31	\$0.26	\$0.22

Source: Barclays Research

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Equity Research

Energy | U.S. Diversified Natural Gas

28 October 2014

UGI Corp.

EPS Housekeeping

Adding Total LPG Acquisition, PennEast Pipeline to our Estimates: We have revised our estimates to include the proposed acquisition of Total's LPG distribution business in France, a transaction that was initially *announced in July*. To be conservative, we do not include an earnings contribution from the asset until FY16 given that the expected close during 1H of calendar '15 could fall outside of the winter heating season, delaying the full financial benefit until the following year. As a reminder, UGI's fiscal year ends in September. Last week UGI announced that it has entered into a €300 million bridge facility to support the proposed transaction. We have updated our assumptions to include debt financing at this level, resulting in an estimated EPS uplift of \$0.14 from the acquisition (assumes full year contribution). We highlight that this number excludes any potential synergies which, over time, are likely to provide further accretion. We will revisit our assumptions around the timing and financial impact of the transaction following the company's upcoming analyst day on 11/6.

We are also adding the PennEast Pipeline project to our estimates. UGI owns a 22% interest in the \$1 billion project alongside AGL Resources, New Jersey Resources, South Jersey Industries, and PSEG Power. On 9/24, the group announced the successful close of a binding open season for 1 bcf/d of capacity. The line is expected to be placed into service in late 2017.

Adjusting EPS estimates to Reflect Stock Split: Following a three-for-two stock split, effective September 5, we are adjusting our 2014/2015 EPS estimates to \$2.02/\$1.88 from \$3.03/\$2.82.

Raising PT to \$34: We are increasing our PT to \$34, predicated on shares trading at 17.0x our FY15 EPS estimate of \$1.88 (\$32) plus \$2 per share for the Total LPG acquisition. Our prior price target of \$31 (\$47 pre-split) was based on shares trading at 16.5x our FY15 EPS estimate of \$1.88 (\$2.82 pre-split). The inclusion of the Total acquisition and pipeline project has resulted in our estimated EPS growth rate climbing to ~8.5%, from ~5.8%, which we are using as the basis for the multiple expansion used in our price target.

UGI: Quarterly and Annual EPS (USD)

FY/Seq	2013		2014			2015			Change/y	
	Actual	Old	New	Cons	Old	New	Cons	2014	2015	
Q1	0.60A	1.06A	0.70A	0.71A	N/A	N/A	0.77E	17%	N/A	
Q2	0.99A	1.90A	1.26A	1.27A	N/A	N/A	1.02E	27%	N/A	
Q3	0.08A	0.15A	0.10A	0.10A	N/A	N/A	0.11E	25%	N/A	
Q4	-0.06A	-0.08E	-0.05E	-0.05E	N/A	N/A	-0.06E	17%	N/A	
Year	1.60A	3.03E	2.02E	2.01E	2.82E	1.88E	1.96E	26%	-7%	
P/E	22.8		18.1			19.5				

Source: Barclays Research.

Consensus numbers are from Thomson Reuters

Stock Rating EQUAL WEIGHT
Unchanged

Industry View NEUTRAL
Unchanged

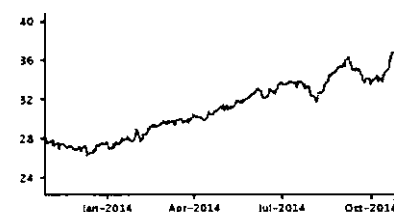
Price Target USD 34.00
lowered -28% from USD 47.00

Price (27-Oct-2014) USD 36.63
Potential Upside/Downside -7%
Tickers UGI

Market Cap (USD mn) 6314
Shares Outstanding (mn) 172.38
Free Float (%) 99.28
52 Wk Avg Daily Volume (mn) 0.9
Dividend Yield (%) 2.4
Return on Equity TTM (%) 13.14
Current BVPS (USD) 16.14

Source: Thomson Reuters

Price Performance Exchange-NYSE
52 Week range USD 36.99-26.06



[Link to Barclays Live for interactive charting](#)

U.S. Diversified Natural Gas

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Primary Stocks (Ticker, Date, Price)

UGI Corp. (UGI, 27-Oct-2014, USD 36.63), Equal Weight/Neutral, A/C/D/I/K/L/N/O

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U.S. Diversified Natural Gas

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Kinder Morgan Inc. (KMI)	Macquarie Infrastructure Co., Llc. (MIC)	MDU Resources Group (MDU)
National Fuel Gas (NFG)	ONEOK Inc. (OKE)	Plains GP Holdings LP (PAGP)
Questar Corp. (STR)	Spectra Energy Corp. (SE)	Targa Resources Corp. (TRGP)
UGI Corp. (UGI)	Williams Cos. (WMB)	

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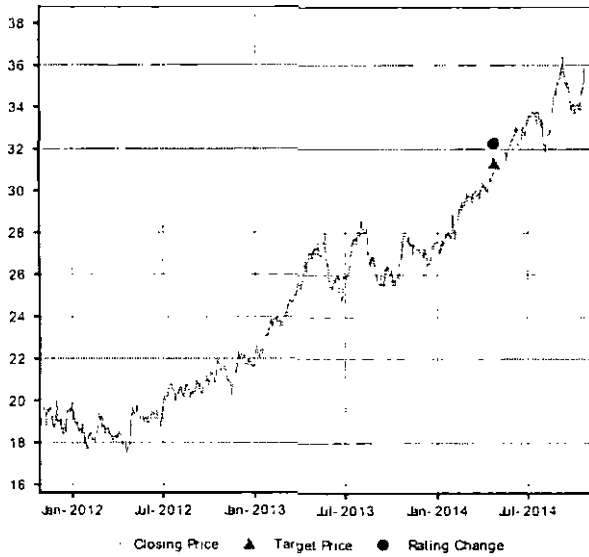
UGI Corp. (UGI)
USD 36.63 (27-Oct-2014)

Stock Rating
EQUAL WEIGHT

Industry View
NEUTRAL

Rating and Price Target Chart - USD (as of 27-Oct-2014)

Currency: USD



Date	Closing Price	Rating	Adjusted Price Target
23-Apr-2014	30.83	Equal Weight	31.33

Source: Thomson Reuters, Barclays Research

Historical stock prices and price targets may have been adjusted for stock splits and dividends.

Source: IDC, Barclays Research

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Valuation Methodology: Our \$34 price target is predicated on shares trading at 17.0x our FY15 EPS estimate of \$1.88 plus \$2 per share for the Total LPG acquisition.

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Equity Research | Instant Insights

12 November 2014

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UGI Corp. Reports 4Q Results

Stock Rating/Industry View: Equal Weight/Neutral

Price Target: USD 34.00

Price (12-Nov-2014): USD 37.95

Potential Upside/Downside: -10%

Tickers: UGI

UGI reported a 4Q adjusted net loss of \$0.08 per share, relative to our estimate and consensus of a \$0.05 per share loss. Compared to our numbers, APU, UGI International, and Midstream & Marketing posted results ahead of our estimates, although this was more than offset at the Gas Utility and Corporate segments. The company's full year adjusted earnings of \$1.99 per share (+26% year/year) represent its highest-ever, and reflect strong year/year gains at Midstream & Marketing and Gas Utility (which is not subject to weather normalization) driven by the extreme-cold experienced in UGI's service territories earlier in the year.

Last week UGI held its annual investor day during which it provided an initial FY15 EPS guidance range of \$1.88-\$1.98. This compares to our estimate of \$1.88 which we last updated prior to the analyst day. At APU, management guided to EBITDA of \$670-\$700 million, vs. our estimate of \$675 million. In formulating guidance, management estimated that "normalized" FY14 earnings were \$1.77 per share, after adjusting for factors such as favorable domestic weather conditions and the negative impact of Europe's above average temperatures. The midpoint of next year's guidance range implies growth of approximately 9% from "normalized" earnings, the high end of the company's 6%-10% long term target.

Also in today's press release, the company announced that it had signed the formal purchase agreement with Total related to its acquisition of the company's LPG distribution business. UGI continues to forge ahead with the regulatory approval process and remains on track to close the transaction during 1H15. Our current numbers do not include any earnings contribution from the asset until FY16, a factor which could prove to be too conservative in the event the transaction closes in time for the company to generate a return during the upcoming winter. We plan to reassess our estimates pertaining to the transaction and incorporate information

from UGI's recent investor day following a full review of the company's 10-K.

UGI will host its earnings call tomorrow morning (Thursday, November 13, 2014) at 9:00 am EST. Interested parties may listen to an audio webcast of the event at <http://www.ugicorp.com/investor-relations/events-and-presentations/default.aspx>.

To read this report on your iPad, download "Barclays Live" on the App Store.



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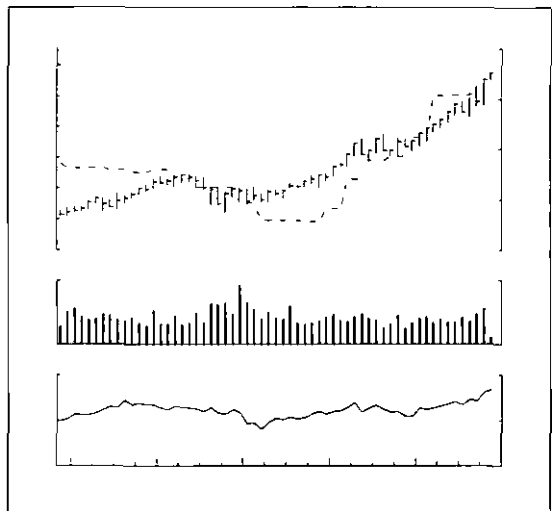
For analyst certifications and important disclosures including, where applicable, foreign affiliate disclosures, please click [here](#).

November 13, 2014

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APU reported FY4Q14 seasonal EBIT of \$34 million (net of minority interest), below our expected \$38 million but ahead of the \$32 million last year. While retail volumes of 211 million came in ahead of our 207 million, total volumes (including wholesale) of 222 million gallons came in below our 228 million gallon estimate, partly offset by realized unit margins of \$1.15/gal

UGI continues to progress toward building out its infrastructure network in the Marcellus with work already beginning on the PennEast pipeline. This \$1 billion (gross) joint project (the other entities being AGL, New Jersey Resources, South Jersey Industries, PSEG, and Spectra) involves the construction of a 100-mile pipeline to bring natural gas from the Marcellus to Pennsylvania and New Jersey. At present, UGI has secured ~965 mmcf/d of 15-year take-or-pay contracts, which almost covers the entire 1 Bcf/d of proposed capacity. UGI has a 20% equity ownership interest and will serve as the project manager and pipeline operator. The project is expected to be

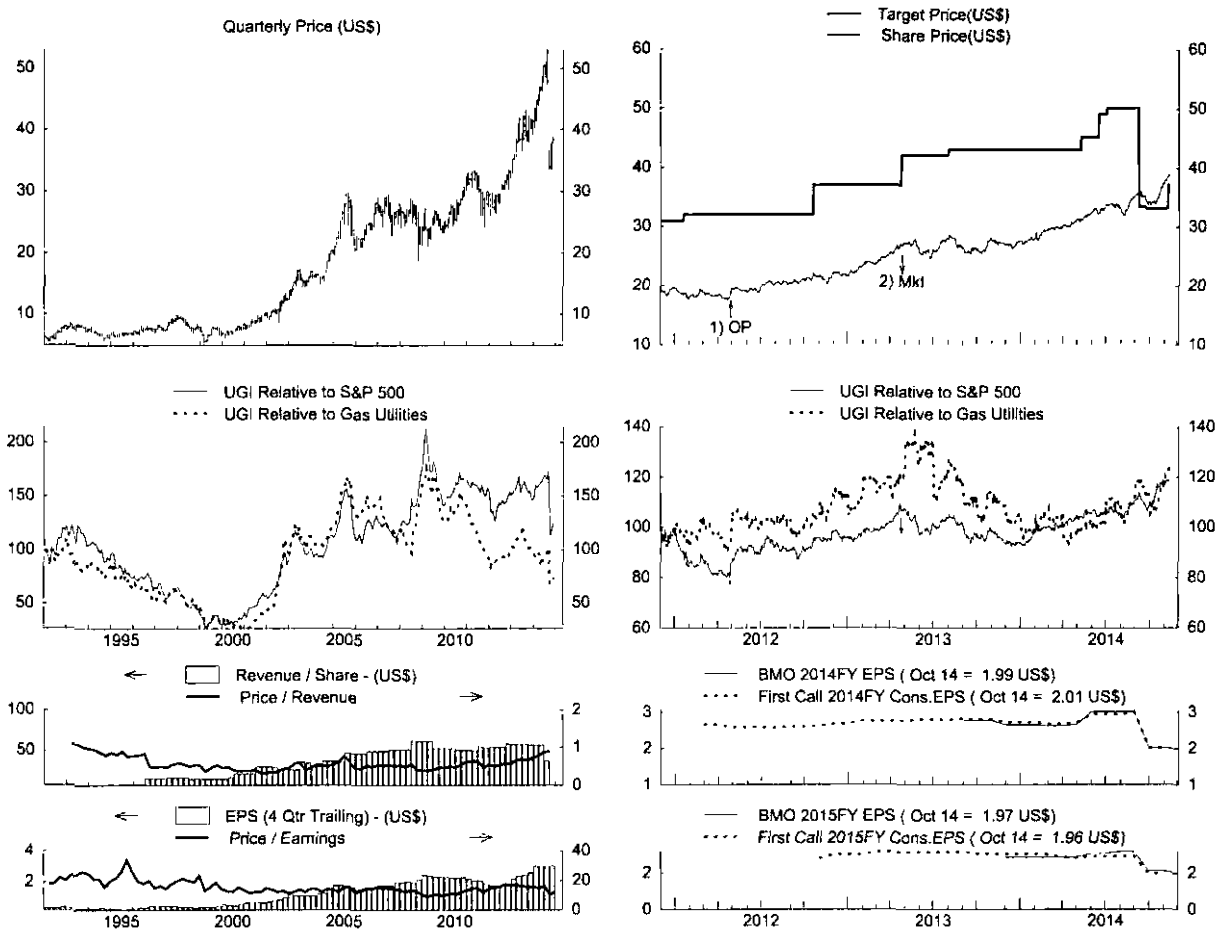
As well, UGI recently received FERC approval to expand liquefaction capacity at the 1.25 Bcf

Consolidated Earnings (\$ Millions except per share data)	F2008A	F2009A	F2010A	F2011A	F2012A	F2013A	Q1	Q2	Q3	Q4	F2014E	F2015E	F2016E
Operating Revenue													
Amengas Propane	\$2,815	\$2,260	\$2,320	\$2,538	\$2,922	\$3,167	\$1,046	\$1,494	\$613	\$580	\$3,713	\$3,738	\$3,777
International Propane	1,125	955	1,060	1,489	1,946	2,180	719	689	462	433	2,322	2,452	3,438
UGI Utilities	1,278	1,380	1,048	1,136	857	839	297	507	146	127	1,077	989	999
Energy Services and other	1,431	1,143	1,164	929	794	1,007	254	474	266	191	1,165	1,144	1,121
Total Operating Revenue	6,649	5,738	5,591	6,091	6,519	7,193	2,316	3,163	1,487	1,311	8,277	8,322	9,334
Operating Expenses:													
Cost of sales	4,745	3,671	3,584	4,011	4,111	4,324	1,430	2,001	927	785	5,143	5,256	5,984
O&M	1,157	1,220	1,177	1,266	1,592	1,692	432	492	416	397	1,737	1,775	1,969
Utility taxes other than income	18	17	19	17	17	17	4	5	4	4	17	16	16
DD&A	184	201	210	226	318	363	94	88	90	84	356	339	363
Other income, net	(42)	(56)	(58)	(47)	(38)	(33)	(7)	(11)	(12)	(10)	(40)	(40)	(40)
Total operating expenses	6,063	5,053	4,932	5,475	5,998	6,364	1,952	2,575	1,424	1,261	7,212	7,345	8,293
Operating Income	585	685	659	616	521	829	364	589	63	(9)	1,006	977	1,041
Other Income:													
Loss from equity investee	(3)	(3)	(2)	(1)	(0)	(0)	0	0	(0)	0	(0)	17	17
Loss on early extinguishments of debt	0	0	0	(38)	(13)	0	0	0	0	0	0	0	0
Total other income	(3)	(3)	(2)	(39)	(14)	(0)	0	0	(0)	0	(0)	17	17
EBIT	\$582	\$682	\$657	\$577	\$508	\$829	\$364	\$589	\$63	(\$9)	\$1,006	\$994	\$1,058
EBITDA	\$767	\$883	\$867	\$805	\$824	\$1,192	\$458	\$676	\$153	\$75	\$1,361	\$1,333	\$1,421
EBIT Composition:													
Amengas Propane	233	298	234	202	156	386	178	282	4	(6)	458	478	484
International Propane	103	149	115	68	112	147	57	64	7	(10)	118	151	230
Gas utility	138	154	175	200	172	198	82	135	17	3	236	207	210
Electric Utility	24	15	14	11	12	10	3	4	1	3	11	11	11
Energy Services	74	65	120	83	62	90	36	121	26	15	199	156	131
Other	11	2	(1)	13	(7)	(3)	7	(17)	7	24	22	(8)	(7)
Total EBIT Composition	\$582	\$682	\$657	\$577	\$507	\$831	\$364	\$589	\$63	\$28	\$1,043	\$994	\$1,058
Interest expense	143	141	134	136	222	240	59	60	60	59	238	249	257
Income before taxes and minority interest	440	541	523	439	286	588	304	529	2	(68)	768	745	801
Minority interest	(90)	(124)	(95)	(75)	13	(149)	(96)	(173)	33	40	(195)	(201)	(195)
Income before taxes	350	418	429	364	299	440	208	356	36	(28)	572	544	607
Income taxes													
Current	135	132	105	48	17	129	45	73	8	(4)	122	117	134
Deferred	(1)	27	63	83	83	34	42	68	7	(4)	113	84	89
Total income taxes	135	159	168	131	100	163	87	141	15	(8)	235	201	223
Effective income tax rate	38%	38%	39%	36%	33%	37%	42%	40%	42%	28%	41%	37%	37%
Net Income	216	258	261	233	199	277	122	214	21	(20)	337	343	383
Preferred	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income from continuing operations	216	258	261	233	199	277	122	214	21	(20)	337	343	383
Discontinued ops, net	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in Accounting	0	0	0	10	1	1	0	0	0	0	0	0	0
GAAP Net Income to Common	216	258	261	233	209	278	122	214	21	(20)	337	343	383
Pre-tax adjustments to Core (before disc ops)													
Asset impairment	0	0	0	0	0	0	0	0	0	0	0	0	0
(Gain) loss from disposal of asset	0	0	(27)	0	0	5	0	0	0	0	0	0	0
Other non-recurring (gains) loss	0	0	2	13	4	0	2	11	(6)	8	14	0	0
Total Pre-tax adjustments	0	0	(25)	13	4	5	2	11	(6)	8	14	0	0
After-tax adjustments	0	(0)	(13)	5	3	3	1	7	(4)	6	10	0	0
Non-GAAP Core Earnings	216	258	248	238	212	281	123	222	17	(14)	347	343	383
Shares Outstanding (MM)													
Diluted	162	163	165	169	169	173	175	175	176	173	175	174	174
Basic	161	163	164	168	169	171	172	173	173	173	173	173	173
Period ending basic shares out	161	163	164	168	168	171	172	172	173	173	173	173	173
Earnings Per Share													
GAAP EPS	\$1.33	\$1.58	\$1.58	\$1.38	\$1.24	\$1.61	\$0.70	\$1.22	\$0.12	(\$0.11)	\$1.93	\$1.97	\$2.20
Core EPS	\$1.33	\$1.58	\$1.50	\$1.41	\$1.25	\$1.63	\$0.70	\$1.27	\$0.40	(\$0.08)	\$1.99	\$1.97	\$2.20
EPS growth (%)	-25.3%	19.1%	-5.0%	-5.9%	-11.4%	30.3%	17.8%	27.2%	13.3%	104.6%	22.1%	-0.8%	11.8%
Dividends Paid													
Cash per share	\$0.76	\$0.78	\$0.95	\$1.03	\$1.07	\$1.12	\$0.28	\$0.30	\$0.33	\$0.33	\$1.23	\$1.34	\$1.39
Payout Ratio (%)	57%	48%	63%	73%	86%	69%	36%	36%	39%	39%	62%	68%	63%
Growth (%)	5.8%	3.0%	22.2%	8.4%	3.9%	4.4%	17.8%	27.2%	13.3%	104.6%	22.1%	-0.8%	11.8%

GAAP Cash Flow Statement (\$ Millions except per share data)	F2008A	F2009A	F2010A	F2011A	F2012A	F2013E	Q1	Q2	Q3	Q4	F2014E	F2015E	F2016E
Operating Activities													
GAAP Net Income	216	259	356	308	187	428	218	388	(13)	(20)	573	343	383
DD&A	184	201	210	228	316	363	94	88	96	84	362	339	363
Provision for uncollectible accounts	37	34	27	20	27	0	9	23	1	0	32	0	0
Minority interest	90	124	0	0	0	0	0	0	0	(40)	(40)	201	195
Deferred income taxes, net	(1)	27	63	83	83	49	(20)	33	8	(4)	17	84	89
Loss on early extinguishment of debt	0	0	0	38	13	0	0	0	0	0	0	0	0
Net change in settled AOCI	(4)	(21)	24	0	0	0	0	0	0	0	0	0	0
Other, net	3	(11)	(16)	21	(3)	6	(4)	6	(3)	150	148	(10)	(25)
OCF (pre-working capital)	\$525	\$612	\$664	\$698	\$623	\$846	\$296	\$538	\$90	\$170	\$1,092	\$958	\$1,006
OCF per share	\$3.23	\$3.74	\$4.01	\$4.14	\$3.67	\$4.90	\$1.70	\$3.06	\$0.51	\$0.98	\$6.26	\$5.51	\$5.76
Working Capital													
Accounts receivable and accrued revenue	(22)	80	(95)	(66)	66	(111)	(508)	(124)	576	0	(56)	0	0
Inventories	(42)	67	34	(41)	89	5	(45)	88	(8)	0	35	0	0
Deferred fuel costs	22	10	(19)	13	(2)	9	2	(12)	(7)	0	(18)	0	0
Accounts payable	(6)	(146)	47	19	(79)	39	246	(52)	(235)	0	(41)	0	0
Other current assets and liabilities	(12)	43	(33)	(68)	11	14	82	(26)	(40)	45	61	0	0
Changes in Working Capital	(61)	53	(65)	(143)	85	(44)	(223)	(126)	286	45	(19)	0	0
Discontinued Ops													
Cash Flow from Operations	464	665	599	555	708	802	73	410	375.4	215	1,073	958	1,006
Investing Activities													
Capital Spending (to PP&E)	(232)	(302)	(347)	(361)	(339)	(486)	(133)	(91)	(101)	(118)	(444)	(307)	(307)
Net proceeds from disposals of assets	12	42	67	0	0	0	0	0	0	0	0	0	0
Net proceeds from sale of Energy Ventures	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment in Flaga joint venture	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	(1)	(323)	(83)	(53)	(1,581)	(79)	(21)	(1)	(2)	0	(23)	(578)	0
Short-term investment increase	0	0	0	0	0	0	0	0	0	0	0	0	0
Other, net	(68)	82	(36)	(2)	15	12	5	3	3	0	11	0	0
Cash used in investing	(290)	(520)	(399)	(415)	(1,905)	(553)	(149)	(89)	(100)	(118)	(456)	(885)	(307)
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Investing Cash Flow	(290)	(520)	(399)	(415)	(1,905)	(553)	(149)	(89)	(100)	(118)	(456)	(885)	(307)
Financing Activities													
Sale of Common Equity	21	11	28	27	23	36	2	9	(3)	0	7	0	0
Sale of Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale of L.T. Debt	34	118	0	1,481	1,550	227	90	85	(0)	90	265	339	100
Redemption of Common Stock	0	0	0	0	0	0	0	(5)	(17)	0	(21)	0	0
Redemption of Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0
Redemption of L.T. Debt	0	(82)	(95)	(1,384)	(300)	(169)	(4)	(179)	(54)	0	(237)	0	0
Change in Notes Payable, LC, ST Debt	(77)	13	38	(72)	27	62	194	(162)	(164)	0	(132)	50	0
Common Dividends	(81)	(85)	(99)	(114)	(119)	(126)	(32)	(32)	(34)	(56)	(155)	(233)	(241)
Distributions to minority interests	(81)	(90)	(89)	(94)	(182)	(227)	(58)	(58)	(61)	(60)	(237)	(249)	(262)
APU equity & Other	3	1	4	4	278	9	0	5	3	0	8	0	0
Cash From (For) Financing	(180)	(115)	(214)	(152)	1,279	(186)	191	(337)	(330)	(26)	(502)	(93)	(403)
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Financing Cash Flow	(180)	(115)	(214)	(152)	1,279	(186)	191	(337)	(330)	(26)	(502)	(93)	(403)
Effect of exchange rate	(1)	4	(5)	(9)	(0)	7	4	0	2	0	6	0	0
Change in Cash	(7)	35	(19)	(22)	81	69	119	(15)	(52)	71	123	(20)	296
Cash & Temp. Inv. Beginning of Yr.	252	245	280	261	239	320	389	508	494	441	389	512	492
Cash & Temp. Inv. End of Yr.	\$245	\$280	\$261	\$239	\$320	\$389	\$508	\$494	\$441	\$512	\$512	\$492	\$787

Consolidated Balance Sheet (\$ Millions except per share data)	F2008A	F2009A	F2010A	F2011A	F2012A	F2013E	Q1	Q2	Q3	Q4	F2014E	F2015E	F2016E
Assets													
Cash and equivalents	\$245	\$287	\$296	\$256	\$323	\$398	\$423	\$498	\$444	\$512	\$512	\$492	\$787
Short-term investments	70	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Receivable	488	406	468	547	833	746	1,204	1,323	785	785	785	785	785
Accrued utility revenues	21	21	14	15	17	19	68	50	8	8	8	8	8
Inventories	401	363	314	363	357	366	412	324	332	332	332	332	332
Deferred income taxes	28	35	33	45	57	11	23	11	9	9	9	9	9
ST asset price risk management	16	20	11	10	13	24	52	22	12	12	12	12	12
Prepaid expenses	57	34	59	43	67	57	47	49	38	38	38	38	38
Other	13	20	26	28	39	8	0	4	9	9	9	9	9
Total current assets	1,339	1,185	1,220	1,306	1,505	1,827	2,228	2,281	1,639	1,706	1,706	1,686	1,982
Plant and equipment, gross	3,965	4,892	4,970	5,285	6,519	7,041	7,148	7,157	1,841	1,959	1,959	2,266	2,573
Accumulated depreciation	(1,515)	(1,789)	(1,917)	(2,080)	(2,286)	(2,560)	(2,631)	(2,838)	2,702	2,618	2,618	2,280	1,917
Plant and equipment, net	2,450	2,904	3,053	3,205	4,233	4,480	4,517	4,519	4,543	4,578	4,578	4,546	4,490
Goodwill	1,490	1,582	1,563	1,562	2,818	2,874	2,885	2,886	2,885	2,885	2,885	2,885	2,885
Intangible assets	155	168	150	148	658	608	598	608	590	590	590	590	590
Regulatory assets	91	0	0	0	0	0	0	0	0	0	0	0	0
Investments	83	0	0	0	0	0	0	0	0	0	0	0	0
Other	98	206	388	443	498	420	436	426	420	230	230	818	844
Total Assets	5,685	6,043	6,374	6,663	9,710	10,009	10,664	10,721	10,078	9,989	9,989	10,526	10,792
Liabilities and Equity													
Current maturities of long-term debt	218	258	774	186	332	295	489	325	175	175	175	225	225
Accounts payable	462	335	373	400	411	472	691	634	404	404	404	404	404
Deferred fuel refunds	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee compensation and benefits accrued	76	0	86	74	91	97	0	0	0	0	0	0	0
Dividends and interest accrued	32	0	0	0	73	0	0	0	0	0	0	0	0
Income taxes accrued	7	0	0	0	0	0	0	0	0	0	0	0	0
Deposits and advances	165	0	165	162	253	205	0	0	0	0	0	0	0
Other	224	505	277	257	327	355	699	696	636	636	636	636	636
Total current liabilities	1,184	1,097	1,675	1,078	1,487	1,425	1,880	1,855	1,214	1,214	1,214	1,264	1,264
Long-term debt	1,987	2,039	1,432	2,110	3,348	3,542	3,549	3,549	3,478	3,568	3,568	3,907	4,007
Deferred income taxes	491	505	601	709	935	962	980	984	986	982	982	1,067	1,156
Other	446	585	604	575	621	532	536	530	519	519	519	519	519
Total liabilities	4,108	4,226	4,313	4,472	6,391	6,461	6,945	6,718	6,197	6,283	6,283	6,756	6,946
Minority Interest	159	225	237	213	1,086	1,055	1,109	1,207	1,110	1,011	1,011	964	898
Common Equity	1,418	1,591	1,825	1,978	2,233	2,493	2,610	2,795	2,771	2,685	2,685	2,805	2,947
Discontinued ops and other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities and Equity	5,685	6,043	6,374	6,663	9,710	10,009	10,664	10,721	10,078	9,989	9,989	10,526	10,792

UGI CORP NEW (UGI)



FYE (Sep.)	EPS US\$	P/E Hi - Lo	DPS US\$	Yield% Hi - Lo	Payout %	BV US\$	P/B Hi - Lo	ROE %
1992	0.38	19.5 14.3	0.42	7.8 5.7	>100	4.3	1.7 1.3	
1993	0.31	27.6 22.2	0.45	6.5 5.2	>100	4.3	2.0 1.6	7
1994	0.39	21.7 14.9	0.46	7.9 5.4	>100	4.4	1.9 1.3	9
1995	0.20	36.9 29.0	0.47	8.1 6.3	>100	3.9	1.9 1.5	5
1996	0.40	20.7 16.5	0.47	7.2 5.7	>100	3.8	2.2 1.7	10
1997	0.52	17.9 13.4	0.48	6.9 5.1	92	3.8	2.4 1.8	14
1998	0.41	24.5 16.7	0.49	7.1 4.8	>100	3.7	2.7 1.9	11
1999	0.41	20.9 12.2	0.50	10.0 5.8	>100	3.1	2.8 1.6	12
2000	0.53	15.3 11.4	0.52	8.5 6.4	97	2.5	3.3 2.4	19
2001	0.70	14.0 10.2	0.53	7.5 5.4	76	3.1	3.1 2.3	25
2002	0.90	13.6 9.3	0.55	6.6 4.5	61	3.9	3.2 2.2	26
2003	1.15	15.2 9.7	0.57	5.1 3.3	50	6.7	2.6 1.7	22
2004	1.30	14.4 11.1	0.63	4.3 3.3	48	8.1	2.3 1.8	18
2005	1.74	17.2 9.9	0.68	3.9 2.3	39	9.5	3.1 1.8	20
2006	1.65	17.7 12.2	0.71	3.5 2.4	43	10.4	2.8 1.9	17
2007	1.79	16.6 12.7	0.74	3.3 2.5	41	12.4	2.4 1.8	16
2008	1.98	14.6 12.1	0.77	3.2 2.7	39	13.0	2.2 1.8	16
2009	2.36	11.8 7.9	0.80	4.3 2.9	34	14.6	1.9 1.3	17
2010	1.50	19.3 15.5	1.00	4.3 3.4	67	15.8	1.8 1.5	10
2011	1.41	23.7 18.3	1.04	4.0 3.1	74	11.8	2.8 2.2	10
2012	1.19	26.7 20.2	1.08	4.5 3.4	91	12.9	2.5 1.9	10
2013	1.63	26.6 18.5	1.13	3.7 2.6	69	14.5	3.0 2.1	12
Range*		36.9 7.9		10.0 2.3			3.3 1.3	
Current*	3.04	12.4	0.87	2.3	29	14.4	2.6	21
Growth(%):								
5 Year:	5.2		1.7			-0.3		
10 Year:	8.9		3.4			5.9		
20 Year:	10.8		3.2			6.1		

* Current EPS is the 4 Quarter Trailing to Q3/2014.
* Valuation metrics are based on high and low for the fiscal year.
* Range indicates the valuation range for the period presented above.

UGI - Rating as of 1-Dec-11 = Mkt			
Date	Rating Change	Share Price	
1 27-Apr-12	Mkt to OP	\$19.03	
2 23-Apr-13	OP to Mkt	\$26.84	

Last Price (November 11, 2014): \$38.43
Sources: IHS Global Insight, Thomson Reuters, BMO Capital Markets.

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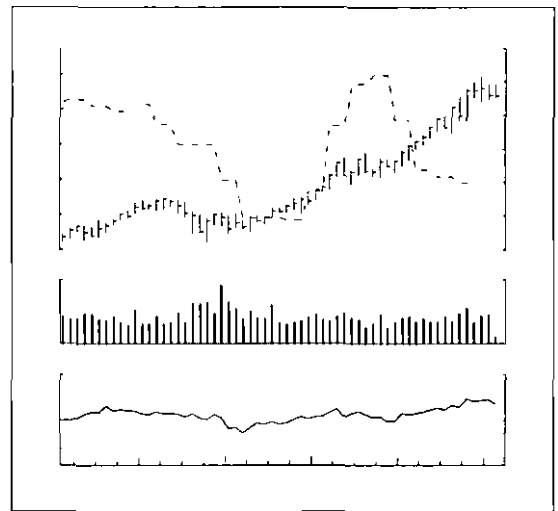
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February 6, 2015

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APU reported FY1Q15 seasonal EBIT of \$141 million, below our expected \$195 million and \$178 million last year. As well, retail volumes of 340 million came in below our 357 million and, on an aggregate basis, total volumes (including wholesale) of 354 million gallons came in below our 395 million gallon estimate. Notably, the decrease in retail gallons sold reflects average temperatures that were 6.2% warmer than normal and 9.6% warmer than the prior year. Of note, despite the significant decrease in spot propane prices, the average cost of propane in FY1Q15

contracts, which almost covers the entire 1 Bcf/d of proposed capacity. UGI has a 22% equity ownership interest and will serve as the project manager and pipeline operator. The project is expected to be on line late in 2017.

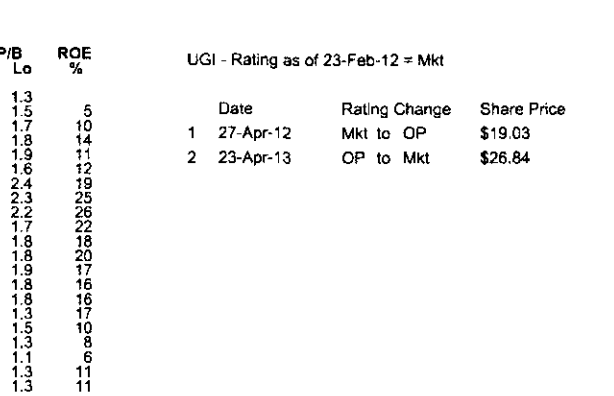
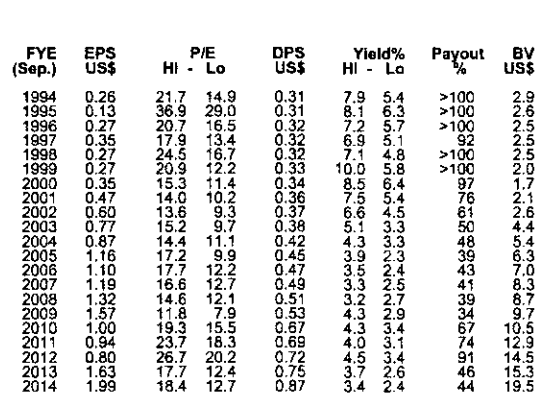
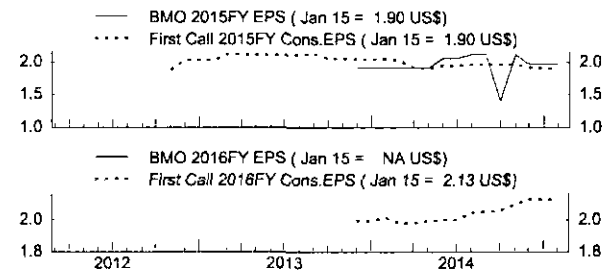
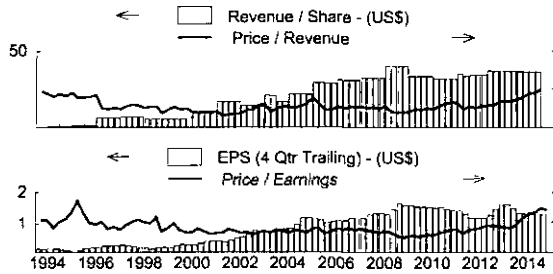
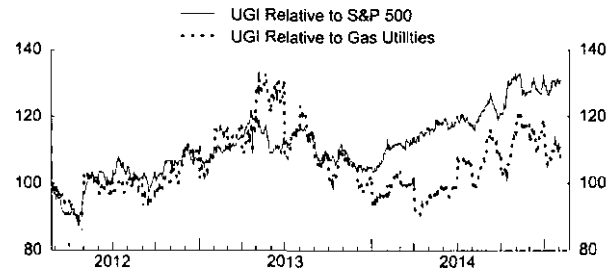
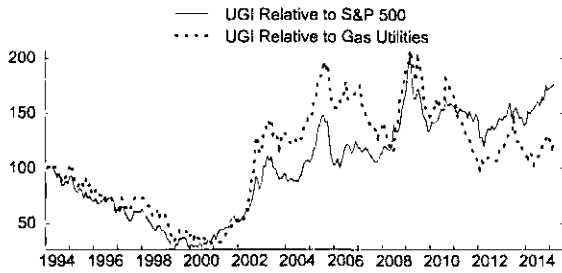
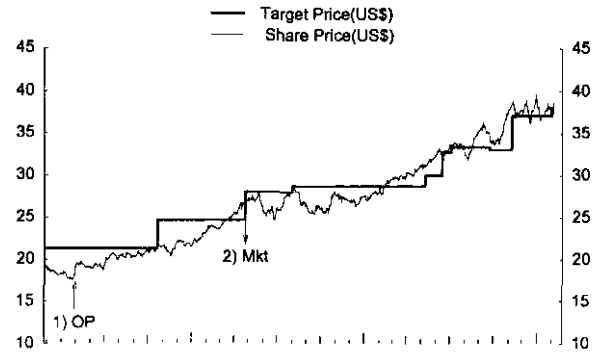
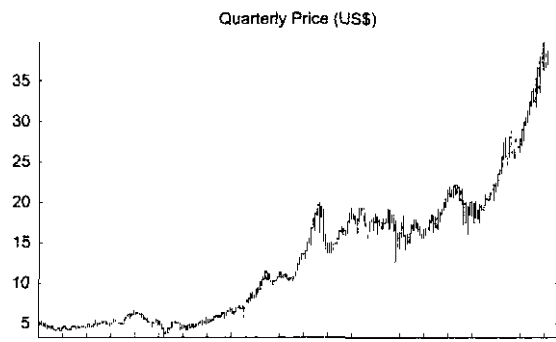
As well, the 1.25 Bcf Temple LNG facility expansion continues to progress forward and is expected to be on line by early FY3Q15. This project will expand capacity by 50% for a modest \$10 million of growth providing the potential for outsized returns during periods of peak demand. In addition to the Temple LNG facility, UGI is executing the next phase of the Auburn III pipeline capacity expansion, which is expected to be on line by fall 2015.

Consolidated Earnings (\$ Millions except per share data)	F2008A	F2009A	F2010A	F2011A	F2012A	F2013A	F2014A	Q1	Q2	Q3	Q4	F2015E	F2016E
Operating Revenue													
Arranged Propane	\$2,615	\$2,260	\$2,320	\$2,538	\$2,922	\$3,167	\$3,713	\$889	\$1,538	\$681	\$577	\$3,984	\$3,789
International Propane	1,125	955	1,080	1,489	1,945	2,180	2,322	583	673	460	531	2,256	3,403
UGI Utilities	1,278	1,380	1,048	1,136	857	839	1,077	286	439	148	129	1,001	985
Energy Services and other	1,431	1,143	1,164	929	794	1,007	1,165	287	423	236	210	1,137	1,113
Total Operating Revenue	6,448	5,738	5,591	6,091	6,519	7,183	8,277	2,005	3,073	1,465	1,447	7,978	9,300
Operating Expenses:													
Cost of sales	4,745	3,671	3,594	4,011	4,111	4,324	5,176	1,405	1,957	927	908	5,205	5,980
OBM	1,157	1,220	1,177	1,265	1,592	1,682	1,753	436	479	406	451	1,771	1,971
Utility taxes other than income	18	17	19	17	17	17	17	4	4	4	4	16	16
ODSA	184	201	210	228	316	353	353	91	84	84	90	349	368
Other income, net	(42)	(55)	(59)	(47)	(39)	(39)	(39)	(14)	(10)	(10)	(10)	(44)	(40)
Total operating expenses	6,053	5,053	4,932	5,475	5,958	6,364	7,272	1,921	2,523	1,411	1,441	7,297	8,275
Operating Income	595	685	659	616	521	829	1,005	83	549	44	5	682	1,025
Other Income:													
Loss from equity investee	(3)	(3)	(2)	(1)	(0)	(0)	(0)	(1)	4	4	4	12	17
Loss on early extinguishments of debt	0	0	0	(39)	(13)	0	0	0	0	0	0	0	0
Total other income	(3)	(3)	(2)	(39)	(14)	(0)	(0)	(1)	4	4	4	12	17
EBIT	\$592	\$682	\$657	\$577	\$508	\$829	\$1,005	\$82	\$553	\$48	\$10	\$694	\$1,042
EBITDA	\$767	\$883	\$867	\$805	\$824	\$1,192	\$1,368	\$173	\$637	\$132	\$100	\$1,043	\$1,410
EBIT Composition:													
Arranged Propane	233	238	234	202	155	393	458	2	302	(13)	0	232	473
International Propane	103	149	115	68	112	147	118	54	73	24	(11)	139	227
Gas Utility	138	154	175	200	172	198	235	72	107	20	7	205	211
Electric Utility	24	15	14	11	12	10	11	3	4	1	3	11	11
Energy Services	74	65	120	83	62	90	189	46	69	17	13	146	128
Other	11	2	(1)	13	(7)	(3)	(15)	(9)	(2)	(2)	(2)	(15)	(7)
Total EBIT Composition	\$592	\$682	\$657	\$577	\$507	\$831	\$1,005	\$167	\$553	\$48	\$10	\$778	\$1,042
Interest expense	143	141	134	138	222	240	238	59	63	63	63	247	253
Income before taxes and minority interest	440	541	523	439	285	588	763	23	461	(15)	(53)	447	789
Minority interest	(90)	(124)	(95)	(75)	13	(149)	(195)	34	(184)	47	37	(65)	(157)
Income before taxes	350	418	429	364	298	440	572	57	307	33	(16)	381	632
Income taxes:													
Current	135	132	105	48	17	129	122	9	65	7	(3)	78	132
Deferred	(1)	27	63	83	83	34	113	14	47	5	(2)	64	88
Total income taxes	135	159	168	131	100	163	235	23	112	12	(5)	141	220
Effective income tax rate	39%	39%	39%	39%	33%	37%	41%	40%	37%	37%	37%	37%	36%
Net income	216	258	261	233	199	277	337	34	195	21	(10)	240	362
Preferred	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income from continuing operations	216	258	261	233	199	277	337	34	195	21	(10)	240	362
Discontinued ops, net	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in Accounting	0	0	0	0	10 ¹	1 ¹	0	0	0	0	0	0	0
GAAP Net Income to Common	216	258	261	233	209	278	337	34	195	21	(10)	240	362
Pre-tax adjustments to Core (before disc cps):													
Asset impairment	0	0	0	0	0	0	0	0	0	0	0	0	0
(Gain) loss from disposal of asset	0	0	(27)	0	0	5	0	0	0	0	0	0	0
Other non-recurring (gains) loss	0	0	2	13	4	0	14	82	0	0	0	82	0
Total Pre-tax adjustments	0	0	(25)	13	4	5	14	82	0	0	0	82	0
After-tax adjustments	0	(0)	(13)	5	3	3	10	82	0	0	(10)	322	362
Non-GAAP Core Earnings	216	258	248	238	212	281	347	116	195	21	(10)	322	362
Shares Outstanding (MM)													
Diluted	162	163	165	169	169	173	175	176	174	174	174	174	174
Basic	161	163	164	168	169	171	173	173	173	173	173	173	173
Period ending basic shares out	161	163	164	169	169	171	173	173	173	173	173	173	173
Earnings Per Share													
GAAP EPS	\$1.33	\$1.58¹	\$1.58	\$1.38	\$1.24	\$1.61	\$1.93	\$0.19	\$1.12	\$0.12	(\$0.05)	\$1.37	\$2.20
Core EPS	\$1.33	\$1.58	\$1.50¹	\$1.41¹	\$1.25¹	\$1.63¹	\$1.99¹	\$0.65	\$1.12	\$0.12	(\$0.05)	\$1.84	\$2.20
EPS growth (%)	-25.3%	19.1%	-5.0%	-5.9%	-11.4%	30.3%	22.1%	-8.3%	-11.4%	24.1%	-30.9%	-7.3%	19.1%
Dividends Paid													
Cash per share	\$0.49	\$0.52	\$0.63	\$0.69	\$0.71	\$0.75	\$0.80	\$0.22	\$0.22	\$0.22	\$0.22	\$0.87	\$0.92
Payout Ratio (%)	37%	33%	42%	49%	57%	46%	40%					47%	42%
Growth (%)	3.7%	5.1%	22.2%	8.4%	3.9%	5.6%	6.1%					8.9%	5.7%

GAAP Cash Flow Statement (\$ Millions except per share data)	F2008A	F2008A	F2010A	F2011A	F2012A	F2013E	F2014A	Q1	Q2	Q3	Q4	F2015E	F2016E
Operating Activities													
GAAP Net Income	216	259	363	308	187	428	533	0	195	21	(10)	208	362
DD&A	184	201	210	228	316	363	363	91	84	84	60	349	368
Provision for uncollectible accounts	37	34	27	20	27	0	44	7	0	0	0	7	0
Minority interest	50	124	0	0	0	0	0	0	184	(47)	(37)	99	187
Deferred income taxes, net	(1)	27	63	83	83	46	67	(63)	47	5	(2)	(10)	88
Loss on early extinguishment of debt	0	0	0	38	13	0	0	0	0	0	0	0	0
Net change in settled AOCI	(4)	(21)	24	0	0	0	0	0	0	0	0	0	0
Other, net	3	(11)	(16)	21	(3)	5	5	22	5	(3)	(6)	22	(22)
OCF (pre-working capital)	\$626	\$612	\$684	\$688	\$623	\$846	\$1,012	\$387	\$616	\$68	\$33	\$674	\$1,004
OCF per share	\$3.23	\$3.74	\$4.01	\$4.14	\$3.67	\$4.90	\$5.80	\$1.62	\$2.96	\$0.34	\$0.19	\$3.01	\$5.77
Working Capital													
Accounts receivable and accrued revenue	(22)	80	(55)	(65)	65	(111)	18	(342)	0	0	0	(342)	0
Inventories	(42)	67	34	(41)	89	5	(85)	28	0	0	0	28	0
Deferred fuel costs	22	10	(19)	13	(2)	9	(18)	4	0	0	0	4	0
Accounts payable	(5)	(146)	47	19	(79)	39	4	119	0	0	0	119	0
Other current assets and liabilities	(12)	43	(33)	(63)	11	14	54	(33)	0	0	130	72	0
Changes in Working Capital	(61)	53	(65)	(143)	85	(44)	(6)	(248)	0	0	130	(116)	0
Discontinued Ops													
Cash Flow from Operations	464	665	599	555	708	802	1,005	19	515	59	163	756	1,004
Investing Activities													
Capital Spending (to PP&E)	(232)	(302)	(347)	(361)	(339)	(486)	(457)	(132)	(77)	(77)	(77)	(352)	(307)
Net proceeds from disposals of assets	12	42	67	0	0	0	0	0	0	0	0	0	0
Net proceeds from sale of Energy Ventures	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment in Hage joint venture	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	(1)	(323)	(83)	(53)	(1,581)	(79)	(37)	(7)	(578)	0	0	(585)	0
Short-term investment increase	0	0	0	0	0	0	0	0	0	0	0	0	0
Other, net	(83)	62	(35)	(2)	15	12	6	(31)	0	0	0	(31)	0
Cash used in investing	(293)	(520)	(398)	(415)	(1,905)	(553)	(488)	(170)	(655)	(77)	(77)	(979)	(307)
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Investing Cash Flow	(293)	(520)	(398)	(415)	(1,905)	(553)	(488)	(170)	(655)	(77)	(77)	(979)	(307)
Financing Activities													
Sale of Common Equity	21	11	28	27	23	36	11	6	0	0	0	6	0
Sale of Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale of L.T. Debt	34	118	0	1,481	1,580	227	175	0	289	0	0	289	100
Redemption of Common Stock	0	0	0	0	0	0	(40)	0	0	0	0	0	0
Redemption of Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0
Redemption of L.T. Debt	0	(62)	(95)	(1,394)	(300)	(165)	(243)	(3)	0	0	0	(3)	0
Change in Notes Payable, LC, ST Debt	(77)	13	38	(72)	27	62	(17)	248	0	0	50	239	0
Common Dividends	(81)	(85)	(99)	(114)	(119)	(126)	(135)	(38)	(38)	(38)	(38)	(151)	(160)
Distributions to minority interests	(81)	(90)	(89)	(94)	(162)	(227)	(233)	(61)	(63)	(63)	(63)	(260)	(262)
APU equity & Other	3	1	4	4	278	9	12	(3)	0	0	0	(3)	0
Cash From (For) Financing	(160)	(115)	(214)	(152)	1,279	(185)	(476)	150	188	(101)	(51)	188	(322)
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Financing Cash Flow	(160)	(115)	(214)	(152)	1,279	(185)	(476)	150	188	(101)	(51)	188	(322)
Effect of exchange rate	(1)	4	(5)	(9)	(0)	7	(12)	(8)	0	0	0	(8)	0
Change in Cash	(7)	35	(16)	(22)	81	69	30	(9)	49	(118)	35	(44)	375
Cash & Temp. Inv. Beginning of Yr.	252	245	280	261	239	320	359	420	410	459	340	420	375
Cash & Temp. Inv. End of Yr.	\$245	\$280	\$264	\$239	\$320	\$389	\$420	\$410	\$458	\$340	\$375	\$375	\$750

Consolidated Balance Sheet (\$ Millions except per share data)													
	F2008A	F2009A	F2010A	F2011A	F2012A	F2013E	F2014A	Q1	Q2	Q3	Q4	F2016E	F2016E
Assets													
Cash and equivalents	\$245	\$287 ^a	\$295 ^a	\$295	\$323	\$398	\$438	\$465	\$459	\$340	\$375	\$375	\$750
Short-term investments	70	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Receivable	488	405	468	547	633	748	885	951	931	931	931	931	931
Accrued utility revenues	21	21	14	15	17	19	14	53	53	53	53	53	53
Inventories	401	363	314	363	357	388	423	391	391	391	391	391	391
Deferred income taxes	26	35	33	45	57	11	10	46	46	46	46	46	46
ST asset price risk management	18	20	11	10	13	24	15	20	20	20	20	20	20
Prepaid expenses	57	34	59	43	67	57	67	88	88	88	88	88	88
Other	13	20	25	28	39	9	13	17	17	17	17	17	17
Total current assets	1,339	1,165	1,220	1,305	1,505	1,627	1,683	2,040	2,034	1,915	1,930	1,930	2,325
Plant and equipment, gross	3,955	4,692	4,970	5,295	6,519	7,041	7,177	7,217	7,294	7,370	7,447	7,447	7,754
Accumulated depreciation	(1,515)	(1,799)	(1,917)	(2,080)	(2,289)	(2,580)	(2,633)	(2,664)	(2,748)	(2,832)	(2,822)	(2,822)	(3,250)
Plant and equipment, net	2,440	2,904	3,053	3,205	4,233	4,460	4,544	4,553	4,546	4,538	4,525	4,525	4,464
Goodwill	1,493	1,592	1,553	1,552	2,818	2,874	2,833	2,807	2,807	2,807	2,807	2,807	2,807
Intangible assets	155	166	150	148	668	608	576	564	564	564	564	564	564
Regulatory assets	91	0	0	0	0	0	0	0	0	0	0	0	0
Investments	63	0	0	0	0	0	0	0	0	0	0	0	0
Other	98	205	398	443	495	420	477	467	1,082	1,097	977	977	1,000
Total Assets	5,685	6,043	6,374	6,663	9,710	10,009	10,093	10,430	11,042	10,921	10,823	10,823	11,160
Liabilities and Equity													
Current maturities of long-term debt	218	258	774	185	332	235	288	605	605	605	655	655	655
Accounts payable	462	335	373	400	411	472	460	557	557	557	557	557	557
Deferred fuel refunds	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee compensation and benefits accrued	76	0	86	74	91	97	107	0	0	0	0	0	0
Dividends and interest accrued	32	0	0	0	73	0	0	0	0	0	0	0	0
Income taxes accrued	7	0	0	0	0	0	0	0	0	0	0	0	0
Deposits and advances	165	0	165	162	253	205	212	0	0	0	0	0	0
Other	224	505	277	257	327	355	355	807	807	807	807	807	807
Total current liabilities	1,184	1,097	1,675	1,078	1,467	1,425	1,431	1,969	1,969	1,969	2,019	2,019	2,019
Long-term debt	1,987	2,039	1,432	2,110	3,348	3,542	3,434	3,341	3,630	3,630	3,630	3,630	3,730
Deferred income taxes	491	505	601	709	935	952	1,005	976	1,023	1,026	1,026	1,026	1,114
Other	446	595	604	575	621	532	580	589	599	599	599	599	599
Total liabilities	4,108	4,226	4,313	4,472	6,391	6,461	6,430	6,875	7,211	7,216	7,264	7,264	7,462
Minority interest	159	225	237	213	1,086	1,055	1,004	908	1,027	919	820	820	747
Common Equity	1,418	1,591	1,825	1,978	2,233	2,493	2,659	2,646	2,804	2,786	2,739	2,739	2,951
Discontinued ops and other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities and Equity	5,685	6,043	6,374	6,663	9,710	10,009	10,093	10,430	11,042	10,921	10,823	10,823	11,160

UGI CORP NEW (UGI)



FYE (Sep.)	EPS US\$	P/E Hi - Lo	DPS US\$	Yield% Hi - Lo	Payout %	BV US\$	P/B Hi - Lo	ROE %
1994	0.26	21.7 14.9	0.31	7.9 5.4	>100	2.9	1.9 1.3	
1995	0.13	36.9 29.0	0.31	8.1 6.3	>100	2.6	1.9 1.5	5
1996	0.27	20.7 16.5	0.32	7.2 5.7	>100	2.5	2.2 1.7	10
1997	0.35	17.9 13.4	0.32	6.9 5.1	92	2.5	2.4 1.8	14
1998	0.27	24.5 16.7	0.32	7.1 4.8	>100	2.5	2.7 1.9	11
1999	0.27	20.9 12.2	0.33	10.0 5.8	>100	2.0	2.8 1.6	12
2000	0.35	15.3 11.4	0.34	8.5 6.4	97	1.7	3.3 2.4	19
2001	0.47	14.0 10.2	0.36	7.5 5.4	76	2.1	3.1 2.3	25
2002	0.60	13.6 9.3	0.37	6.8 4.5	81	2.6	3.2 2.2	26
2003	0.77	15.2 9.7	0.38	5.1 3.3	50	4.4	2.6 1.7	22
2004	0.87	14.4 11.1	0.42	4.3 3.3	48	5.4	2.3 1.8	18
2005	1.16	17.2 9.9	0.45	3.9 2.3	39	6.3	3.1 1.8	20
2006	1.10	17.7 12.2	0.47	3.5 2.4	43	7.0	2.8 1.9	17
2007	1.19	16.6 12.7	0.49	3.3 2.5	41	8.3	2.4 1.8	16
2008	1.32	14.6 12.1	0.51	3.2 2.7	39	8.7	2.2 1.8	16
2009	1.57	11.8 7.9	0.53	4.3 2.9	34	9.7	1.9 1.3	17
2010	1.00	19.3 15.5	0.67	4.3 3.4	67	10.5	1.8 1.5	10
2011	0.94	23.7 18.3	0.69	4.0 3.1	74	12.9	1.7 1.3	8
2012	0.80	26.7 20.2	0.72	4.5 3.4	91	14.5	1.5 1.1	6
2013	1.63	17.7 12.4	0.75	3.7 2.6	46	15.3	1.9 1.3	11
2014	1.99	18.4 12.7	0.87	3.4 2.4	44	19.5	1.9 1.3	11
Range*		36.9 7.9		10.0 2.3			3.3 1.1	
Current*	1.30	28.5	0.87	2.4	67	14.4	2.6	9
Growth(%)								
5 Year:	-3.4		10.3			8.1		
10 Year:	2.8		7.6			10.2		
20 Year:	9.1		5.4			8.3		

UGI - Rating as of 23-Feb-12 = Mkt

Date	Rating Change	Share Price
1 27-Apr-12	Mkt to OP	\$19.03
2 23-Apr-13	OP to Mkt	\$26.84

* Current EPS is the 4 Quarter Trailing to Q4/2014.
* Valuation metrics are based on high and low for the fiscal year.
* Range indicates the valuation range for the period presented above.

Last Price (February 3, 2015): \$38.57
Sources: IHS Global Insight, Thomson Reuters, BMO Capital Markets.

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 Pipelines & Gas Utilities
 North America | United States

UGI Corp (UGI)

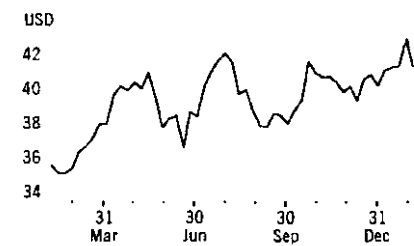
UGI in Line; Weather & Margin Key Drivers; Target Up

- **Citi's Take** — UGI reported 1Q14 EPS \$1.06, which was in line with the Street. A heavy crop drying season and cold weather resulted in high demand for propane and natural gas across all of UGI's assets. We are revising our target price up to \$44 from \$42 based on our updated estimates. We now estimate 2014 EPS of \$2.72, slightly ahead of guidance at \$2.60-2.70, on higher commodity demand.
- **AmeriGas**— AmeriGas reported operating income of \$178mn, ahead of our estimate of \$148mn. Higher sales were accompanied by higher margins. Higher margins drove the beat versus our estimate (See: *AmeriGas Partners LP (APU) - 1Q Beat on Margin Surprise, Guidance Affirmed*). Volumes in December were up 19% y-o-y on weather that was 22% colder than Dec. 2012.
- **International** — UGI's international propane business reported operating income of \$57mn beating our estimate of \$47mn. Drivers included quarterly retail sales at BP Poland (acquired by Flaga in Sep. 2013), partially offset by warmer than normal temperature in UGI's European service territory.
- **Gas Utility** — The gas utility reported operating income of \$82mn, ahead of our estimate of \$70mn. While weather did help in the quarter, margins from core customers increased as well. We believe fuel switching (fuel oil to natural gas) in UGI's territories is bolstering results.
- **Midstream & Marketing** — The midstream/energy services segment reported operating income of \$36mn vs. our estimate of \$34mn.
- **Capex** — Management said on the call that it expects capex levels to stay at current levels for the foreseeable future. Capex is up 40% since FY12.
- **Share Buyback** — UGI's board approved a share repurchase of \$100mn over 4 years. Management said it is considering a broad range of opportunities.

- Target Price Change
- Estimate Change

Neutral	2
Price (07 Feb 14)	US\$42.23
Target price	US\$44.00
	<i>from US\$42.00</i>
Expected share price return	4.2%
Expected dividend yield	2.7%
Expected total return	6.9%
Market Cap	US\$4,835M

Price Performance (RIC: UGI.N, BB: UGI US)



EPS	Q1	Q2	Q3	Q4	FY	FC Cons
2013A	0.90A	1.49A	0.13A	-0.06A	2.44A	2.45A
2014E	1.06A	1.39E	0.31E	-0.05E	2.72E	2.73E
Previous	0.93E	1.43E	0.39E	-0.05E	2.71E	na
2015E	1.00E	1.52E	0.35E	-0.02E	2.83E	3.07E
Previous	0.96E	1.46E	0.40E	-0.04E	na	na
2016E	1.05E	1.58E	0.34E	-0.03E	2.94E	3.02E
Previous	na	na	na	na	na	na

Source: Company Reports and dataCentral, Citi Research. FC Cons: First Call Consensus.

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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UGI.N: Fiscal year end 30-Sep						Price: US\$42.23; TP: US\$44.00; Market Cap: US\$4,834m; Recomm: Neutral					
Profit & Loss (US\$m)	2012	2013	2014E	2015E	2016E	Valuation ratios	2012	2013	2014E	2015E	2016E
Sales revenue	6,627	7,320	7,955	8,060	8,153	PE (x)	22.6	17.3	15.5	14.9	14.3
Cost of sales	-4,587	-4,787	-5,294	-5,339	-5,374	PB (x)	2.1	1.9	1.8	1.7	1.6
Gross profit	2,040	2,533	2,662	2,721	2,779	EV/EBITDA (x)	9.7	7.6	6.7	6.3	6.1
Gross Margin (%)	30.8	34.6	33.5	33.8	34.1	FCF yield (%)	8.0	11.8	9.6	9.5	10.9
EBITDA (Adj)	847	1,200	1,340	1,397	1,445	Dividend yield (%)	2.5	2.6	2.7	2.8	2.9
EBITDA Margin (Adj) (%)	12.8	16.4	16.8	17.3	17.7	Payout ratio (%)	57	45	42	41	42
Depreciation	-301	-342	-349	-350	-350	ROE (%)	10.0	12.0	12.4	12.0	11.6
Amortisation	-15	-15	-15	-15	-15	Cashflow (US\$m)	2012	2013	2014E	2015E	2016E
EBIT (Adj)	531	843	976	1,032	1,079	EBITDA	847	1,200	1,340	1,397	1,445
EBIT Margin (Adj) (%)	8.0	11.5	12.3	12.8	13.2	Working capital	85	139	5	-28	-1
Net interest	-219	-238	-237	-236	-237	Other	-213	-354	-410	-439	-447
Associates	0	0	21	0	0	Operating cashflow	719	985	935	931	997
Non-op/Except	-13	0	0	0	0	Capex	-339	-407	-463	-463	-463
Pre-tax profit	298	605	760	796	842	Net acq/disposals	-1,581	-24	0	0	0
Tax	-101	-170	-194	-202	-210	Other	15	-1	0	0	0
Extraord./Min.Int./Pref.div.	13	-153	-250	-264	-289	Investing cashflow	-1,905	-432	-463	-463	-463
Reported net profit	211	282	316	330	343	Dividends paid	-301	-348	-350	-359	-369
Net Margin (%)	3.2	3.8	4.0	4.1	4.2	Financing cashflow	1,279	-365	-350	-359	-369
Core NPAT	211	282	316	330	343	Net change in cash	93	185	123	108	164
Per share data	2012	2013	2014E	2015E	2016E	Free cashflow to s/holders	379	577	472	467	533
Reported EPS (\$)	1.86	2.44	2.72	2.83	2.94						
Core EPS (\$)	1.86	2.44	2.72	2.83	2.94						
DPS (\$)	1.06	1.11	1.13	1.18	1.22						
CFPS (\$)	6.37	8.52	8.04	7.99	8.56						
FCFPS (\$)	3.36	5.00	4.06	4.02	4.58						
BVPS (\$)	20.21	21.78	23.24	24.93	26.69						
Wtd avg ord shares (m)	110	113	114	114	114						
Wtd avg diluted shares (m)	113	116	116	116	116						
Growth rates	2012	2013	2014E	2015E	2016E						
Sales revenue (%)	6.1	10.5	8.7	1.3	1.2						
EBIT (Adj) (%)	-11.7	58.7	15.8	5.8	4.5						
Core NPAT (%)	-3.0	33.8	12.2	4.3	3.9						
Core EPS (%)	-3.3	30.8	11.4	4.3	3.9						
Balance Sheet (US\$m)	2012	2013	2014E	2015E	2016E						
Cash & cash equiv.	323	511	634	742	906						
Accounts receivables	633	732	743	762	764						
Inventory	357	413	419	430	431						
Net fixed & other tangibles	4,719	4,849	4,949	5,047	5,145						
Goodwill & intangibles	3,477	3,443	3,443	3,443	3,443						
Financial & other assets	202	98	98	98	98						
Total assets	9,710	10,045	10,284	10,521	10,786						
Accounts payable	411	476	484	485	485						
Short-term debt	332	332	332	332	332						
Long-term debt	3,348	3,298	3,298	3,298	3,298						
Provisions & other liab	2,300	2,435	2,450	2,451	2,453						
Total liabilities	6,391	6,541	6,564	6,566	6,568						
Shareholders' equity	2,233	2,465	2,649	2,842	3,043						
Minority interests	1,086	1,039	1,071	1,113	1,175						
Total equity	3,319	3,504	3,721	3,955	4,218						
Net debt	3,357	3,119	2,996	2,888	2,724						
Net debt to equity (%)	101.1	89.0	80.5	73.0	64.6						

For definitions of the items in this table, please click [here](#).



UGI Quarterly Analysis

Figure 1. UGI 1Q14 Quarterly Analysis

	Actual 1Q14	Citi Estimate 1Q14	Actual Delta (%)	Actual 4Q13	Actual Change Q-o-Q Unit	Actual Change Q-o-Q Delta (%)	Actual 1Q13	Actual Change Y-o-Y Unit	Actual Change Y-o-Y Delta (%)
Amerigas Partners LP									
Operating Revenues	1,045.8	900.6	16%	569.9	475.9	84%	876.6	169.2	19%
Operating Expenses									
Cost of Propane	582.7	442.4	32%	262.9	319.8	122%	429.6	153.1	36%
O&A	237.6	243.5	-2%	243.6	(6.0)	-2%	243.5	(5.9)	-2%
D&A		52.5	-100%	52.5	(52.5)	-100%	49.4	(49.4)	-100%
EBITDA	230.2	200.3	15%	48.9	181.3	371%	189.2	41.0	22%
International Propane									
Operating Revenues	718.6	782.7	-8%	413.2	305.4	74%	340.8	377.8	111%
Operating Expenses									
Cost of Propane	514.2	285.5	80%	81.9	432.3	528%	87.6	426.6	487%
O&A	126.6	125.0	1%	103.2	23.4	23%	93.4	33.2	36%
D&A		19.6	-100%	19.6	(19.6)	-100%	20.0	(20.0)	-100%
EBIT	56.9	53.5	6%	13.0	43.9	337%	55.5	1.4	3%
Gas Utility									
Operating Revenue	271.6	306.4	-11%	160.3	111.3	69%	248.3	23.3	9%
Operating Expenses									
Cost of Natural Gas	135.5	177.2	-24%	94.3	41.2	44%	123.6	11.9	10%
O&M	38.6	45.9	-16%	41.3	(2.7)	-7%	45.6	(7.0)	-15%
D&A		13.1	-100%	13.1	(13.1)	-100%	12.9	(12.9)	-100%
EBIT	82.1	69.6	18%	12.4	69.7	564%	65.6	16.5	25%
Energy Services									
Operating Revenue	289.0	253.0	14%	156.5	132.45	85%	241.9	47.10	19%
Cost of Sales	233.2	199.8	17%	150.1	83.11	55%	187.9	45.30	24%
O&A	14.2	17.6	-19%	19.7	(5.54)	-28%	17.5	(3.34)	-19%
D&A		4.6	-100%	4.6	(4.56)	-100%	1.8	(1.60)	-100%
EBIT	36.2	33.5	8%	(15.4)	51.58	-335%	26.9	9.34	35%
Consolidated Financial Results									
Operating Income	363.7	305.1	19%	8.3	355.4	4286%	295.1	68.6	23%
Interest Expense	59.3	59.3	0%	59.3	(0.0)	0%	59.3	0.0	0%
Income Taxes	86.9	66.6	30%	(4.6)	91.5	-1995%	65.1	21.8	33%
Net Income from Continuing Ops	\$123.5	108.7	14%	(7.5)	131.0	-1750%	102.6	20.9	20%
Recurring Diluted EPS	\$1.06	\$0.93	14%	-\$0.06	\$1.12	-1749%	\$0.90	\$0.16	18%

Source: Citi Research, company reports

UGI Corp

Company description

UGI Corp operates as a diversified gas utility, electric utility and global propane distribution company. The company's utility and power assets are located in Pennsylvania. The company's propane business is composed of a 46% equity interest in AmeriGas Partners and an international propane distribution unit with principal operations in Europe, where the company controls about a quarter of the market. UGI also operates an energy services business with generation and storage assets.

Investment strategy

We rate UGI a Neutral (2). The company provides stable cash flows through a combination of an electric and gas utility. In addition, the company has one of the largest propane businesses in the US and has an International Propane division that serves customers in Europe. Historically UGI has generated strong free cash flows from its domestic propane and utilities businesses enabling the company to make bolt-on acquisitions and increase its dividend over time. However, the propane business in the US looks challenged as commodity prices move higher, and customers migrate to alternative fuels.

Valuation

Our average multiple valuation methodologies derives a \$44 target price. Our NAV yields a value of \$49. We value regulated assets at a multiple of rate base (1.6x for gas utilities). The company's gas marketing segment is valued at 6x EBITDA, in-line with multiples for other marketers. These values are partially offset by the UGI's net debt. Our DDM values the company at \$40. We calculate a hypothetical dividend, based on UGI's regulated capital growth, authorized returns and cost of equity to arrive at our DDM valuation. Our P/E and EV/EBITDA multiples are based on our proprietary analyses, which utilize current corporate spreads, betas and projected risk-free yields. For our P/E analysis, we use multiples of 16x, 13.6x, 16x and 10.5x for the company's Gas Utility, Propane, Electric Utility and Marketing/Energy Services assets. For our EV/EBITDA analysis, we use multiples of 8x and 6.8x for the company's Gas & Electric Utility/Propane businesses and Marketing/Energy Services assets. International propane operations are valued at a 15% discount to our gas utilities, due to exposure to weather and exchange rates. Our P/E and EV/EBITDA analyses yield values of \$40 and \$47.

Risks

The key risks to our investment thesis are: 1) Weather and exchange rates: Slightly affecting UGI's stable cash flows are sensitivities to weather and exchange rates. Flaga and Antargaz's earnings remain exposed to foreign currency fluctuations; 2) Demand fluctuation and industry evolution: Propane distributors compete in an unregulated market. While the barriers to entry are high, UGI competes with a number of propane distributors in the U.S. and Europe. Economics for other fuel types is also making it more economical for customers to switch into other fuels; 3) Regulation: Our earnings estimates assume normal weather and recovery of capital spent in excess of depreciation through higher customer rates. These rates depend on orders from Pennsylvania Public Utility Commission; 4) Commodity prices: Our margin assumptions at UGI's power plants are based on market prices and the capacity market in PJM. Higher fuel costs or regulatory impediments within the PJM

market could adversely affect our earnings estimates. If the impact on the company from any of these factors proves to be greater/less than we anticipate, it may prevent the stock from achieving our target price or could cause our target price to be materially outperformed.

(APU.N; US\$41.47; 2H)

AmeriGas Partners LP

Valuation

Our 12-month target price for AmeriGas Partners, L.P. is \$43.50 per unit. Our target price assumes that AmeriGas will keep the distribution flat at an annualized rate of \$3.36/unit over the next 12 months and that the units should trade with a 7.75% yield. Our choice of the implied yield is a function of the MLP's growth outlook, risk profile, and the broader yield environment. We use internal rate of return (IRR) and discounted cash flow (DCF) methodologies to help support our implied yield valuation. These secondary valuation metrics are based on our 5-year operational forecast that takes into account near-term growth opportunities and/or risk factors. Our terminal yield and growth estimates take into account a more normalized yield environment and a slower pace of long-term industry growth. The long-term yield we use to value APU is 8.50%, which is anchored by our 2018 MLP index yield estimate of 7.5% (300 basis points above a 10-year Treasury yield of 4.5%) plus 100 basis points, in-line with historical levels. Based on terminal distribution growth of 0%, we derive an IRR of ~7.4% and a DCF of \$41.13/unit. The equity value for APU based on our DCF model is slightly below our implied yield valuation, but nonetheless supports our view on the partnership.

Risks

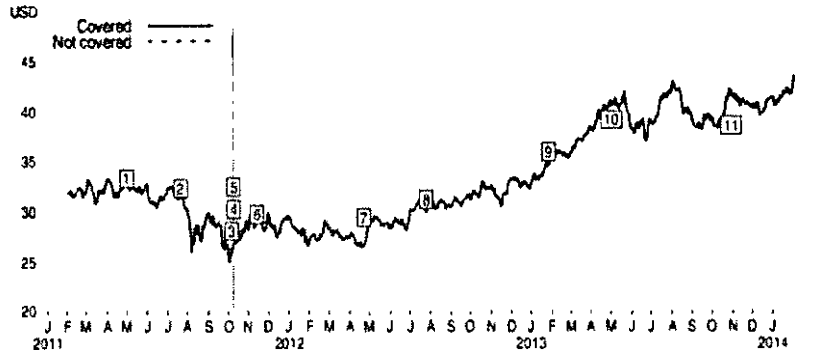
We rate AmeriGas Partners High Risk based on the consideration of key risk factors that include: 1) balance sheet strength, 2) distribution coverage, and 3) variability of cash flows. AmeriGas's balance sheet strength as measured by 2014 Net Debt/EBITDA is in-line with the MLP peer group at 4.2x (vs. 4.0x for the peer group). AmeriGas's distribution coverage ratio of 0.99x is below the peer group average of 1.13x. APU also has a high level of seasonal cash flow volatility. Risks to the MLP achieving our 12-month target price include: 1) a sharp increase in wholesale propane costs that causes the partnership's retail margin to decline, 2) unfavorable weather conditions, such as a cool summer or a warm winter, that drive lower than expected volumes, and 3) a greater increase in interest rates that could make the partnership's relatively high yield less attractive. Conversely, we believe the units could materially outperform our target price if the weather becomes more favorable (i.e., cool winter and/or warm summer) and the partnership is able to sell a greater amount of propane than anticipated.

Appendix A-1 Analyst Certification

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IMPORTANT DISCLOSURES

UGI Corp (UGI)
Ratings and Target Price History
Fundamental Research
Analyst: Faisal Khan, CFA



Date	Rating	Target Price	Closing Price
1 2-May-11	2M	*36.00	32.74
2 21-Jul-11	2M	*34.00	32.29
3 6-Oct-11	*1M	*31.00	26.40
4 8-Oct-11	Stock rating system changed		

* Indicates change

Date	Rating	Target Price	Closing Price
5 8-Oct-11	*1	31.00	26.27
6 13-Nov-11	1	*33.00	29.41
7 23-Apr-12	1	*31.00	26.62
8 25-Jul-12	1	*34.00	29.92

Date	Rating	Target Price	Closing Price
9 25-Jan-13	*2	*37.00	34.56
10 1-May-13	2	*40.00	40.46
11 29-Oct-13	2	*42.00	42.06

Rating/target price changes above reflect Eastern Standard Time

UGI Corp (UGI)
Ratings and Target Price History
Best Ideas Research
Relative Call (3 Month)
Analyst: Faisal Khan, CFA

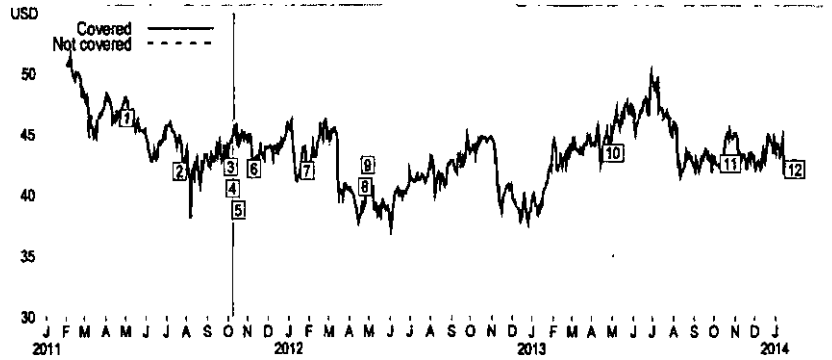


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Rating/target price changes above reflect Eastern Standard Time

AmeriGas Partners LP (APU)
Ratings and Target Price History
Fundamental Research

Analyst: John K Tysseland



Date	Rating	Target Price	Closing Price
1 3-May-11	2H	*\$1.50	47.74
2 21-Jul-11	*2H	*\$3.50	44.85
3 6-Oct-11	2H	*\$2.00	44.48
4 8-Oct-11	Stock rating system changed		

Date	Rating	Target Price	Closing Price
5 18-Oct-11	*3H	*\$0.50	45.10
6 10-Nov-11	3H	*\$9.00	42.45
7 30-Jan-12	3H	*\$8.00	41.98
8 25-Apr-12	3H	*\$3.50	39.38

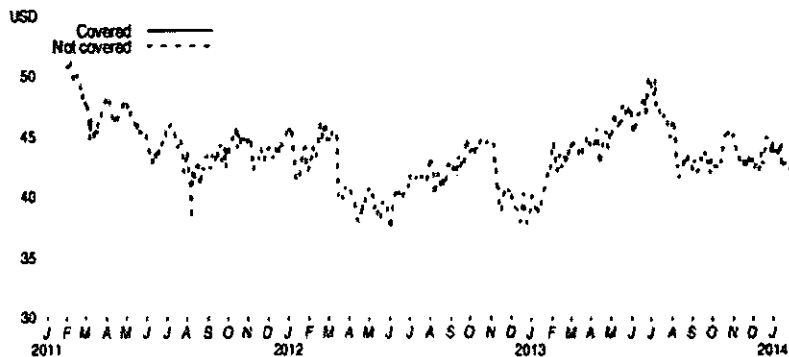
Date	Rating	Target Price	Closing Price
9 29-Apr-12	3H	*\$6.50	40.61
10 2-May-13	3H	*\$8.50	45.35
11 25-Oct-13	*2H	*\$5.50	44.95
12 30-Jan-14	2H	*\$3.50	42.93

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

AmeriGas Partners LP (APU)
Ratings and Target Price History
Best Ideas Research
Relative Call (3 Month)

Analyst: John K Tysseland



* Indicates change

Rating/target price changes above reflect Eastern Standard Time

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<i>Data current as of 31 Dec 2013</i>	12 Month Rating			Relative Rating		
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ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST



CAPITAL MARKETS

Nathan Judge, CFA

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Gas and Electric Utilities

April 29, 2015

UGI Corporation

(UGI) - BUY

UGI increases dividend 4.6%, expecting acceleration of growth in 18 months

Price:	\$35.61
Fair Value Estimate:	\$43.00
52-Week Range:	\$30.75 - \$39.75
Market Cap (MM):	\$6,153
Shr.O/S-Diluted (mm):	172.8
Average Daily Volume:	1,169,132
Dividend:	\$0.89
Yield:	2.5%
Cash/Share:	\$5.82
FCF Yield:	8.1%
Debt/Cap:	50%

FYE: Sept	2014A	2015E	2016E
EPS:	\$1.99A	\$1.91E	\$2.25E
Prior EPS:		NC	NC
Consensus	NM	1.92	2.03
P/E Ratio:	17.9x	18.6x	15.8x

Quarterly Adjusted EBITDA (\$M):

	2014A	2015E	2016E
Q1	490.0A	401.0A	--
Q2	691.0A	665.0E	--
Q3	143.0A	139.0E	--
Q4	89.0A	170.0E	--
Year:	1,368.0A	1,385.0E	1,505.0E

Quarterly EPS:

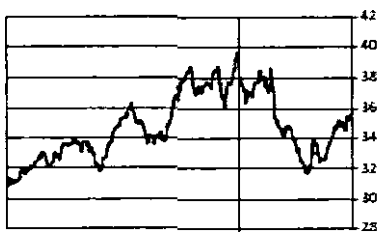
	2014A	2015E	2016E
Q1	\$0.72A	\$0.66A	--
Q2	\$1.29A	\$1.23E	--
Q3	\$0.10A	\$0.13E	--
Q4	\$(0.08)A	\$(0.11)E	--

Flash Takeaways

Last night, UGI increased its dividend 4.6%, which was a bit faster than expectations. Looking further out, we expect the dividend to be increased meaningfully in the medium term, providing a catalyst for the stock. We reiterate our Buy rating.

Analysts Notes

- Dividend increase slightly better than consensus expected. We had expected the dividend to rise by 4% while consensus forecast a more modest 2.3% increase.
- Strong record of dividend increases. The annual increase over the past three years has been 8.1% on average. Last year, the company initially raised the dividend 4.5% in the 2nd quarter but raised it a further 10.5% the following quarter, a 15.5% YoY increase.
- We expect another step up in the dividend in the next 24 months. We expect earnings growth to accelerate, reflecting robust improvement in its international propane operations as well as strong growth in its midstream energy services segment. All told, our 2017 EPS estimate is about 10% above consensus. This higher level of profit should lead to a step up in the dividend.
- Valuation does not reflect growth opportunities. We observe that UGI's PE and EV/EBITDA ratios are +20% lower than its peers despite having faster growth and a better balance sheet. We expect this will normalize as investors increasingly perceive UGI as a higher-valued energy infrastructure company rather than as a utility.



1 Year Price History for UGI

IMPORTANT DISCLOSURES

Research Analyst Certification

I, Nathan Judge, the Primarily Responsible Analyst for this research report, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers. No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views I expressed in this research report.

Janney Montgomery Scott LLC ("Janney") Equity Research Disclosure Legend

Janney Montgomery Scott LLC intends to seek or expects to receive compensation for investment banking services from UGI Corporation in the next three months.

The research analyst is compensated based on, in part, Janney Montgomery Scott's profitability, which includes its investment banking revenues.

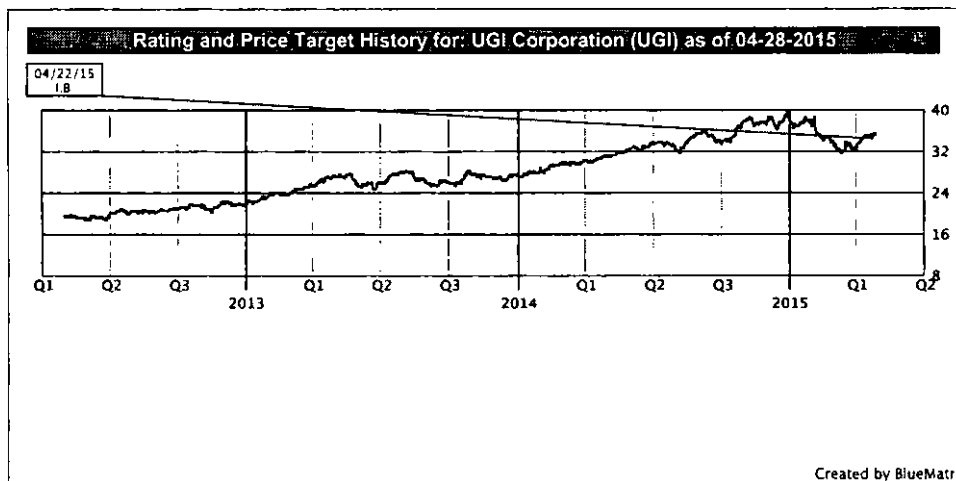
Definition of Ratings

BUY: Janney expects that the subject company will appreciate in value. Additionally, we expect that the subject company will outperform comparable companies within its sector.

NEUTRAL: Janney believes that the subject company is fairly valued and will perform in line with comparable companies within its sector. Investors may add to current positions on short-term weakness and sell on strength as the valuations or fundamentals become more or less attractive.

SELL: Janney expects that the subject company will likely decline in value and will underperform comparable companies within its sector.

Price Charts



Janney Montgomery Scott Ratings Distribution as of 3/31/15

Rating	IB Serv./Past 12 Mos.			
	Count	Percent	Count	Percent
BUY [B]	140	50.36	21	15.00
NEUTRAL [N]	137	49.28	14	10.22
SELL [S]	1	0.36	0	0.00

*Percentages of each rating category where Janney has performed Investment Banking services over the past 12 months.

Other Disclosures

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Investment opinions are based on each stock's 6-12 month return potential. Our ratings are not based on formal price targets, however, our analysts will discuss fair value and/or target price ranges in research reports. Decisions to buy or sell a stock should be based on the investor's investment objectives and risk tolerance and should not rely solely on the rating. Investors should read carefully the entire research report, which provides a more complete discussion of the analyst's views. Supporting information related to the recommendation, if any, made in the research report is available upon request.



CAPITAL MARKETS

Nathan Judge, CFA

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Gas and Electric Utilities

May 18, 2015

UGI Corporation

(UGI) - BUY

Totalgaz acquisition approval sets stage for margin upside

Price:	\$37.17
Fair Value Estimate:	\$43.00
52-Week Range:	\$31.44 - \$39.75
Market Cap (MM):	\$6,412
Shr.O/S-Diluted (mm):	172.5
Average Daily Volume:	1,145,318
Dividend:	\$0.89
Yield:	2.4%
Cash/Share:	\$5.82
FCF Yield:	11.1%
Debt/Cap:	50%

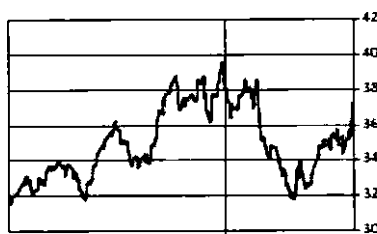
FYE:	Sept 2014A	2015E	2016E
EPS:	\$1.99A	\$2.05E	\$2.25E
Prior EPS:		NC	NC
Consensus	NM	1.98	2.09
P/E Ratio:	18.7x	18.1x	16.5x

Quarterly Adjusted EBITDA (\$M):

	2014A	2015E	2016E
Q1	490.0A	401.0A	--
Q2	691.0A	661.5A	--
Q3	143.0A	193.5E	--
Q4	89.0A	148.4E	--
Year:	1,368.0A	1,404.4E	1,505.0E

Quarterly EPS:

	2014A	2015E	2016E
Q1	\$0.72A	\$0.66A	--
Q2	\$1.29A	\$1.23A	--
Q3	\$0.10A	\$0.17E	--
Q4	\$(0.08)A	\$(0.01)E	--



1 Year Price History for UGI

Flash Takeaways

On Friday after the close, UGI announced that it had received final regulatory approval for its acquisition of Totalgaz (a European propane distribution business). We believe the closing of this acquisition sets the stage for margin upside in UGI's European propane business relative to consensus expectations. Our 2017 EPS estimate of \$2.40 is 6% higher than consensus.

Analysts Notes

- Acquisition recap: The purchase price of Totalgaz is expected to be 400-450m Euros. Totalgaz distributed 265 million retail gallons of LPG in 2013; the acquisition will increase UGI Europe retail LPG volumes by ~45%. While we (and we believe consensus) have included Totalgaz in our estimates, the completion of the deal increases clarity around growth.
- Margin upside from European LPG business: As we noted in our April 22nd note 'Initiating at Buy: Well positioned to benefit from shale revolution', we expect greater margin expansion in UGI's European business than consensus expects. As the US propane market becomes saturated with excess supply, US propane is being exported. This is putting downward pressure on European LPG prices which naturally benefits UGI's European propane distribution business. The lower fuel costs results in higher margins. As the higher international margins become evident over the next 18 months, we would expect consensus earnings estimates to rise by 5 – 15% and the shares to respond positively.
- Additional upside from Totalgaz synergies: Management has noted that there is the potential for synergies in the European business but they've downplayed how (or when) this would occur. Our estimates do not include acquisition synergies but we note that UGI is a top tier management team with a history of under promising and over delivering. The most recent example of this is the recent 6% raise in the midpoint in 2015 EPS guidance following the strong fiscal 2Q15 results.

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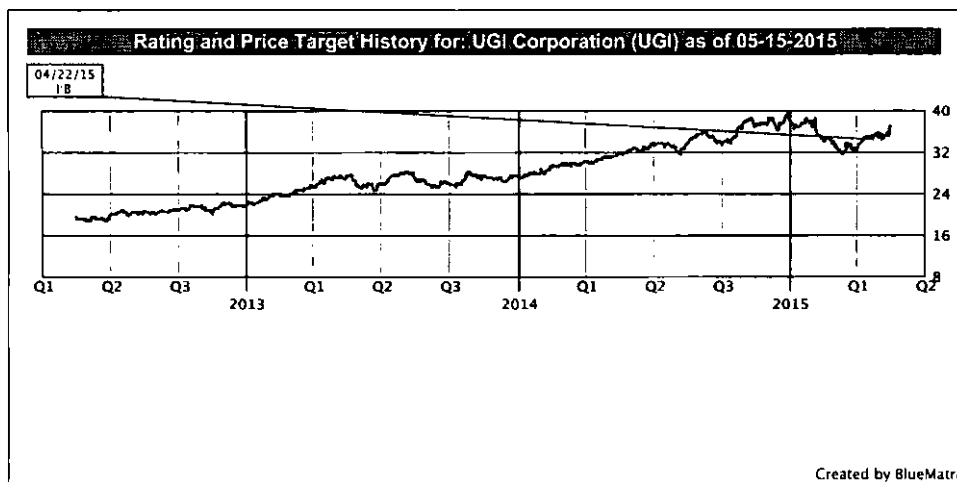
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	Actual DD	Normal DD			Trend	Month	Actual UPC
	Calendar	Calendar	HDDm-1	HDDm			RG Incl RT
Jan-95	966	1081	841	966	0.4083	Jan-95	2.30
Feb-95	1026	916	966	1,026	0.4167	Feb-95	2.03
Mar-95	655	717	1,026	655	0.4250	Mar-95	1.97
Apr-95	452	378	655	452	0.4333	Apr-95	1.69
May-95	164	139	452	164	0.4417	May-95	1.48
Jun-95	7	16	164	7	0.4500	Jun-95	1.24
Jul-95	0	0	7	0	0.4583	Jul-95	1.14
Aug-95	0	4	0	0	0.4667	Aug-95	1.05
Sep-95	86	65	0	86	0.4750	Sep-95	1.06
Oct-95	247	335	86	247	0.4833	Oct-95	1.24
Nov-95	785	617	247	785	0.4917	Nov-95	1.43
Dec-95	1116	946	785	1,116	0.5000	Dec-95	1.92
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	1.90
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	2.26
Mar-96	880	717	1,053	880	0.5250	Mar-96	2.44
Apr-96	437	378	880	437	0.5333	Apr-96	1.93
May-96	229	139	437	229	0.5417	May-96	1.52
Jun-96	6	16	229	6	0.5500	Jun-96	1.34
Jul-96	1	0	6	1	0.5583	Jul-96	1.13
Aug-96	2	4	1	2	0.5667	Aug-96	1.09
Sep-96	78	65	2	78	0.5750	Sep-96	1.17
Oct-96	348	335	78	348	0.5833	Oct-96	1.40
Nov-96	781	617	348	781	0.5917	Nov-96	1.67
Dec-96	868	946	781	868	0.6000	Dec-96	1.93
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	2.31
Feb-97	773	916	1,108	773	0.6167	Feb-97	2.05
Mar-97	731	717	773	731	0.6250	Mar-97	1.74
Apr-97	456	378	731	456	0.6333	Apr-97	1.52
May-97	219	139	456	219	0.6417	May-97	1.53
Jun-97	43	16	219	43	0.6500	Jun-97	1.24
Jul-97	3	0	43	3	0.6583	Jul-97	1.12
Aug-97	3	4	3	3	0.6667	Aug-97	1.04
Sep-97	81	65	3	81	0.6750	Sep-97	1.12
Oct-97	354	335	81	354	0.6833	Oct-97	1.43
Nov-97	714	617	354	714	0.6917	Nov-97	1.60
Dec-97	928	946	714	928	0.7000	Dec-97	1.93
Jan-98	831	1081	928	831	0.7083	Jan-98	2.06
Feb-98	707	916	831	707	0.7167	Feb-98	1.72
Mar-98	681	717	707	681	0.7250	Mar-98	1.77
Apr-98	349	378	681	349	0.7333	Apr-98	1.50
May-98	87	139	349	87	0.7417	May-98	1.43
Jun-98	37	16	87	37	0.7500	Jun-98	1.17
Jul-98	1	0	37	1	0.7583	Jul-98	1.06
Aug-98	3	4	1	3	0.7667	Aug-98	1.06
Sep-98	45	65	3	45	0.7750	Sep-98	1.10
Oct-98	320	335	45	320	0.7833	Oct-98	1.31
Nov-98	608	617	320	608	0.7917	Nov-98	1.57
Dec-98	800	946	608	800	0.8000	Dec-98	1.78
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	2.05
Feb-99	839	916	1,050	839	0.8167	Feb-99	1.83
Mar-99	792	717	839	792	0.8250	Mar-99	1.94
Apr-99	421	378	792	421	0.8333	Apr-99	1.68
May-99	123	139	421	123	0.8417	May-99	1.41
Jun-99	17	16	123	17	0.8500	Jun-99	1.15
Jul-99	0	0	17	0	0.8583	Jul-99	1.02
Aug-99	6	4	0	6	0.8667	Aug-99	0.91
Sep-99	68	65	6	68	0.8750	Sep-99	0.95

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC RG Incl RT
Oct-99	396	335	68	396	0.8833	Oct-99	1.33
Nov-99	536	617	396	536	0.8917	Nov-99	1.54
Dec-99	896	946	536	896	0.9000	Dec-99	1.87
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	2.05
Feb-00	920	946	1,119	920	0.9167	Feb-00	2.07
Mar-00	594	717	920	594	0.9250	Mar-00	1.94
Apr-00	429	378	594	429	0.9333	Apr-00	1.60
May-00	124	139	429	124	0.9417	May-00	1.35
Jun-00	28	16	124	28	0.9500	Jun-00	1.16
Jul-00	2	0	28	2	0.9583	Jul-00	1.10
Aug-00	9	4	2	9	0.9667	Aug-00	1.03
Sep-00	147	65	9	147	0.9750	Sep-00	1.13
Oct-00	351	335	147	351	0.9833	Oct-00	1.38
Nov-00	700	617	351	700	0.9917	Nov-00	1.54
Dec-00	1189	946	700	1,189	1.0000	Dec-00	1.99
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	2.34
Feb-01	882	916	1,119	882	1.0167	Feb-01	2.07
Mar-01	844	717	882	844	1.0250	Mar-01	1.76
Apr-01	406	378	844	406	1.0333	Apr-01	1.66
May-01	142	139	406	142	1.0417	May-01	1.42
Jun-01	16	16	142	16	1.0500	Jun-01	1.12
Jul-01	5	0	16	5	1.0583	Jul-01	1.06
Aug-01	0	4	5	0	1.0667	Aug-01	0.98
Sep-01	105	65	0	105	1.0750	Sep-01	1.04
Oct-01	336	335	105	336	1.0833	Oct-01	1.28
Nov-01	486	617	336	486	1.0917	Nov-01	1.55
Dec-01	810	946	486	810	1.1000	Dec-01	1.79
Jan-02	893	1081	810	893	1.1083	Jan-02	1.95
Feb-02	783	916	893	783	1.1167	Feb-02	1.73
Mar-02	700	717	783	700	1.1250	Mar-02	1.75
Apr-02	375	378	700	375	1.1333	Apr-02	1.48
May-02	200	139	375	200	1.1417	May-02	1.33
Jun-02	13	16	200	13	1.1500	Jun-02	1.14
Jul-02	0	0	13	0	1.1583	Jul-02	1.00
Aug-02	5	4	0	5	1.1667	Aug-02	0.94
Sep-02	36	65	5	36	1.1750	Sep-02	0.98
Oct-02	420	335	36	420	1.1833	Oct-02	1.24
Nov-02	682	617	420	682	1.1917	Nov-02	1.46
Dec-02	1046	946	682	1,046	1.2000	Dec-02	1.91
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	2.19
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	2.05
Mar-03	774	717	1,062	774	1.2250	Mar-03	2.00
Apr-03	446	378	774	446	1.2333	Apr-03	1.62
May-03	225	139	446	225	1.2417	May-03	1.40
Jun-03	58	16	225	58	1.2500	Jun-03	1.22
Jul-03	0	0	58	0	1.2583	Jul-03	1.13
Aug-03	0	4	0	0	1.2667	Aug-03	0.96
Sep-03	47	65	0	47	1.2750	Sep-03	1.02
Oct-03	408	335	47	408	1.2833	Oct-03	1.29
Nov-03	530	617	408	530	1.2917	Nov-03	1.59
Dec-03	954	946	530	954	1.3000	Dec-03	1.87
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	2.17
Feb-04	944	946	1,278	944	1.3167	Feb-04	2.09
Mar-04	685	717	944	685	1.3250	Mar-04	1.85
Apr-04	390	378	685	390	1.3333	Apr-04	1.51
May-04	71	139	390	71	1.3417	May-04	1.42
Jun-04	28	16	71	28	1.3500	Jun-04	1.03

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	RG Incl RT
Jul-04	0	0	28	0	1.3583	Jul-04	0.98
Aug-04	10	4	0	10	1.3667	Aug-04	1.00
Sep-04	34	65	10	34	1.3750	Sep-04	1.08
Oct-04	364	335	34	364	1.3833	Oct-04	1.30
Nov-04	567	617	364	567	1.3917	Nov-04	1.56
Dec-04	946	946	567	946	1.4000	Dec-04	1.82
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	2.12
Feb-05	889	916	1,127	889	1.4167	Feb-05	1.91
Mar-05	868	717	889	868	1.4250	Mar-05	1.96
Apr-05	340	378	868	340	1.4333	Apr-05	1.68
May-05	231	139	340	231	1.4417	May-05	1.30
Jun-05	6	16	231	6	1.4500	Jun-05	1.07
Jul-05	0	0	6	0	1.4583	Jul-05	1.04
Aug-05	0	4	0	0	1.4667	Aug-05	0.89
Sep-05	27	65	0	27	1.4750	Sep-05	0.92
Oct-05	304	335	27	304	1.4833	Oct-05	1.16
Nov-05	579	617	304	579	1.4917	Nov-05	1.46
Dec-05	1064	946	579	1,064	1.5000	Dec-05	1.88
Jan-06	847	1081	1,064	847	1.5083	Jan-06	2.20
Feb-06	902	916	847	902	1.5167	Feb-06	1.94
Mar-06	692	717	902	692	1.5250	Mar-06	1.80
Apr-06	341	378	692	341	1.5333	Apr-06	1.54
May-06	154	139	341	154	1.5417	May-06	1.33
Jun-06	22	16	154	22	1.5500	Jun-06	1.04
Jul-06	0	0	22	0	1.5583	Jul-06	0.98
Aug-06	1	4	0	1	1.5667	Aug-06	0.90
Sep-06	89	65	1	89	1.5750	Sep-06	0.95
Oct-06	375	335	89	375	1.5833	Oct-06	1.28
Nov-06	512	617	375	512	1.5917	Nov-06	1.53
Dec-06	779	946	512	779	1.6000	Dec-06	1.83
Jan-07	938	1081	779	938	1.6083	Jan-07	1.92
Feb-07	1117	916	938	1,117	1.6167	Feb-07	1.80
Mar-07	755	717	1,117	755	1.6250	Mar-07	2.13
Apr-07	495	378	755	495	1.6333	Apr-07	1.70
May-07	110	139	495	110	1.6417	May-07	1.33
Jun-07	12	16	110	12	1.6500	Jun-07	1.00
Jul-07	4	0	12	4	1.6583	Jul-07	0.90
Aug-07	16	4	4	16	1.6667	Aug-07	0.89
Sep-07	50	65	16	50	1.6750	Sep-07	1.00
Oct-07	192	335	50	192	1.6833	Oct-07	1.17
Nov-07	703	617	192	703	1.6917	Nov-07	1.38
Dec-07	956	946	703	956	1.7000	Dec-07	2.02
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	2.33
Feb-08	947	946	1,000	947	1.7167	Feb-08	1.96
Mar-08	737	717	947	737	1.7250	Mar-08	1.89
Apr-08	335	378	737	335	1.7333	Apr-08	1.46
May-08	226	139	335	226	1.7417	May-08	1.28
Jun-08	7	16	226	7	1.7500	Jun-08	1.07
Jul-08	0	0	7	0	1.7583	Jul-08	0.94
Aug-08	4	4	0	4	1.7667	Aug-08	0.96
Sep-08	54	65	4	54	1.7750	Sep-08	1.03
Oct-08	418	335	54	418	1.7833	Oct-08	1.26
Nov-08	680	617	418	680	1.7917	Nov-08	1.75
Dec-08	963	946	680	963	1.8000	Dec-08	2.17
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	2.20
Feb-09	880	916	1,225	880	1.8167	Feb-09	1.99
Mar-09	735	717	880	735	1.8250	Mar-09	1.83

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	RG Incl RT
Apr-09	388	378	735	388	1.8333	Apr-09	1.51
May-09	140	139	388	140	1.8417	May-09	1.26
Jun-09	25	16	140	25	1.8500	Jun-09	1.06
Jul-09	0	0	25	0	1.8583	Jul-09	1.04
Aug-09	6	4	0	6	1.8667	Aug-09	1.00
Sep-09	78	65	6	78	1.8750	Sep-09	1.02
Oct-09	381	335	78	381	1.8833	Oct-09	1.35
Nov-09	526	617	381	526	1.8917	Nov-09	1.63
Dec-09	995	946	526	995	1.9000	Dec-09	1.88
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	2.28
Feb-10	965	916	1,082	965	1.9167	Feb-10	1.87
Mar-10	557	717	965	557	1.9250	Mar-10	1.84
Apr-10	288	378	557	288	1.9333	Apr-10	1.35
May-10	119	139	288	119	1.9417	May-10	1.26
Jun-10	7	16	119	7	1.9500	Jun-10	1.01
Jul-10	0	0	7	0	1.9583	Jul-10	0.90
Aug-10	0	4	0	0	1.9667	Aug-10	0.87
Sep-10	25	65	0	25	1.9750	Sep-10	0.99
Oct-10	331	335	25	331	1.9833	Oct-10	1.25
Nov-10	631	617	331	631	1.9917	Nov-10	1.57
Dec-10	1103	946	631	1,103	2.0000	Dec-10	2.17
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	2.32
Feb-11	893	916	1,192	893	2.0167	Feb-11	2.02
Mar-11	757	717	893	757	2.0250	Mar-11	1.79
Apr-11	354	378	757	354	2.0333	Apr-11	1.64
May-11	92	139	354	92	2.0417	May-11	1.25
Jun-11	2	16	92	2	2.0500	Jun-11	0.96
Jul-11	0	0	2	0	2.0583	Jul-11	0.91
Aug-11	2	4	0	2	2.0667	Aug-11	0.90
Sep-11	51	65	2	51	2.0750	Sep-11	1.01
Oct-11	355	335	51	355	2.0833	Oct-11	1.28
Nov-11	536	617	355	536	2.0917	Nov-11	1.73
Dec-11	795	946	536	795	2.1000	Dec-11	2.05
Jan-12	951	1081	795	951	2.1083	Jan-12	2.32
Feb-12	783	946	951	783	2.1167	Feb-12	1.93
Mar-12	451	717	783	451	2.1250	Mar-12	1.79
Apr-12	373	378	451	373	2.1333	Apr-12	1.32
May-12	51	139	373	51	2.1417	May-12	1.21
Jun-12	21	16	51	21	2.1500	Jun-12	0.96
Jul-12	0	0	21	0	2.1583	Jul-12	0.87
Aug-12	0	4	0	0	2.1667	Aug-12	0.91
Sep-12	77	65	0	77	2.1750	Sep-12	0.94
Oct-12	302	335	77	302	2.1833	Oct-12	1.30
Nov-12	754	617	302	754	2.1917	Nov-12	1.76
Dec-12	816	946	754	816	2.2000	Dec-12	2.39
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	2.54
Feb-13	924	916	1,001	924	2.2167	Feb-13	2.47
Mar-13	819	717	924	819	2.2250	Mar-13	2.26
Apr-13	383	378	819	383	2.2333	Apr-13	1.93
May-13	158	139	383	158	2.2417	May-13	1.23
Jun-13	4	16	158	4	2.2500	Jun-13	1.01
Jul-13	0	0	4	0	2.2583	Jul-13	0.88
Aug-13	2	4	0	2	2.2667	Aug-13	0.92
Sep-13	111	65	2	111	2.2750	Sep-13	1.00
Oct-13	300	335	111	300	2.2833	Oct-13	1.31
Nov-13	723	617	300	723	2.2917	Nov-13	1.92
Dec-13	968	946	723	968	2.3000	Dec-13	2.71

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	RG Incl RT
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	2.99
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	2.72
Mar-14	908	717	1,064	908	2.3250	Mar-14	2.52
Apr-14	430	378	908	430	2.3333	Apr-14	1.74
May-14	126	139	430	126	2.3417	May-14	1.35
Jun-14	4	16	126	4	2.3500	Jun-14	1.00
Jul-14	2	0	4	2	2.3583	Jul-14	0.90
Aug-14	2	4	2	2	2.3667	Aug-14	0.95
Sep-14	71	65	2	71	2.3750	Sep-14	0.97
Oct-14	267	335	71	267	2.3833	Oct-14	1.29
Nov-14	731	617	267	731	2.3917	Nov-14	1.99
Dec-14	875	946	731	875	2.4000	Dec-14	2.71
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	2.93
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	2.83
Mar-15	920	717	1,228	920	2.4250	Mar-15	2.82
Apr-15	360	378	920	360	2.4333	Apr-15	1.69
May-15	65	139	360	65	2.4417	May-15	1.16
Jun-15	27	16	65	27	2.4500	Jun-15	0.93
Jul-15	0	0	27	0	2.4583	Jul-15	0.92
Aug-15	0	4	0	0	2.4667	Aug-15	0.89
Sep-15	26	65	0	26	2.4750	Sep-15	0.91
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

	Actual DD	Normal DD			Trend	Month	Actual UPC
	Calendar	Calendar	HDDm-1	HDDm			RH Incl RT
Jan-95	966	1081	841	966	0.4083	Jan-95	15.86
Feb-95	1026	916	966	1,026	0.4167	Feb-95	17.68
Mar-95	655	717	1,026	655	0.4250	Mar-95	12.61
Apr-95	452	378	655	452	0.4333	Apr-95	8.76
May-95	164	139	452	164	0.4417	May-95	3.86
Jun-95	7	16	164	7	0.4500	Jun-95	1.70
Jul-95	0	0	7	0	0.4583	Jul-95	2.04
Aug-95	0	4	0	0	0.4667	Aug-95	2.07
Sep-95	86	65	0	86	0.4750	Sep-95	2.84
Oct-95	247	335	86	247	0.4833	Oct-95	4.79
Nov-95	785	617	247	785	0.4917	Nov-95	11.96
Dec-95	1116	946	785	1,116	0.5000	Dec-95	17.66
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	19.64
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	17.47
Mar-96	880	717	1,053	880	0.5250	Mar-96	16.75
Apr-96	437	378	880	437	0.5333	Apr-96	8.79
May-96	229	139	437	229	0.5417	May-96	5.48
Jun-96	6	16	229	6	0.5500	Jun-96	1.83
Jul-96	1	0	6	1	0.5583	Jul-96	2.01
Aug-96	2	4	1	2	0.5667	Aug-96	2.10
Sep-96	78	65	2	78	0.5750	Sep-96	2.87
Oct-96	348	335	78	348	0.5833	Oct-96	6.12
Nov-96	781	617	348	781	0.5917	Nov-96	12.45
Dec-96	868	946	781	868	0.6000	Dec-96	14.11
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	18.65
Feb-97	773	916	1,108	773	0.6167	Feb-97	14.13
Mar-97	731	717	773	731	0.6250	Mar-97	13.29
Apr-97	456	378	731	456	0.6333	Apr-97	8.41
May-97	219	139	456	219	0.6417	May-97	4.72
Jun-97	43	16	219	43	0.6500	Jun-97	1.89
Jul-97	3	0	43	3	0.6583	Jul-97	1.76
Aug-97	3	4	3	3	0.6667	Aug-97	1.92
Sep-97	81	65	3	81	0.6750	Sep-97	2.78
Oct-97	354	335	81	354	0.6833	Oct-97	6.28
Nov-97	714	617	354	714	0.6917	Nov-97	11.28
Dec-97	928	946	714	928	0.7000	Dec-97	14.53
Jan-98	831	1081	928	831	0.7083	Jan-98	13.88
Feb-98	707	916	831	707	0.7167	Feb-98	12.39
Mar-98	681	717	707	681	0.7250	Mar-98	11.92
Apr-98	349	378	681	349	0.7333	Apr-98	6.78
May-98	87	139	349	87	0.7417	May-98	2.82
Jun-98	37	16	87	37	0.7500	Jun-98	2.05
Jul-98	1	0	37	1	0.7583	Jul-98	1.86
Aug-98	3	4	1	3	0.7667	Aug-98	1.91
Sep-98	45	65	3	45	0.7750	Sep-98	2.26
Oct-98	320	335	45	320	0.7833	Oct-98	5.41
Nov-98	608	617	320	608	0.7917	Nov-98	9.02
Dec-98	800	946	608	800	0.8000	Dec-98	12.06
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	16.72
Feb-99	839	916	1,050	839	0.8167	Feb-99	14.16
Mar-99	792	717	839	792	0.8250	Mar-99	13.73
Apr-99	421	378	792	421	0.8333	Apr-99	7.79
May-99	123	139	421	123	0.8417	May-99	3.04
Jun-99	17	16	123	17	0.8500	Jun-99	1.71
Jul-99	0	0	17	0	0.8583	Jul-99	1.91
Aug-99	6	4	0	6	0.8667	Aug-99	1.74
Sep-99	68	65	6	68	0.8750	Sep-99	2.27

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	RH Incl RT
Oct-99	396	335	68	396	0.8833	Oct-99	6.39
Nov-99	536	617	396	536	0.8917	Nov-99	8.16
Dec-99	896	946	536	896	0.9000	Dec-99	13.66
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	17.57
Feb-00	920	946	1,119	920	0.9167	Feb-00	15.55
Mar-00	594	717	920	594	0.9250	Mar-00	10.42
Apr-00	429	378	594	429	0.9333	Apr-00	7.62
May-00	124	139	429	124	0.9417	May-00	3.22
Jun-00	28	16	124	28	0.9500	Jun-00	1.73
Jul-00	2	0	28	2	0.9583	Jul-00	1.67
Aug-00	9	4	2	9	0.9667	Aug-00	1.94
Sep-00	147	65	9	147	0.9750	Sep-00	3.45
Oct-00	351	335	147	351	0.9833	Oct-00	5.37
Nov-00	700	617	351	700	0.9917	Nov-00	9.96
Dec-00	1189	946	700	1,189	1.0000	Dec-00	17.49
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	17.48
Feb-01	882	916	1,119	882	1.0167	Feb-01	14.60
Mar-01	844	717	882	844	1.0250	Mar-01	13.53
Apr-01	406	378	844	406	1.0333	Apr-01	7.41
May-01	142	139	406	142	1.0417	May-01	3.15
Jun-01	16	16	142	16	1.0500	Jun-01	1.45
Jul-01	5	0	16	5	1.0583	Jul-01	1.69
Aug-01	0	4	5	0	1.0667	Aug-01	1.75
Sep-01	105	65	0	105	1.0750	Sep-01	2.82
Oct-01	336	335	105	336	1.0833	Oct-01	5.28
Nov-01	486	617	336	486	1.0917	Nov-01	6.83
Dec-01	810	946	486	810	1.1000	Dec-01	11.56
Jan-02	893	1081	810	893	1.1083	Jan-02	13.31
Feb-02	783	916	893	783	1.1167	Feb-02	12.48
Mar-02	700	717	783	700	1.1250	Mar-02	11.13
Apr-02	375	378	700	375	1.1333	Apr-02	6.67
May-02	200	139	375	200	1.1417	May-02	3.90
Jun-02	13	16	200	13	1.1500	Jun-02	1.46
Jul-02	0	0	13	0	1.1583	Jul-02	1.65
Aug-02	5	4	0	5	1.1667	Aug-02	1.67
Sep-02	36	65	5	36	1.1750	Sep-02	1.97
Oct-02	420	335	36	420	1.1833	Oct-02	6.35
Nov-02	682	617	420	682	1.1917	Nov-02	9.52
Dec-02	1046	946	682	1,046	1.2000	Dec-02	15.11
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	19.12
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	17.19
Mar-03	774	717	1,062	774	1.2250	Mar-03	13.23
Apr-03	446	378	774	446	1.2333	Apr-03	8.19
May-03	225	139	446	225	1.2417	May-03	4.34
Jun-03	58	16	225	58	1.2500	Jun-03	1.82
Jul-03	0	0	58	0	1.2583	Jul-03	1.61
Aug-03	0	4	0	0	1.2667	Aug-03	1.73
Sep-03	47	65	0	47	1.2750	Sep-03	2.05
Oct-03	408	335	47	408	1.2833	Oct-03	6.52
Nov-03	530	617	408	530	1.2917	Nov-03	7.75
Dec-03	954	946	530	954	1.3000	Dec-03	13.91
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	19.45
Feb-04	944	946	1,278	944	1.3167	Feb-04	15.29
Mar-04	685	717	944	685	1.3250	Mar-04	11.55
Apr-04	390	378	685	390	1.3333	Apr-04	6.82
May-04	71	139	390	71	1.3417	May-04	2.33
Jun-04	28	16	71	28	1.3500	Jun-04	1.67

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	RH Incl RT
Jul-04	0	0	28	0	1.3583	Jul-04	1.69
Aug-04	10	4	0	10	1.3667	Aug-04	1.73
Sep-04	34	65	10	34	1.3750	Sep-04	2.08
Oct-04	364	335	34	364	1.3833	Oct-04	6.00
Nov-04	567	617	364	567	1.3917	Nov-04	7.81
Dec-04	946	946	567	946	1.4000	Dec-04	12.95
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	16.35
Feb-05	889	916	1,127	889	1.4167	Feb-05	13.80
Mar-05	868	717	889	868	1.4250	Mar-05	13.62
Apr-05	340	378	868	340	1.4333	Apr-05	6.31
May-05	231	139	340	231	1.4417	May-05	4.13
Jun-05	6	16	231	6	1.4500	Jun-05	1.04
Jul-05	0	0	6	0	1.4583	Jul-05	1.46
Aug-05	0	4	0	0	1.4667	Aug-05	1.56
Sep-05	27	65	0	27	1.4750	Sep-05	1.78
Oct-05	304	335	27	304	1.4833	Oct-05	4.80
Nov-05	579	617	304	579	1.4917	Nov-05	7.52
Dec-05	1064	946	579	1,064	1.5000	Dec-05	15.67
Jan-06	847	1081	1,064	847	1.5083	Jan-06	11.79
Feb-06	902	916	847	902	1.5167	Feb-06	13.36
Mar-06	692	717	902	692	1.5250	Mar-06	9.74
Apr-06	341	378	692	341	1.5333	Apr-06	4.73
May-06	154	139	341	154	1.5417	May-06	2.81
Jun-06	22	16	154	22	1.5500	Jun-06	1.52
Jul-06	0	0	22	0	1.5583	Jul-06	1.39
Aug-06	1	4	0	1	1.5667	Aug-06	1.39
Sep-06	89	65	1	89	1.5750	Sep-06	2.18
Oct-06	375	335	89	375	1.5833	Oct-06	5.53
Nov-06	512	617	375	512	1.5917	Nov-06	6.43
Dec-06	779	946	512	779	1.6000	Dec-06	10.32
Jan-07	938	1081	779	938	1.6083	Jan-07	14.22
Feb-07	1117	916	938	1,117	1.6167	Feb-07	16.80
Mar-07	755	717	1,117	755	1.6250	Mar-07	10.14
Apr-07	495	378	755	495	1.6333	Apr-07	8.01
May-07	110	139	495	110	1.6417	May-07	2.13
Jun-07	12	16	110	12	1.6500	Jun-07	1.66
Jul-07	4	0	12	4	1.6583	Jul-07	1.39
Aug-07	16	4	4	16	1.6667	Aug-07	1.40
Sep-07	50	65	16	50	1.6750	Sep-07	1.68
Oct-07	192	335	50	192	1.6833	Oct-07	3.04
Nov-07	703	617	192	703	1.6917	Nov-07	9.71
Dec-07	956	946	703	956	1.7000	Dec-07	13.23
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	14.23
Feb-08	947	946	1,000	947	1.7167	Feb-08	13.32
Mar-08	737	717	947	737	1.7250	Mar-08	10.50
Apr-08	335	378	737	335	1.7333	Apr-08	4.37
May-08	226	139	335	226	1.7417	May-08	3.24
Jun-08	7	16	226	7	1.7500	Jun-08	1.46
Jul-08	0	0	7	0	1.7583	Jul-08	1.50
Aug-08	4	4	0	4	1.7667	Aug-08	1.43
Sep-08	54	65	4	54	1.7750	Sep-08	1.86
Oct-08	418	335	54	418	1.7833	Oct-08	5.21
Nov-08	680	617	418	680	1.7917	Nov-08	8.67
Dec-08	963	946	680	963	1.8000	Dec-08	12.98
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	18.07
Feb-09	880	916	1,225	880	1.8167	Feb-09	11.77
Mar-09	735	717	880	735	1.8250	Mar-09	10.27

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC RH Incl RT
Apr-09	388	378	735	388	1.8333	Apr-09	5.41
May-09	140	139	388	140	1.8417	May-09	2.39
Jun-09	25	16	140	25	1.8500	Jun-09	1.81
Jul-09	0	0	25	0	1.8583	Jul-09	1.45
Aug-09	6	4	0	6	1.8667	Aug-09	1.34
Sep-09	78	65	6	78	1.8750	Sep-09	1.90
Oct-09	381	335	78	381	1.8833	Oct-09	4.60
Nov-09	526	617	381	526	1.8917	Nov-09	6.08
Dec-09	995	946	526	995	1.9000	Dec-09	13.94
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	15.29
Feb-10	965	916	1,082	965	1.9167	Feb-10	13.65
Mar-10	557	717	965	557	1.9250	Mar-10	7.57
Apr-10	288	378	557	288	1.9333	Apr-10	3.79
May-10	119	139	288	119	1.9417	May-10	2.36
Jun-10	7	16	119	7	1.9500	Jun-10	1.67
Jul-10	0	0	7	0	1.9583	Jul-10	1.53
Aug-10	0	4	0	0	1.9667	Aug-10	1.44
Sep-10	25	65	0	25	1.9750	Sep-10	1.62
Oct-10	331	335	25	331	1.9833	Oct-10	3.56
Nov-10	631	617	331	631	1.9917	Nov-10	7.92
Dec-10	1103	946	631	1,103	2.0000	Dec-10	15.78
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	16.49
Feb-11	893	916	1,192	893	2.0167	Feb-11	12.23
Mar-11	757	717	893	757	2.0250	Mar-11	10.78
Apr-11	354	378	757	354	2.0333	Apr-11	4.83
May-11	92	139	354	92	2.0417	May-11	2.27
Jun-11	2	16	92	2	2.0500	Jun-11	1.57
Jul-11	0	0	2	0	2.0583	Jul-11	1.53
Aug-11	2	4	0	2	2.0667	Aug-11	1.42
Sep-11	51	65	2	51	2.0750	Sep-11	1.84
Oct-11	355	335	51	355	2.0833	Oct-11	4.47
Nov-11	536	617	355	536	2.0917	Nov-11	6.49
Dec-11	795	946	536	795	2.1000	Dec-11	10.57
Jan-12	951	1081	795	951	2.1083	Jan-12	13.84
Feb-12	783	946	951	783	2.1167	Feb-12	10.75
Mar-12	451	717	783	451	2.1250	Mar-12	5.75
Apr-12	373	378	451	373	2.1333	Apr-12	5.03
May-12	51	139	373	51	2.1417	May-12	1.68
Jun-12	21	16	51	21	2.1500	Jun-12	1.72
Jul-12	0	0	21	0	2.1583	Jul-12	1.04
Aug-12	0	4	0	0	2.1667	Aug-12	0.96
Sep-12	77	65	0	77	2.1750	Sep-12	1.59
Oct-12	302	335	77	302	2.1833	Oct-12	3.53
Nov-12	754	617	302	754	2.1917	Nov-12	10.15
Dec-12	816	946	754	816	2.2000	Dec-12	10.64
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	14.35
Feb-13	924	916	1,001	924	2.2167	Feb-13	12.76
Mar-13	819	717	924	819	2.2250	Mar-13	11.55
Apr-13	383	378	819	383	2.2333	Apr-13	4.30
May-13	158	139	383	158	2.2417	May-13	2.43
Jun-13	4	16	158	4	2.2500	Jun-13	1.51
Jul-13	0	0	4	0	2.2583	Jul-13	1.39
Aug-13	2	4	0	2	2.2667	Aug-13	1.36
Sep-13	111	65	2	111	2.2750	Sep-13	2.19
Oct-13	300	335	111	300	2.2833	Oct-13	3.82
Nov-13	723	617	300	723	2.2917	Nov-13	9.41
Dec-13	968	946	723	968	2.3000	Dec-13	12.92

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	RH Incl RT
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	18.32
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	14.47
Mar-14	908	717	1,064	908	2.3250	Mar-14	12.34
Apr-14	430	378	908	430	2.3333	Apr-14	5.47
May-14	126	139	430	126	2.3417	May-14	1.80
Jun-14	4	16	126	4	2.3500	Jun-14	1.41
Jul-14	2	0	4	2	2.3583	Jul-14	1.27
Aug-14	2	4	2	2	2.3667	Aug-14	1.10
Sep-14	71	65	2	71	2.3750	Sep-14	2.99
Oct-14	267	335	71	267	2.3833	Oct-14	2.95
Nov-14	731	617	267	731	2.3917	Nov-14	9.89
Dec-14	875	946	731	875	2.4000	Dec-14	11.50
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	17.20
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	17.41
Mar-15	920	717	1,228	920	2.4250	Mar-15	12.30
Apr-15	360	378	920	360	2.4333	Apr-15	5.01
May-15	65	139	360	65	2.4417	May-15	1.82
Jun-15	27	16	65	27	2.4500	Jun-15	1.80
Jul-15	0	0	27	0	2.4583	Jul-15	1.39
Aug-15	0	4	0	0	2.4667	Aug-15	1.38
Sep-15	26	65	0	26	2.4750	Sep-15	1.66
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

	Actual DD	Normal DD			Trend	Month	Actual UPC
	Calendar	Calendar	HDDm-1	HDDm			CG Incl NT&DS
Jan-95	966	1081	841	966	0.4083	Jan-95	26.60
Feb-95	1026	916	966	1,026	0.4167	Feb-95	25.04
Mar-95	655	717	1,026	655	0.4250	Mar-95	25.56
Apr-95	452	378	655	452	0.4333	Apr-95	22.65
May-95	164	139	452	164	0.4417	May-95	20.66
Jun-95	7	16	164	7	0.4500	Jun-95	17.80
Jul-95	0	0	7	0	0.4583	Jul-95	17.36
Aug-95	0	4	0	0	0.4667	Aug-95	17.21
Sep-95	86	65	0	86	0.4750	Sep-95	18.08
Oct-95	247	335	86	247	0.4833	Oct-95	21.65
Nov-95	785	617	247	785	0.4917	Nov-95	22.58
Dec-95	1116	946	785	1,116	0.5000	Dec-95	27.48
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	28.87
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	26.62
Mar-96	880	717	1,053	880	0.5250	Mar-96	27.01
Apr-96	437	378	880	437	0.5333	Apr-96	22.63
May-96	229	139	437	229	0.5417	May-96	19.80
Jun-96	6	16	229	6	0.5500	Jun-96	19.63
Jul-96	1	0	6	1	0.5583	Jul-96	15.00
Aug-96	2	4	1	2	0.5667	Aug-96	17.92
Sep-96	78	65	2	78	0.5750	Sep-96	18.01
Oct-96	348	335	78	348	0.5833	Oct-96	23.45
Nov-96	781	617	348	781	0.5917	Nov-96	24.20
Dec-96	868	946	781	868	0.6000	Dec-96	26.87
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	27.12
Feb-97	773	916	1,108	773	0.6167	Feb-97	26.03
Mar-97	731	717	773	731	0.6250	Mar-97	25.29
Apr-97	456	378	731	456	0.6333	Apr-97	21.66
May-97	219	139	456	219	0.6417	May-97	21.31
Jun-97	43	16	219	43	0.6500	Jun-97	17.97
Jul-97	3	0	43	3	0.6583	Jul-97	17.13
Aug-97	3	4	3	3	0.6667	Aug-97	17.65
Sep-97	81	65	3	81	0.6750	Sep-97	18.55
Oct-97	354	335	81	354	0.6833	Oct-97	22.43
Nov-97	714	617	354	714	0.6917	Nov-97	24.30
Dec-97	928	946	714	928	0.7000	Dec-97	26.74
Jan-98	831	1081	928	831	0.7083	Jan-98	26.79
Feb-98	707	916	831	707	0.7167	Feb-98	24.47
Mar-98	681	717	707	681	0.7250	Mar-98	25.19
Apr-98	349	378	681	349	0.7333	Apr-98	21.29
May-98	87	139	349	87	0.7417	May-98	19.73
Jun-98	37	16	87	37	0.7500	Jun-98	17.03
Jul-98	1	0	37	1	0.7583	Jul-98	17.67
Aug-98	3	4	1	3	0.7667	Aug-98	17.26
Sep-98	45	65	3	45	0.7750	Sep-98	18.42
Oct-98	320	335	45	320	0.7833	Oct-98	21.82
Nov-98	608	617	320	608	0.7917	Nov-98	24.50
Dec-98	800	946	608	800	0.8000	Dec-98	24.42
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	29.18
Feb-99	839	916	1,050	839	0.8167	Feb-99	26.71
Mar-99	792	717	839	792	0.8250	Mar-99	26.31
Apr-99	421	378	792	421	0.8333	Apr-99	21.96
May-99	123	139	421	123	0.8417	May-99	20.02
Jun-99	17	16	123	17	0.8500	Jun-99	17.45
Jul-99	0	0	17	0	0.8583	Jul-99	16.35
Aug-99	6	4	0	6	0.8667	Aug-99	16.39
Sep-99	68	65	6	68	0.8750	Sep-99	17.99

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CG Incl NT&DS
Oct-99	396	335	68	396	0.8833	Oct-99	22.26
Nov-99	536	617	396	536	0.8917	Nov-99	22.16
Dec-99	896	946	536	896	0.9000	Dec-99	27.57
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	27.41
Feb-00	920	946	1,119	920	0.9167	Feb-00	28.45
Mar-00	594	717	920	594	0.9250	Mar-00	24.43
Apr-00	429	378	594	429	0.9333	Apr-00	21.89
May-00	124	139	429	124	0.9417	May-00	19.18
Jun-00	28	16	124	28	0.9500	Jun-00	18.05
Jul-00	2	0	28	2	0.9583	Jul-00	17.03
Aug-00	9	4	2	9	0.9667	Aug-00	17.98
Sep-00	147	65	9	147	0.9750	Sep-00	18.76
Oct-00	351	335	147	351	0.9833	Oct-00	22.85
Nov-00	700	617	351	700	0.9917	Nov-00	22.89
Dec-00	1189	946	700	1,189	1.0000	Dec-00	29.41
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	32.73
Feb-01	882	916	1,119	882	1.0167	Feb-01	24.84
Mar-01	844	717	882	844	1.0250	Mar-01	26.01
Apr-01	406	378	844	406	1.0333	Apr-01	22.89
May-01	142	139	406	142	1.0417	May-01	18.90
Jun-01	16	16	142	16	1.0500	Jun-01	17.37
Jul-01	5	0	16	5	1.0583	Jul-01	17.25
Aug-01	0	4	5	0	1.0667	Aug-01	17.01
Sep-01	105	65	0	105	1.0750	Sep-01	17.63
Oct-01	336	335	105	336	1.0833	Oct-01	22.12
Nov-01	486	617	336	486	1.0917	Nov-01	22.12
Dec-01	810	946	486	810	1.1000	Dec-01	25.27
Jan-02	893	1081	810	893	1.1083	Jan-02	25.90
Feb-02	783	916	893	783	1.1167	Feb-02	24.46
Mar-02	700	717	783	700	1.1250	Mar-02	24.48
Apr-02	375	378	700	375	1.1333	Apr-02	20.90
May-02	200	139	375	200	1.1417	May-02	19.19
Jun-02	13	16	200	13	1.1500	Jun-02	17.13
Jul-02	0	0	13	0	1.1583	Jul-02	17.47
Aug-02	5	4	0	5	1.1667	Aug-02	17.43
Sep-02	36	65	5	36	1.1750	Sep-02	17.73
Oct-02	420	335	36	420	1.1833	Oct-02	20.61
Nov-02	682	617	420	682	1.1917	Nov-02	23.43
Dec-02	1046	946	682	1,046	1.2000	Dec-02	29.35
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	29.60
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	31.09
Mar-03	774	717	1,062	774	1.2250	Mar-03	27.57
Apr-03	446	378	774	446	1.2333	Apr-03	22.15
May-03	225	139	446	225	1.2417	May-03	20.01
Jun-03	58	16	225	58	1.2500	Jun-03	18.95
Jul-03	0	0	58	0	1.2583	Jul-03	17.30
Aug-03	0	4	0	0	1.2667	Aug-03	17.09
Sep-03	47	65	0	47	1.2750	Sep-03	17.69
Oct-03	408	335	47	408	1.2833	Oct-03	22.36
Nov-03	530	617	408	530	1.2917	Nov-03	22.85
Dec-03	954	946	530	954	1.3000	Dec-03	27.06
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	29.41
Feb-04	944	946	1,278	944	1.3167	Feb-04	29.96
Mar-04	685	717	944	685	1.3250	Mar-04	24.64
Apr-04	390	378	685	390	1.3333	Apr-04	21.77
May-04	71	139	390	71	1.3417	May-04	19.20
Jun-04	28	16	71	28	1.3500	Jun-04	16.19

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CG Incl NT&DS
Jul-04	0	0	28	0	1.3583	Jul-04	17.70
Aug-04	10	4	0	10	1.3667	Aug-04	17.56
Sep-04	34	65	10	34	1.3750	Sep-04	18.83
Oct-04	364	335	34	364	1.3833	Oct-04	21.75
Nov-04	567	617	364	567	1.3917	Nov-04	23.16
Dec-04	946	946	567	946	1.4000	Dec-04	26.61
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	31.15
Feb-05	889	916	1,127	889	1.4167	Feb-05	27.01
Mar-05	868	717	889	868	1.4250	Mar-05	28.98
Apr-05	340	378	868	340	1.4333	Apr-05	20.42
May-05	231	139	340	231	1.4417	May-05	20.78
Jun-05	6	16	231	6	1.4500	Jun-05	17.06
Jul-05	0	0	6	0	1.4583	Jul-05	16.58
Aug-05	0	4	0	0	1.4667	Aug-05	17.37
Sep-05	27	65	0	27	1.4750	Sep-05	16.66
Oct-05	304	335	27	304	1.4833	Oct-05	20.45
Nov-05	579	617	304	579	1.4917	Nov-05	22.82
Dec-05	1064	946	579	1,064	1.5000	Dec-05	28.10
Jan-06	847	1081	1,064	847	1.5083	Jan-06	29.49
Feb-06	902	916	847	902	1.5167	Feb-06	24.75
Mar-06	692	717	902	692	1.5250	Mar-06	27.61
Apr-06	341	378	692	341	1.5333	Apr-06	21.93
May-06	154	139	341	154	1.5417	May-06	19.27
Jun-06	22	16	154	22	1.5500	Jun-06	17.14
Jul-06	0	0	22	0	1.5583	Jul-06	17.19
Aug-06	1	4	0	1	1.5667	Aug-06	19.63
Sep-06	89	65	1	89	1.5750	Sep-06	15.86
Oct-06	375	335	89	375	1.5833	Oct-06	22.47
Nov-06	512	617	375	512	1.5917	Nov-06	27.52
Dec-06	779	946	512	779	1.6000	Dec-06	21.81
Jan-07	938	1081	779	938	1.6083	Jan-07	24.56
Feb-07	1117	916	938	1,117	1.6167	Feb-07	28.67
Mar-07	755	717	1,117	755	1.6250	Mar-07	29.82
Apr-07	495	378	755	495	1.6333	Apr-07	24.66
May-07	110	139	495	110	1.6417	May-07	21.57
Jun-07	12	16	110	12	1.6500	Jun-07	16.75
Jul-07	4	0	12	4	1.6583	Jul-07	19.95
Aug-07	16	4	4	16	1.6667	Aug-07	14.59
Sep-07	50	65	16	50	1.6750	Sep-07	18.68
Oct-07	192	335	50	192	1.6833	Oct-07	21.53
Nov-07	703	617	192	703	1.6917	Nov-07	21.79
Dec-07	956	946	703	956	1.7000	Dec-07	28.34
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	30.94
Feb-08	947	946	1,000	947	1.7167	Feb-08	27.69
Mar-08	737	717	947	737	1.7250	Mar-08	27.41
Apr-08	335	378	737	335	1.7333	Apr-08	22.32
May-08	226	139	335	226	1.7417	May-08	19.75
Jun-08	7	16	226	7	1.7500	Jun-08	19.03
Jul-08	0	0	7	0	1.7583	Jul-08	18.14
Aug-08	4	4	0	4	1.7667	Aug-08	17.96
Sep-08	54	65	4	54	1.7750	Sep-08	18.81
Oct-08	418	335	54	418	1.7833	Oct-08	21.46
Nov-08	680	617	418	680	1.7917	Nov-08	24.72
Dec-08	963	946	680	963	1.8000	Dec-08	30.52
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	30.78
Feb-09	880	916	1,225	880	1.8167	Feb-09	31.33
Mar-09	735	717	880	735	1.8250	Mar-09	27.96

	Actual DD	Normal DD			Trend	Month	Actual UPC
	Calendar	Calendar	HDDm-1	HDDm			CG Incl NT&DS
Apr-09	388	378	735	388	1.8333	Apr-09	21.79
May-09	140	139	388	140	1.8417	May-09	21.03
Jun-09	25	16	140	25	1.8500	Jun-09	18.39
Jul-09	0	0	25	0	1.8583	Jul-09	19.43
Aug-09	6	4	0	6	1.8667	Aug-09	19.54
Sep-09	78	65	6	78	1.8750	Sep-09	19.90
Oct-09	381	335	78	381	1.8833	Oct-09	23.63
Nov-09	526	617	381	526	1.8917	Nov-09	25.04
Dec-09	995	946	526	995	1.9000	Dec-09	28.06
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	31.96
Feb-10	965	916	1,082	965	1.9167	Feb-10	27.26
Mar-10	557	717	965	557	1.9250	Mar-10	27.12
Apr-10	288	378	557	288	1.9333	Apr-10	20.97
May-10	119	139	288	119	1.9417	May-10	21.62
Jun-10	7	16	119	7	1.9500	Jun-10	18.51
Jul-10	0	0	7	0	1.9583	Jul-10	18.14
Aug-10	0	4	0	0	1.9667	Aug-10	18.33
Sep-10	25	65	0	25	1.9750	Sep-10	19.81
Oct-10	331	335	25	331	1.9833	Oct-10	22.32
Nov-10	631	617	331	631	1.9917	Nov-10	23.98
Dec-10	1103	946	631	1,103	2.0000	Dec-10	31.50
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	34.23
Feb-11	893	916	1,192	893	2.0167	Feb-11	31.80
Mar-11	757	717	893	757	2.0250	Mar-11	28.02
Apr-11	354	378	757	354	2.0333	Apr-11	22.59
May-11	92	139	354	92	2.0417	May-11	21.59
Jun-11	2	16	92	2	2.0500	Jun-11	18.39
Jul-11	0	0	2	0	2.0583	Jul-11	18.02
Aug-11	2	4	0	2	2.0667	Aug-11	17.67
Sep-11	51	65	2	51	2.0750	Sep-11	19.84
Oct-11	355	335	51	355	2.0833	Oct-11	22.81
Nov-11	536	617	355	536	2.0917	Nov-11	26.37
Dec-11	795	946	536	795	2.1000	Dec-11	29.25
Jan-12	951	1081	795	951	2.1083	Jan-12	29.99
Feb-12	783	946	951	783	2.1167	Feb-12	27.90
Mar-12	451	717	783	451	2.1250	Mar-12	26.34
Apr-12	373	378	451	373	2.1333	Apr-12	20.89
May-12	51	139	373	51	2.1417	May-12	20.85
Jun-12	21	16	51	21	2.1500	Jun-12	18.40
Jul-12	0	0	21	0	2.1583	Jul-12	17.74
Aug-12	0	4	0	0	2.1667	Aug-12	18.21
Sep-12	77	65	0	77	2.1750	Sep-12	19.13
Oct-12	302	335	77	302	2.1833	Oct-12	23.60
Nov-12	754	617	302	754	2.1917	Nov-12	25.37
Dec-12	816	946	754	816	2.2000	Dec-12	32.46
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	31.90
Feb-13	924	916	1,001	924	2.2167	Feb-13	32.49
Mar-13	819	717	924	819	2.2250	Mar-13	31.32
Apr-13	383	378	819	383	2.2333	Apr-13	27.90
May-13	158	139	383	158	2.2417	May-13	21.25
Jun-13	4	16	158	4	2.2500	Jun-13	19.42
Jul-13	0	0	4	0	2.2583	Jul-13	18.28
Aug-13	2	4	0	2	2.2667	Aug-13	19.22
Sep-13	111	65	2	111	2.2750	Sep-13	19.90
Oct-13	300	335	111	300	2.2833	Oct-13	23.60
Nov-13	723	617	300	723	2.2917	Nov-13	26.73
Dec-13	968	946	723	968	2.3000	Dec-13	34.00

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CG Incl NT&DS
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	36.50
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	36.61
Mar-14	908	717	1,064	908	2.3250	Mar-14	35.87
Apr-14	430	378	908	430	2.3333	Apr-14	25.86
May-14	126	139	430	126	2.3417	May-14	22.55
Jun-14	4	16	126	4	2.3500	Jun-14	19.16
Jul-14	2	0	4	2	2.3583	Jul-14	18.64
Aug-14	2	4	2	2	2.3667	Aug-14	19.22
Sep-14	71	65	2	71	2.3750	Sep-14	20.01
Oct-14	267	335	71	267	2.3833	Oct-14	24.12
Nov-14	731	617	267	731	2.3917	Nov-14	30.02
Dec-14	875	946	731	875	2.4000	Dec-14	35.73
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	37.67
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	38.32
Mar-15	920	717	1,228	920	2.4250	Mar-15	40.25
Apr-15	360	378	920	360	2.4333	Apr-15	26.97
May-15	65	139	360	65	2.4417	May-15	21.16
Jun-15	27	16	65	27	2.4500	Jun-15	19.40
Jul-15	0	0	27	0	2.4583	Jul-15	19.67
Aug-15	0	4	0	0	2.4667	Aug-15	19.38
Sep-15	26	65	0	26	2.4750	Sep-15	20.46
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CH Incl NT&DS
Jan-95	966	1081	841	966	0.4083	Jan-95	103.04
Feb-95	1026	916	966	1,026	0.4167	Feb-95	110.66
Mar-95	655	717	1,026	655	0.4250	Mar-95	73.78
Apr-95	452	378	655	452	0.4333	Apr-95	44.88
May-95	164	139	452	164	0.4417	May-95	26.26
Jun-95	7	16	164	7	0.4500	Jun-95	14.54
Jul-95	0	0	7	0	0.4583	Jul-95	13.86
Aug-95	0	4	0	0	0.4667	Aug-95	14.06
Sep-95	86	65	0	86	0.4750	Sep-95	16.80
Oct-95	247	335	86	247	0.4833	Oct-95	27.40
Nov-95	785	617	247	785	0.4917	Nov-95	70.39
Dec-95	1116	946	785	1,116	0.5000	Dec-95	116.27
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	125.69
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	115.25
Mar-96	880	717	1,053	880	0.5250	Mar-96	87.73
Apr-96	437	378	880	437	0.5333	Apr-96	52.84
May-96	229	139	437	229	0.5417	May-96	27.83
Jun-96	6	16	229	6	0.5500	Jun-96	16.51
Jul-96	1	0	6	1	0.5583	Jul-96	11.90
Aug-96	2	4	1	2	0.5667	Aug-96	15.06
Sep-96	78	65	2	78	0.5750	Sep-96	15.70
Oct-96	348	335	78	348	0.5833	Oct-96	33.46
Nov-96	781	617	348	781	0.5917	Nov-96	72.55
Dec-96	868	946	781	868	0.6000	Dec-96	93.15
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	119.58
Feb-97	773	916	1,108	773	0.6167	Feb-97	90.43
Mar-97	731	717	773	731	0.6250	Mar-97	75.15
Apr-97	456	378	731	456	0.6333	Apr-97	48.57
May-97	219	139	456	219	0.6417	May-97	26.99
Jun-97	43	16	219	43	0.6500	Jun-97	16.49
Jul-97	3	0	43	3	0.6583	Jul-97	11.10
Aug-97	3	4	3	3	0.6667	Aug-97	14.31
Sep-97	81	65	3	81	0.6750	Sep-97	16.70
Oct-97	354	335	81	354	0.6833	Oct-97	32.66
Nov-97	714	617	354	714	0.6917	Nov-97	69.18
Dec-97	928	946	714	928	0.7000	Dec-97	94.62
Jan-98	831	1081	928	831	0.7083	Jan-98	88.36
Feb-98	707	916	831	707	0.7167	Feb-98	74.78
Mar-98	681	717	707	681	0.7250	Mar-98	72.95
Apr-98	349	378	681	349	0.7333	Apr-98	36.79
May-98	87	139	349	87	0.7417	May-98	18.49
Jun-98	37	16	87	37	0.7500	Jun-98	14.22
Jul-98	1	0	37	1	0.7583	Jul-98	13.19
Aug-98	3	4	1	3	0.7667	Aug-98	13.95
Sep-98	45	65	3	45	0.7750	Sep-98	14.78
Oct-98	320	335	45	320	0.7833	Oct-98	29.18
Nov-98	608	617	320	608	0.7917	Nov-98	56.54
Dec-98	800	946	608	800	0.8000	Dec-98	73.81
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	110.55
Feb-99	839	916	1,050	839	0.8167	Feb-99	87.26
Mar-99	792	717	839	792	0.8250	Mar-99	86.09
Apr-99	421	378	792	421	0.8333	Apr-99	40.11
May-99	123	139	421	123	0.8417	May-99	20.62
Jun-99	17	16	123	17	0.8500	Jun-99	11.98
Jul-99	0	0	17	0	0.8583	Jul-99	12.72
Aug-99	6	4	0	6	0.8667	Aug-99	13.28
Sep-99	68	65	6	68	0.8750	Sep-99	15.55

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CH Incl NT&DS
Oct-99	396	335	68	396	0.8833	Oct-99	32.00
Nov-99	536	617	396	536	0.8917	Nov-99	50.98
Dec-99	896	946	536	896	0.9000	Dec-99	84.60
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	112.55
Feb-00	920	946	1,119	920	0.9167	Feb-00	104.15
Mar-00	594	717	920	594	0.9250	Mar-00	59.75
Apr-00	429	378	594	429	0.9333	Apr-00	38.73
May-00	124	139	429	124	0.9417	May-00	22.50
Jun-00	28	16	124	28	0.9500	Jun-00	12.36
Jul-00	2	0	28	2	0.9583	Jul-00	13.84
Aug-00	9	4	2	9	0.9667	Aug-00	14.00
Sep-00	147	65	9	147	0.9750	Sep-00	17.20
Oct-00	351	335	147	351	0.9833	Oct-00	31.45
Nov-00	700	617	351	700	0.9917	Nov-00	59.11
Dec-00	1189	946	700	1,189	1.0000	Dec-00	112.55
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	118.06
Feb-01	882	916	1,119	882	1.0167	Feb-01	87.49
Mar-01	844	717	882	844	1.0250	Mar-01	79.28
Apr-01	406	378	844	406	1.0333	Apr-01	44.80
May-01	142	139	406	142	1.0417	May-01	16.66
Jun-01	16	16	142	16	1.0500	Jun-01	14.36
Jul-01	5	0	16	5	1.0583	Jul-01	14.15
Aug-01	0	4	5	0	1.0667	Aug-01	12.14
Sep-01	105	65	0	105	1.0750	Sep-01	16.20
Oct-01	336	335	105	336	1.0833	Oct-01	29.13
Nov-01	486	617	336	486	1.0917	Nov-01	46.71
Dec-01	810	946	486	810	1.1000	Dec-01	71.38
Jan-02	893	1081	810	893	1.1083	Jan-02	88.11
Feb-02	783	916	893	783	1.1167	Feb-02	73.93
Mar-02	700	717	783	700	1.1250	Mar-02	67.16
Apr-02	375	378	700	375	1.1333	Apr-02	37.67
May-02	200	139	375	200	1.1417	May-02	20.79
Jun-02	13	16	200	13	1.1500	Jun-02	14.91
Jul-02	0	0	13	0	1.1583	Jul-02	11.30
Aug-02	5	4	0	5	1.1667	Aug-02	12.93
Sep-02	36	65	5	36	1.1750	Sep-02	14.74
Oct-02	420	335	36	420	1.1833	Oct-02	32.44
Nov-02	682	617	420	682	1.1917	Nov-02	58.80
Dec-02	1046	946	682	1,046	1.2000	Dec-02	102.04
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	120.98
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	113.97
Mar-03	774	717	1,062	774	1.2250	Mar-03	81.19
Apr-03	446	378	774	446	1.2333	Apr-03	39.90
May-03	225	139	446	225	1.2417	May-03	25.64
Jun-03	58	16	225	58	1.2500	Jun-03	17.40
Jul-03	0	0	58	0	1.2583	Jul-03	11.28
Aug-03	0	4	0	0	1.2667	Aug-03	13.30
Sep-03	47	65	0	47	1.2750	Sep-03	14.88
Oct-03	408	335	47	408	1.2833	Oct-03	32.53
Nov-03	530	617	408	530	1.2917	Nov-03	50.28
Dec-03	954	946	530	954	1.3000	Dec-03	92.09
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	124.20
Feb-04	944	946	1,278	944	1.3167	Feb-04	103.26
Mar-04	685	717	944	685	1.3250	Mar-04	61.93
Apr-04	390	378	685	390	1.3333	Apr-04	41.14
May-04	71	139	390	71	1.3417	May-04	17.24
Jun-04	28	16	71	28	1.3500	Jun-04	12.89

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CH Incl NT&DS
Jul-04	0	0	28	0	1.3583	Jul-04	13.21
Aug-04	10	4	0	10	1.3667	Aug-04	16.33
Sep-04	34	65	10	34	1.3750	Sep-04	12.44
Oct-04	364	335	34	364	1.3833	Oct-04	28.99
Nov-04	567	617	364	567	1.3917	Nov-04	50.08
Dec-04	946	946	567	946	1.4000	Dec-04	84.99
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	109.65
Feb-05	889	916	1,127	889	1.4167	Feb-05	86.57
Mar-05	868	717	889	868	1.4250	Mar-05	86.26
Apr-05	340	378	868	340	1.4333	Apr-05	36.42
May-05	231	139	340	231	1.4417	May-05	23.66
Jun-05	6	16	231	6	1.4500	Jun-05	13.16
Jul-05	0	0	6	0	1.4583	Jul-05	10.67
Aug-05	0	4	0	0	1.4667	Aug-05	12.46
Sep-05	27	65	0	27	1.4750	Sep-05	13.97
Oct-05	304	335	27	304	1.4833	Oct-05	24.72
Nov-05	579	617	304	579	1.4917	Nov-05	48.42
Dec-05	1064	946	579	1,064	1.5000	Dec-05	100.55
Jan-06	847	1081	1,064	847	1.5083	Jan-06	88.79
Feb-06	902	916	847	902	1.5167	Feb-06	83.85
Mar-06	692	717	902	692	1.5250	Mar-06	63.52
Apr-06	341	378	692	341	1.5333	Apr-06	25.61
May-06	154	139	341	154	1.5417	May-06	19.38
Jun-06	22	16	154	22	1.5500	Jun-06	17.28
Jul-06	0	0	22	0	1.5583	Jul-06	10.83
Aug-06	1	4	0	1	1.5667	Aug-06	10.71
Sep-06	89	65	1	89	1.5750	Sep-06	14.21
Oct-06	375	335	89	375	1.5833	Oct-06	29.05
Nov-06	512	617	375	512	1.5917	Nov-06	45.39
Dec-06	779	946	512	779	1.6000	Dec-06	69.58
Jan-07	938	1081	779	938	1.6083	Jan-07	90.80
Feb-07	1117	916	938	1,117	1.6167	Feb-07	111.27
Mar-07	755	717	1,117	755	1.6250	Mar-07	70.81
Apr-07	495	378	755	495	1.6333	Apr-07	43.83
May-07	110	139	495	110	1.6417	May-07	18.81
Jun-07	12	16	110	12	1.6500	Jun-07	15.00
Jul-07	4	0	12	4	1.6583	Jul-07	9.57
Aug-07	16	4	4	16	1.6667	Aug-07	9.65
Sep-07	50	65	16	50	1.6750	Sep-07	12.21
Oct-07	192	335	50	192	1.6833	Oct-07	19.69
Nov-07	703	617	192	703	1.6917	Nov-07	53.29
Dec-07	956	946	703	956	1.7000	Dec-07	89.01
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	96.16
Feb-08	947	946	1,000	947	1.7167	Feb-08	93.86
Mar-08	737	717	947	737	1.7250	Mar-08	63.48
Apr-08	335	378	737	335	1.7333	Apr-08	30.45
May-08	226	139	335	226	1.7417	May-08	21.94
Jun-08	7	16	226	7	1.7500	Jun-08	16.10
Jul-08	0	0	7	0	1.7583	Jul-08	9.69
Aug-08	4	4	0	4	1.7667	Aug-08	12.69
Sep-08	54	65	4	54	1.7750	Sep-08	14.18
Oct-08	418	335	54	418	1.7833	Oct-08	28.46
Nov-08	680	617	418	680	1.7917	Nov-08	56.60
Dec-08	963	946	680	963	1.8000	Dec-08	94.54
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	114.36
Feb-09	880	916	1,225	880	1.8167	Feb-09	81.31
Mar-09	735	717	880	735	1.8250	Mar-09	62.25

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	CH Incl NT&DS
Apr-09	388	378	735	388	1.8333	Apr-09	32.89
May-09	140	139	388	140	1.8417	May-09	19.62
Jun-09	25	16	140	25	1.8500	Jun-09	16.42
Jul-09	0	0	25	0	1.8583	Jul-09	11.28
Aug-09	6	4	0	6	1.8667	Aug-09	11.35
Sep-09	78	65	6	78	1.8750	Sep-09	13.27
Oct-09	381	335	78	381	1.8833	Oct-09	28.28
Nov-09	526	617	381	526	1.8917	Nov-09	42.51
Dec-09	995	946	526	995	1.9000	Dec-09	88.46
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	102.89
Feb-10	965	916	1,082	965	1.9167	Feb-10	88.06
Mar-10	557	717	965	557	1.9250	Mar-10	48.37
Apr-10	288	378	557	288	1.9333	Apr-10	23.85
May-10	119	139	288	119	1.9417	May-10	18.01
Jun-10	7	16	119	7	1.9500	Jun-10	14.39
Jul-10	0	0	7	0	1.9583	Jul-10	15.52
Aug-10	0	4	0	0	1.9667	Aug-10	10.77
Sep-10	25	65	0	25	1.9750	Sep-10	14.60
Oct-10	331	335	25	331	1.9833	Oct-10	23.57
Nov-10	631	617	331	631	1.9917	Nov-10	48.83
Dec-10	1103	946	631	1,103	2.0000	Dec-10	103.69
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	109.59
Feb-11	893	916	1,192	893	2.0167	Feb-11	82.37
Mar-11	757	717	893	757	2.0250	Mar-11	63.37
Apr-11	354	378	757	354	2.0333	Apr-11	35.10
May-11	92	139	354	92	2.0417	May-11	19.13
Jun-11	2	16	92	2	2.0500	Jun-11	13.35
Jul-11	0	0	2	0	2.0583	Jul-11	12.50
Aug-11	2	4	0	2	2.0667	Aug-11	13.13
Sep-11	51	65	2	51	2.0750	Sep-11	15.21
Oct-11	355	335	51	355	2.0833	Oct-11	26.10
Nov-11	536	617	355	536	2.0917	Nov-11	45.56
Dec-11	795	946	536	795	2.1000	Dec-11	71.86
Jan-12	951	1081	795	951	2.1083	Jan-12	91.21
Feb-12	783	946	951	783	2.1167	Feb-12	71.23
Mar-12	451	717	783	451	2.1250	Mar-12	40.16
Apr-12	373	378	451	373	2.1333	Apr-12	29.05
May-12	51	139	373	51	2.1417	May-12	21.24
Jun-12	21	16	51	21	2.1500	Jun-12	12.48
Jul-12	0	0	21	0	2.1583	Jul-12	9.54
Aug-12	0	4	0	0	2.1667	Aug-12	10.27
Sep-12	77	65	0	77	2.1750	Sep-12	11.56
Oct-12	302	335	77	302	2.1833	Oct-12	25.78
Nov-12	754	617	302	754	2.1917	Nov-12	59.00
Dec-12	816	946	754	816	2.2000	Dec-12	75.97
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	95.88
Feb-13	924	916	1,001	924	2.2167	Feb-13	87.48
Mar-13	819	717	924	819	2.2250	Mar-13	71.68
Apr-13	383	378	819	383	2.2333	Apr-13	37.91
May-13	158	139	383	158	2.2417	May-13	18.94
Jun-13	4	16	158	4	2.2500	Jun-13	13.41
Jul-13	0	0	4	0	2.2583	Jul-13	11.50
Aug-13	2	4	0	2	2.2667	Aug-13	13.22
Sep-13	111	65	2	111	2.2750	Sep-13	15.33
Oct-13	300	335	111	300	2.2833	Oct-13	24.89
Nov-13	723	617	300	723	2.2917	Nov-13	58.47
Dec-13	968	946	723	968	2.3000	Dec-13	90.05

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC CH Incl NT&DS
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	123.66
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	102.91
Mar-14	908	717	1,064	908	2.3250	Mar-14	84.45
Apr-14	430	378	908	430	2.3333	Apr-14	37.02
May-14	126	139	430	126	2.3417	May-14	17.92
Jun-14	4	16	126	4	2.3500	Jun-14	12.10
Jul-14	2	0	4	2	2.3583	Jul-14	12.75
Aug-14	2	4	2	2	2.3667	Aug-14	12.88
Sep-14	71	65	2	71	2.3750	Sep-14	20.16
Oct-14	267	335	71	267	2.3833	Oct-14	21.88
Nov-14	731	617	267	731	2.3917	Nov-14	60.13
Dec-14	875	946	731	875	2.4000	Dec-14	86.65
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	116.53
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	119.92
Mar-15	920	717	1,228	920	2.4250	Mar-15	89.06
Apr-15	360	378	920	360	2.4333	Apr-15	33.92
May-15	65	139	360	65	2.4417	May-15	15.60
Jun-15	27	16	65	27	2.4500	Jun-15	14.93
Jul-15	0	0	27	0	2.4583	Jul-15	13.36
Aug-15	0	4	0	0	2.4667	Aug-15	13.85
Sep-15	26	65	0	26	2.4750	Sep-15	14.98
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC IG Incl NT&DS
Jan-95	966	1081	841	966	0.4083	Jan-95	353.16
Feb-95	1026	916	966	1,026	0.4167	Feb-95	380.63
Mar-95	655	717	1,026	655	0.4250	Mar-95	316.67
Apr-95	452	378	655	452	0.4333	Apr-95	247.99
May-95	164	139	452	164	0.4417	May-95	236.26
Jun-95	7	16	164	7	0.4500	Jun-95	212.02
Jul-95	0	0	7	0	0.4583	Jul-95	193.88
Aug-95	0	4	0	0	0.4667	Aug-95	216.05
Sep-95	86	65	0	86	0.4750	Sep-95	205.35
Oct-95	247	335	86	247	0.4833	Oct-95	243.78
Nov-95	785	617	247	785	0.4917	Nov-95	300.22
Dec-95	1116	946	785	1,116	0.5000	Dec-95	366.37
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	383.30
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	407.41
Mar-96	880	717	1,053	880	0.5250	Mar-96	345.73
Apr-96	437	378	880	437	0.5333	Apr-96	276.46
May-96	229	139	437	229	0.5417	May-96	218.94
Jun-96	6	16	229	6	0.5500	Jun-96	198.68
Jul-96	1	0	6	1	0.5583	Jul-96	176.59
Aug-96	2	4	1	2	0.5667	Aug-96	216.11
Sep-96	78	65	2	78	0.5750	Sep-96	210.18
Oct-96	348	335	78	348	0.5833	Oct-96	273.88
Nov-96	781	617	348	781	0.5917	Nov-96	337.51
Dec-96	868	946	781	868	0.6000	Dec-96	367.33
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	319.89
Feb-97	773	916	1,108	773	0.6167	Feb-97	329.26
Mar-97	731	717	773	731	0.6250	Mar-97	283.17
Apr-97	456	378	731	456	0.6333	Apr-97	237.04
May-97	219	139	456	219	0.6417	May-97	218.67
Jun-97	43	16	219	43	0.6500	Jun-97	198.19
Jul-97	3	0	43	3	0.6583	Jul-97	151.47
Aug-97	3	4	3	3	0.6667	Aug-97	192.79
Sep-97	81	65	3	81	0.6750	Sep-97	194.55
Oct-97	354	335	81	354	0.6833	Oct-97	247.22
Nov-97	714	617	354	714	0.6917	Nov-97	334.07
Dec-97	928	946	714	928	0.7000	Dec-97	307.70
Jan-98	831	1081	928	831	0.7083	Jan-98	279.92
Feb-98	707	916	831	707	0.7167	Feb-98	292.54
Mar-98	681	717	707	681	0.7250	Mar-98	298.56
Apr-98	349	378	681	349	0.7333	Apr-98	197.56
May-98	87	139	349	87	0.7417	May-98	113.40
Jun-98	37	16	87	37	0.7500	Jun-98	153.08
Jul-98	1	0	37	1	0.7583	Jul-98	144.64
Aug-98	3	4	1	3	0.7667	Aug-98	171.00
Sep-98	45	65	3	45	0.7750	Sep-98	165.46
Oct-98	320	335	45	320	0.7833	Oct-98	205.42
Nov-98	608	617	320	608	0.7917	Nov-98	262.97
Dec-98	800	946	608	800	0.8000	Dec-98	245.66
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	304.32
Feb-99	839	916	1,050	839	0.8167	Feb-99	278.34
Mar-99	792	717	839	792	0.8250	Mar-99	298.49
Apr-99	421	378	792	421	0.8333	Apr-99	182.23
May-99	123	139	421	123	0.8417	May-99	174.44
Jun-99	17	16	123	17	0.8500	Jun-99	155.96
Jul-99	0	0	17	0	0.8583	Jul-99	117.52
Aug-99	6	4	0	6	0.8667	Aug-99	159.59
Sep-99	68	65	6	68	0.8750	Sep-99	156.52

	Actual DD	Normal DD	HDDm-1	HDDm	Trend	Month	Actual UPC
	Calendar	Calendar					IG Incl NT&DS
Oct-99	396	335	68	396	0.8833	Oct-99	207.43
Nov-99	536	617	396	536	0.8917	Nov-99	231.08
Dec-99	896	946	536	896	0.9000	Dec-99	280.50
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	257.14
Feb-00	920	946	1,119	920	0.9167	Feb-00	289.91
Mar-00	594	717	920	594	0.9250	Mar-00	206.14
Apr-00	429	378	594	429	0.9333	Apr-00	177.22
May-00	124	139	429	124	0.9417	May-00	144.62
Jun-00	28	16	124	28	0.9500	Jun-00	144.24
Jul-00	2	0	28	2	0.9583	Jul-00	144.82
Aug-00	9	4	2	9	0.9667	Aug-00	181.46
Sep-00	147	65	9	147	0.9750	Sep-00	161.71
Oct-00	351	335	147	351	0.9833	Oct-00	193.90
Nov-00	700	617	351	700	0.9917	Nov-00	233.48
Dec-00	1189	946	700	1,189	1.0000	Dec-00	333.28
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	315.53
Feb-01	882	916	1,119	882	1.0167	Feb-01	253.06
Mar-01	844	717	882	844	1.0250	Mar-01	256.97
Apr-01	406	378	844	406	1.0333	Apr-01	184.95
May-01	142	139	406	142	1.0417	May-01	134.69
Jun-01	16	16	142	16	1.0500	Jun-01	141.98
Jul-01	5	0	16	5	1.0583	Jul-01	125.79
Aug-01	0	4	5	0	1.0667	Aug-01	154.62
Sep-01	105	65	0	105	1.0750	Sep-01	154.37
Oct-01	336	335	105	336	1.0833	Oct-01	193.59
Nov-01	486	617	336	486	1.0917	Nov-01	227.40
Dec-01	810	946	486	810	1.1000	Dec-01	201.02
Jan-02	893	1081	810	893	1.1083	Jan-02	252.54
Feb-02	783	916	893	783	1.1167	Feb-02	245.23
Mar-02	700	717	783	700	1.1250	Mar-02	254.48
Apr-02	375	378	700	375	1.1333	Apr-02	178.05
May-02	200	139	375	200	1.1417	May-02	149.17
Jun-02	13	16	200	13	1.1500	Jun-02	148.34
Jul-02	0	0	13	0	1.1583	Jul-02	113.57
Aug-02	5	4	0	5	1.1667	Aug-02	155.92
Sep-02	36	65	5	36	1.1750	Sep-02	152.96
Oct-02	420	335	36	420	1.1833	Oct-02	180.90
Nov-02	682	617	420	682	1.1917	Nov-02	204.19
Dec-02	1046	946	682	1,046	1.2000	Dec-02	274.08
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	263.07
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	321.25
Mar-03	774	717	1,062	774	1.2250	Mar-03	309.03
Apr-03	446	378	774	446	1.2333	Apr-03	186.52
May-03	225	139	446	225	1.2417	May-03	150.62
Jun-03	58	16	225	58	1.2500	Jun-03	136.82
Jul-03	0	0	58	0	1.2583	Jul-03	122.58
Aug-03	0	4	0	0	1.2667	Aug-03	147.44
Sep-03	47	65	0	47	1.2750	Sep-03	174.37
Oct-03	408	335	47	408	1.2833	Oct-03	211.78
Nov-03	530	617	408	530	1.2917	Nov-03	227.75
Dec-03	954	946	530	954	1.3000	Dec-03	269.23
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	365.32
Feb-04	944	946	1,278	944	1.3167	Feb-04	344.31
Mar-04	685	717	944	685	1.3250	Mar-04	242.94
Apr-04	390	378	685	390	1.3333	Apr-04	192.22
May-04	71	139	390	71	1.3417	May-04	149.11
Jun-04	28	16	71	28	1.3500	Jun-04	118.26

	Actual DD Normal DD						Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	IG Incl NT&DS
Jul-04	0	0	28	0	1.3583	Jul-04	145.25
Aug-04	10	4	0	10	1.3667	Aug-04	136.85
Sep-04	34	65	10	34	1.3750	Sep-04	151.68
Oct-04	364	335	34	364	1.3833	Oct-04	194.46
Nov-04	567	617	364	567	1.3917	Nov-04	232.55
Dec-04	946	946	567	946	1.4000	Dec-04	270.93
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	278.97
Feb-05	889	916	1,127	889	1.4167	Feb-05	271.03
Mar-05	868	717	889	868	1.4250	Mar-05	297.19
Apr-05	340	378	868	340	1.4333	Apr-05	166.22
May-05	231	139	340	231	1.4417	May-05	145.83
Jun-05	6	16	231	6	1.4500	Jun-05	131.87
Jul-05	0	0	6	0	1.4583	Jul-05	117.63
Aug-05	0	4	0	0	1.4667	Aug-05	134.65
Sep-05	27	65	0	27	1.4750	Sep-05	139.70
Oct-05	304	335	27	304	1.4833	Oct-05	176.35
Nov-05	579	617	304	579	1.4917	Nov-05	217.53
Dec-05	1064	946	579	1,064	1.5000	Dec-05	233.45
Jan-06	847	1081	1,064	847	1.5083	Jan-06	245.60
Feb-06	902	916	847	902	1.5167	Feb-06	243.30
Mar-06	692	717	902	692	1.5250	Mar-06	236.11
Apr-06	341	378	692	341	1.5333	Apr-06	165.43
May-06	154	139	341	154	1.5417	May-06	112.42
Jun-06	22	16	154	22	1.5500	Jun-06	113.04
Jul-06	0	0	22	0	1.5583	Jul-06	112.37
Aug-06	1	4	0	1	1.5667	Aug-06	127.13
Sep-06	89	65	1	89	1.5750	Sep-06	120.19
Oct-06	375	335	89	375	1.5833	Oct-06	166.60
Nov-06	512	617	375	512	1.5917	Nov-06	184.13
Dec-06	779	946	512	779	1.6000	Dec-06	191.09
Jan-07	938	1081	779	938	1.6083	Jan-07	204.48
Feb-07	1117	916	938	1,117	1.6167	Feb-07	265.09
Mar-07	755	717	1,117	755	1.6250	Mar-07	231.28
Apr-07	495	378	755	495	1.6333	Apr-07	141.68
May-07	110	139	495	110	1.6417	May-07	113.19
Jun-07	12	16	110	12	1.6500	Jun-07	74.85
Jul-07	4	0	12	4	1.6583	Jul-07	105.84
Aug-07	16	4	4	16	1.6667	Aug-07	89.81
Sep-07	50	65	16	50	1.6750	Sep-07	109.98
Oct-07	192	335	50	192	1.6833	Oct-07	129.63
Nov-07	703	617	192	703	1.6917	Nov-07	153.64
Dec-07	956	946	703	956	1.7000	Dec-07	217.65
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	263.20
Feb-08	947	946	1,000	947	1.7167	Feb-08	238.49
Mar-08	737	717	947	737	1.7250	Mar-08	202.90
Apr-08	335	378	737	335	1.7333	Apr-08	138.93
May-08	226	139	335	226	1.7417	May-08	92.84
Jun-08	7	16	226	7	1.7500	Jun-08	98.50
Jul-08	0	0	7	0	1.7583	Jul-08	57.93
Aug-08	4	4	0	4	1.7667	Aug-08	94.53
Sep-08	54	65	4	54	1.7750	Sep-08	105.66
Oct-08	418	335	54	418	1.7833	Oct-08	156.72
Nov-08	680	617	418	680	1.7917	Nov-08	178.03
Dec-08	963	946	680	963	1.8000	Dec-08	270.51
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	237.03
Feb-09	880	916	1,225	880	1.8167	Feb-09	219.02
Mar-09	735	717	880	735	1.8250	Mar-09	203.06

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC IG Incl NT&DS
Apr-09	388	378	735	388	1.8333	Apr-09	127.66
May-09	140	139	388	140	1.8417	May-09	102.17
Jun-09	25	16	140	25	1.8500	Jun-09	92.35
Jul-09	0	0	25	0	1.8583	Jul-09	89.99
Aug-09	6	4	0	6	1.8667	Aug-09	113.23
Sep-09	78	65	6	78	1.8750	Sep-09	111.87
Oct-09	381	335	78	381	1.8833	Oct-09	158.80
Nov-09	526	617	381	526	1.8917	Nov-09	221.62
Dec-09	995	946	526	995	1.9000	Dec-09	222.88
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	295.15
Feb-10	965	916	1,082	965	1.9167	Feb-10	255.65
Mar-10	557	717	965	557	1.9250	Mar-10	225.88
Apr-10	288	378	557	288	1.9333	Apr-10	100.48
May-10	119	139	288	119	1.9417	May-10	99.49
Jun-10	7	16	119	7	1.9500	Jun-10	114.36
Jul-10	0	0	7	0	1.9583	Jul-10	94.20
Aug-10	0	4	0	0	1.9667	Aug-10	116.23
Sep-10	25	65	0	25	1.9750	Sep-10	133.33
Oct-10	331	335	25	331	1.9833	Oct-10	167.24
Nov-10	631	617	331	631	1.9917	Nov-10	205.46
Dec-10	1103	946	631	1,103	2.0000	Dec-10	259.33
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	306.22
Feb-11	893	916	1,192	893	2.0167	Feb-11	280.40
Mar-11	757	717	893	757	2.0250	Mar-11	212.90
Apr-11	354	378	757	354	2.0333	Apr-11	185.87
May-11	92	139	354	92	2.0417	May-11	121.19
Jun-11	2	16	92	2	2.0500	Jun-11	100.49
Jul-11	0	0	2	0	2.0583	Jul-11	91.23
Aug-11	2	4	0	2	2.0667	Aug-11	102.61
Sep-11	51	65	2	51	2.0750	Sep-11	103.14
Oct-11	355	335	51	355	2.0833	Oct-11	151.44
Nov-11	536	617	355	536	2.0917	Nov-11	179.14
Dec-11	795	946	536	795	2.1000	Dec-11	209.87
Jan-12	951	1081	795	951	2.1083	Jan-12	312.86
Feb-12	783	946	951	783	2.1167	Feb-12	208.72
Mar-12	451	717	783	451	2.1250	Mar-12	189.18
Apr-12	373	378	451	373	2.1333	Apr-12	113.14
May-12	51	139	373	51	2.1417	May-12	109.51
Jun-12	21	16	51	21	2.1500	Jun-12	95.05
Jul-12	0	0	21	0	2.1583	Jul-12	84.65
Aug-12	0	4	0	0	2.1667	Aug-12	95.15
Sep-12	77	65	0	77	2.1750	Sep-12	105.54
Oct-12	302	335	77	302	2.1833	Oct-12	190.97
Nov-12	754	617	302	754	2.1917	Nov-12	166.12
Dec-12	816	946	754	816	2.2000	Dec-12	230.61
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	208.89
Feb-13	924	916	1,001	924	2.2167	Feb-13	261.33
Mar-13	819	717	924	819	2.2250	Mar-13	215.66
Apr-13	383	378	819	383	2.2333	Apr-13	139.28
May-13	158	139	383	158	2.2417	May-13	96.41
Jun-13	4	16	158	4	2.2500	Jun-13	76.08
Jul-13	0	0	4	0	2.2583	Jul-13	75.22
Aug-13	2	4	0	2	2.2667	Aug-13	97.30
Sep-13	111	65	2	111	2.2750	Sep-13	111.17
Oct-13	300	335	111	300	2.2833	Oct-13	143.40
Nov-13	723	617	300	723	2.2917	Nov-13	176.66
Dec-13	968	946	723	968	2.3000	Dec-13	232.11

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC IG Incl NT&DS
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	264.93
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	288.02
Mar-14	908	717	1,064	908	2.3250	Mar-14	257.42
Apr-14	430	378	908	430	2.3333	Apr-14	174.40
May-14	126	139	430	126	2.3417	May-14	128.97
Jun-14	4	16	126	4	2.3500	Jun-14	103.00
Jul-14	2	0	4	2	2.3583	Jul-14	105.20
Aug-14	2	4	2	2	2.3667	Aug-14	102.49
Sep-14	71	65	2	71	2.3750	Sep-14	104.22
Oct-14	267	335	71	267	2.3833	Oct-14	162.53
Nov-14	731	617	267	731	2.3917	Nov-14	205.44
Dec-14	875	946	731	875	2.4000	Dec-14	259.95
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	260.71
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	266.48
Mar-15	920	717	1,228	920	2.4250	Mar-15	283.07
Apr-15	360	378	920	360	2.4333	Apr-15	160.12
May-15	65	139	360	65	2.4417	May-15	121.66
Jun-15	27	16	65	27	2.4500	Jun-15	121.02
Jul-15	0	0	27	0	2.4583	Jul-15	127.50
Aug-15	0	4	0	0	2.4667	Aug-15	113.01
Sep-15	26	65	0	26	2.4750	Sep-15	144.09
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					

	Actual DD	Normal DD			Trend	Month	Actual UPC
	Calendar	Calendar	HDDm-1	HDDm			IH Incl NT&DS
Jan-95	966	1081	841	966	0.4083	Jan-95	400.17
Feb-95	1026	916	966	1,026	0.4167	Feb-95	436.86
Mar-95	655	717	1,026	655	0.4250	Mar-95	373.66
Apr-95	452	378	655	452	0.4333	Apr-95	207.09
May-95	164	139	452	164	0.4417	May-95	103.53
Jun-95	7	16	164	7	0.4500	Jun-95	56.56
Jul-95	0	0	7	0	0.4583	Jul-95	103.82
Aug-95	0	4	0	0	0.4667	Aug-95	77.49
Sep-95	86	65	0	86	0.4750	Sep-95	207.33
Oct-95	247	335	86	247	0.4833	Oct-95	116.41
Nov-95	785	617	247	785	0.4917	Nov-95	297.68
Dec-95	1116	946	785	1,116	0.5000	Dec-95	436.15
Jan-96	1202	1081	1,116	1,202	0.5083	Jan-96	492.57
Feb-96	1053	946	1,202	1,053	0.5167	Feb-96	479.64
Mar-96	880	717	1,053	880	0.5250	Mar-96	363.60
Apr-96	437	378	880	437	0.5333	Apr-96	214.52
May-96	229	139	437	229	0.5417	May-96	132.30
Jun-96	6	16	229	6	0.5500	Jun-96	72.48
Jul-96	1	0	6	1	0.5583	Jul-96	53.77
Aug-96	2	4	1	2	0.5667	Aug-96	84.28
Sep-96	78	65	2	78	0.5750	Sep-96	74.55
Oct-96	348	335	78	348	0.5833	Oct-96	131.23
Nov-96	781	617	348	781	0.5917	Nov-96	277.17
Dec-96	868	946	781	868	0.6000	Dec-96	360.34
Jan-97	1108	1081	868	1,108	0.6083	Jan-97	471.96
Feb-97	773	916	1,108	773	0.6167	Feb-97	380.59
Mar-97	731	717	773	731	0.6250	Mar-97	313.93
Apr-97	456	378	731	456	0.6333	Apr-97	207.16
May-97	219	139	456	219	0.6417	May-97	139.54
Jun-97	43	16	219	43	0.6500	Jun-97	84.97
Jul-97	3	0	43	3	0.6583	Jul-97	57.79
Aug-97	3	4	3	3	0.6667	Aug-97	75.11
Sep-97	81	65	3	81	0.6750	Sep-97	96.60
Oct-97	354	335	81	354	0.6833	Oct-97	136.42
Nov-97	714	617	354	714	0.6917	Nov-97	284.04
Dec-97	928	946	714	928	0.7000	Dec-97	379.89
Jan-98	831	1081	928	831	0.7083	Jan-98	345.94
Feb-98	707	916	831	707	0.7167	Feb-98	308.65
Mar-98	681	717	707	681	0.7250	Mar-98	286.31
Apr-98	349	378	681	349	0.7333	Apr-98	152.86
May-98	87	139	349	87	0.7417	May-98	77.64
Jun-98	37	16	87	37	0.7500	Jun-98	65.46
Jul-98	1	0	37	1	0.7583	Jul-98	52.39
Aug-98	3	4	1	3	0.7667	Aug-98	64.33
Sep-98	45	65	3	45	0.7750	Sep-98	132.36
Oct-98	320	335	45	320	0.7833	Oct-98	49.58
Nov-98	608	617	320	608	0.7917	Nov-98	222.75
Dec-98	800	946	608	800	0.8000	Dec-98	286.33
Jan-99	1050	1081	800	1,050	0.8083	Jan-99	433.24
Feb-99	839	916	1,050	839	0.8167	Feb-99	343.35
Mar-99	792	717	839	792	0.8250	Mar-99	342.02
Apr-99	421	378	792	421	0.8333	Apr-99	164.71
May-99	123	139	421	123	0.8417	May-99	145.91
Jun-99	17	16	123	17	0.8500	Jun-99	-10.84
Jul-99	0	0	17	0	0.8583	Jul-99	52.29
Aug-99	6	4	0	6	0.8667	Aug-99	60.66
Sep-99	68	65	6	68	0.8750	Sep-99	74.89

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	IH Incl NT&DS
Oct-99	396	335	68	396	0.8833	Oct-99	125.18
Nov-99	536	617	396	536	0.8917	Nov-99	218.72
Dec-99	896	946	536	896	0.9000	Dec-99	333.14
Jan-00	1119	1081	896	1,119	0.9083	Jan-00	449.86
Feb-00	920	946	1,119	920	0.9167	Feb-00	444.91
Mar-00	594	717	920	594	0.9250	Mar-00	223.97
Apr-00	429	378	594	429	0.9333	Apr-00	146.08
May-00	124	139	429	124	0.9417	May-00	85.82
Jun-00	28	16	124	28	0.9500	Jun-00	42.36
Jul-00	2	0	28	2	0.9583	Jul-00	49.56
Aug-00	9	4	2	9	0.9667	Aug-00	57.55
Sep-00	147	65	9	147	0.9750	Sep-00	65.93
Oct-00	351	335	147	351	0.9833	Oct-00	112.74
Nov-00	700	617	351	700	0.9917	Nov-00	213.30
Dec-00	1189	946	700	1,189	1.0000	Dec-00	445.74
Jan-01	1119	1081	1,189	1,119	1.0083	Jan-01	476.00
Feb-01	882	916	1,119	882	1.0167	Feb-01	331.49
Mar-01	844	717	882	844	1.0250	Mar-01	296.65
Apr-01	406	378	844	406	1.0333	Apr-01	158.99
May-01	142	139	406	142	1.0417	May-01	51.36
Jun-01	16	16	142	16	1.0500	Jun-01	48.91
Jul-01	5	0	16	5	1.0583	Jul-01	42.82
Aug-01	0	4	5	0	1.0667	Aug-01	52.49
Sep-01	105	65	0	105	1.0750	Sep-01	59.46
Oct-01	336	335	105	336	1.0833	Oct-01	101.32
Nov-01	486	617	336	486	1.0917	Nov-01	167.83
Dec-01	810	946	486	810	1.1000	Dec-01	259.68
Jan-02	893	1081	810	893	1.1083	Jan-02	357.54
Feb-02	783	916	893	783	1.1167	Feb-02	289.91
Mar-02	700	717	783	700	1.1250	Mar-02	262.29
Apr-02	375	378	700	375	1.1333	Apr-02	142.40
May-02	200	139	375	200	1.1417	May-02	66.07
Jun-02	13	16	200	13	1.1500	Jun-02	45.36
Jul-02	0	0	13	0	1.1583	Jul-02	39.65
Aug-02	5	4	0	5	1.1667	Aug-02	52.21
Sep-02	36	65	5	36	1.1750	Sep-02	51.60
Oct-02	420	335	36	420	1.1833	Oct-02	110.12
Nov-02	682	617	420	682	1.1917	Nov-02	216.48
Dec-02	1046	946	682	1,046	1.2000	Dec-02	404.36
Jan-03	1231	1081	1,046	1,231	1.2083	Jan-03	506.63
Feb-03	1062	916	1,231	1,062	1.2167	Feb-03	504.78
Mar-03	774	717	1,062	774	1.2250	Mar-03	352.36
Apr-03	446	378	774	446	1.2333	Apr-03	141.63
May-03	225	139	446	225	1.2417	May-03	86.26
Jun-03	58	16	225	58	1.2500	Jun-03	55.93
Jul-03	0	0	58	0	1.2583	Jul-03	44.95
Aug-03	0	4	0	0	1.2667	Aug-03	47.53
Sep-03	47	65	0	47	1.2750	Sep-03	50.05
Oct-03	408	335	47	408	1.2833	Oct-03	133.65
Nov-03	530	617	408	530	1.2917	Nov-03	198.26
Dec-03	954	946	530	954	1.3000	Dec-03	378.00
Jan-04	1278	1081	954	1,278	1.3083	Jan-04	448.69
Feb-04	944	946	1,278	944	1.3167	Feb-04	407.88
Mar-04	685	717	944	685	1.3250	Mar-04	215.54
Apr-04	390	378	685	390	1.3333	Apr-04	133.71
May-04	71	139	390	71	1.3417	May-04	42.22
Jun-04	28	16	71	28	1.3500	Jun-04	36.80

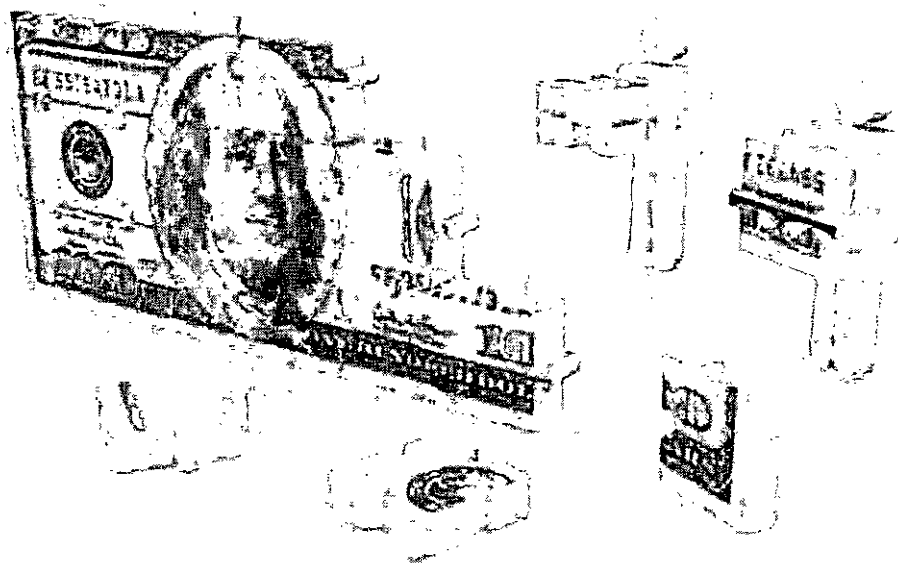
	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	IH Incl NT&DS
Jul-04	0	0	28	0	1.3583	Jul-04	39.05
Aug-04	10	4	0	10	1.3667	Aug-04	47.15
Sep-04	34	65	10	34	1.3750	Sep-04	51.26
Oct-04	364	335	34	364	1.3833	Oct-04	89.77
Nov-04	567	617	364	567	1.3917	Nov-04	162.54
Dec-04	946	946	567	946	1.4000	Dec-04	283.53
Jan-05	1127	1081	946	1,127	1.4083	Jan-05	376.25
Feb-05	889	916	1,127	889	1.4167	Feb-05	321.08
Mar-05	868	717	889	868	1.4250	Mar-05	290.31
Apr-05	340	378	868	340	1.4333	Apr-05	134.67
May-05	231	139	340	231	1.4417	May-05	75.65
Jun-05	6	16	231	6	1.4500	Jun-05	48.44
Jul-05	0	0	6	0	1.4583	Jul-05	41.07
Aug-05	0	4	0	0	1.4667	Aug-05	47.08
Sep-05	27	65	0	27	1.4750	Sep-05	46.36
Oct-05	304	335	27	304	1.4833	Oct-05	77.50
Nov-05	579	617	304	579	1.4917	Nov-05	174.33
Dec-05	1064	946	579	1,064	1.5000	Dec-05	337.47
Jan-06	847	1081	1,064	847	1.5083	Jan-06	335.90
Feb-06	902	916	847	902	1.5167	Feb-06	305.80
Mar-06	692	717	902	692	1.5250	Mar-06	272.47
Apr-06	341	378	692	341	1.5333	Apr-06	140.23
May-06	154	139	341	154	1.5417	May-06	48.06
Jun-06	22	16	154	22	1.5500	Jun-06	50.61
Jul-06	0	0	22	0	1.5583	Jul-06	45.33
Aug-06	1	4	0	1	1.5667	Aug-06	47.39
Sep-06	89	65	1	89	1.5750	Sep-06	55.10
Oct-06	375	335	89	375	1.5833	Oct-06	100.29
Nov-06	512	617	375	512	1.5917	Nov-06	168.05
Dec-06	779	946	512	779	1.6000	Dec-06	258.90
Jan-07	938	1081	779	938	1.6083	Jan-07	296.66
Feb-07	1117	916	938	1,117	1.6167	Feb-07	370.55
Mar-07	755	717	1,117	755	1.6250	Mar-07	360.63
Apr-07	495	378	755	495	1.6333	Apr-07	123.06
May-07	110	139	495	110	1.6417	May-07	74.67
Jun-07	12	16	110	12	1.6500	Jun-07	39.49
Jul-07	4	0	12	4	1.6583	Jul-07	58.39
Aug-07	16	4	4	16	1.6667	Aug-07	27.15
Sep-07	50	65	16	50	1.6750	Sep-07	54.09
Oct-07	192	335	50	192	1.6833	Oct-07	63.43
Nov-07	703	617	192	703	1.6917	Nov-07	166.56
Dec-07	956	946	703	956	1.7000	Dec-07	320.84
Jan-08	1000	1081	956	1,000	1.7083	Jan-08	337.31
Feb-08	947	946	1,000	947	1.7167	Feb-08	353.23
Mar-08	737	717	947	737	1.7250	Mar-08	273.06
Apr-08	335	378	737	335	1.7333	Apr-08	125.45
May-08	226	139	335	226	1.7417	May-08	68.78
Jun-08	7	16	226	7	1.7500	Jun-08	43.15
Jul-08	0	0	7	0	1.7583	Jul-08	41.46
Aug-08	4	4	0	4	1.7667	Aug-08	50.38
Sep-08	54	65	4	54	1.7750	Sep-08	44.66
Oct-08	418	335	54	418	1.7833	Oct-08	93.08
Nov-08	680	617	418	680	1.7917	Nov-08	198.78
Dec-08	963	946	680	963	1.8000	Dec-08	341.85
Jan-09	1225	1081	963	1,225	1.8083	Jan-09	360.32
Feb-09	880	916	1,225	880	1.8167	Feb-09	394.21
Mar-09	735	717	880	735	1.8250	Mar-09	159.03

	Actual DD	Normal DD					Actual UPC
	Calendar	Calendar	HDDm-1	HDDm	Trend	Month	IH Incl NT&DS
Apr-09	388	378	735	388	1.8333	Apr-09	113.97
May-09	140	139	388	140	1.8417	May-09	65.14
Jun-09	25	16	140	25	1.8500	Jun-09	40.25
Jul-09	0	0	25	0	1.8583	Jul-09	48.33
Aug-09	6	4	0	6	1.8667	Aug-09	46.94
Sep-09	78	65	6	78	1.8750	Sep-09	56.60
Oct-09	381	335	78	381	1.8833	Oct-09	93.90
Nov-09	526	617	381	526	1.8917	Nov-09	144.24
Dec-09	995	946	526	995	1.9000	Dec-09	288.86
Jan-10	1082	1081	995	1,082	1.9083	Jan-10	388.49
Feb-10	965	916	1,082	965	1.9167	Feb-10	321.52
Mar-10	557	717	965	557	1.9250	Mar-10	205.85
Apr-10	288	378	557	288	1.9333	Apr-10	74.87
May-10	119	139	288	119	1.9417	May-10	72.46
Jun-10	7	16	119	7	1.9500	Jun-10	41.29
Jul-10	0	0	7	0	1.9583	Jul-10	44.91
Aug-10	0	4	0	0	1.9667	Aug-10	50.23
Sep-10	25	65	0	25	1.9750	Sep-10	46.43
Oct-10	331	335	25	331	1.9833	Oct-10	84.85
Nov-10	631	617	331	631	1.9917	Nov-10	161.94
Dec-10	1103	946	631	1,103	2.0000	Dec-10	360.01
Jan-11	1192	1081	1,103	1,192	2.0083	Jan-11	413.09
Feb-11	893	916	1,192	893	2.0167	Feb-11	339.59
Mar-11	757	717	893	757	2.0250	Mar-11	247.47
Apr-11	354	378	757	354	2.0333	Apr-11	154.43
May-11	92	139	354	92	2.0417	May-11	64.36
Jun-11	2	16	92	2	2.0500	Jun-11	47.60
Jul-11	0	0	2	0	2.0583	Jul-11	43.66
Aug-11	2	4	0	2	2.0667	Aug-11	48.15
Sep-11	51	65	2	51	2.0750	Sep-11	56.18
Oct-11	355	335	51	355	2.0833	Oct-11	99.08
Nov-11	536	617	355	536	2.0917	Nov-11	166.39
Dec-11	795	946	536	795	2.1000	Dec-11	253.29
Jan-12	951	1081	795	951	2.1083	Jan-12	338.33
Feb-12	783	946	951	783	2.1167	Feb-12	295.31
Mar-12	451	717	783	451	2.1250	Mar-12	189.06
Apr-12	373	378	451	373	2.1333	Apr-12	113.44
May-12	51	139	373	51	2.1417	May-12	82.81
Jun-12	21	16	51	21	2.1500	Jun-12	56.46
Jul-12	0	0	21	0	2.1583	Jul-12	57.62
Aug-12	0	4	0	0	2.1667	Aug-12	62.71
Sep-12	77	65	0	77	2.1750	Sep-12	56.80
Oct-12	302	335	77	302	2.1833	Oct-12	90.97
Nov-12	754	617	302	754	2.1917	Nov-12	205.97
Dec-12	816	946	754	816	2.2000	Dec-12	286.83
Jan-13	1001	1081	816	1,001	2.2083	Jan-13	357.83
Feb-13	924	916	1,001	924	2.2167	Feb-13	343.53
Mar-13	819	717	924	819	2.2250	Mar-13	301.74
Apr-13	383	378	819	383	2.2333	Apr-13	167.20
May-13	158	139	383	158	2.2417	May-13	73.70
Jun-13	4	16	158	4	2.2500	Jun-13	52.98
Jul-13	0	0	4	0	2.2583	Jul-13	44.59
Aug-13	2	4	0	2	2.2667	Aug-13	51.44
Sep-13	111	65	2	111	2.2750	Sep-13	59.86
Oct-13	300	335	111	300	2.2833	Oct-13	93.56
Nov-13	723	617	300	723	2.2917	Nov-13	205.55
Dec-13	968	946	723	968	2.3000	Dec-13	330.50

	Actual DD Calendar	Normal DD Calendar	HDDm-1	HDDm	Trend	Month	Actual UPC IH Incl NT&DS
Jan-14	1267	1081	968	1,267	2.3083	Jan-14	431.22
Feb-14	1064	916	1,267	1,064	2.3167	Feb-14	418.02
Mar-14	908	717	1,064	908	2.3250	Mar-14	348.96
Apr-14	430	378	908	430	2.3333	Apr-14	156.43
May-14	126	139	430	126	2.3417	May-14	77.84
Jun-14	4	16	126	4	2.3500	Jun-14	48.42
Jul-14	2	0	4	2	2.3583	Jul-14	53.43
Aug-14	2	4	2	2	2.3667	Aug-14	57.02
Sep-14	71	65	2	71	2.3750	Sep-14	59.97
Oct-14	267	335	71	267	2.3833	Oct-14	93.89
Nov-14	731	617	267	731	2.3917	Nov-14	205.80
Dec-14	875	946	731	875	2.4000	Dec-14	347.61
Jan-15	1183	1081	875	1,183	2.4083	Jan-15	437.06
Feb-15	1228	916	1,183	1,228	2.4167	Feb-15	532.91
Mar-15	920	717	1,228	920	2.4250	Mar-15	326.49
Apr-15	360	378	920	360	2.4333	Apr-15	155.38
May-15	65	139	360	65	2.4417	May-15	83.99
Jun-15	27	16	65	27	2.4500	Jun-15	45.54
Jul-15	0	0	27	0	2.4583	Jul-15	61.39
Aug-15	0	4	0	0	2.4667	Aug-15	60.43
Sep-15	26	65	0	26	2.4750	Sep-15	60.10
Oct-15		335					
Nov-15		617					
Dec-15		946					
Jan-16		1081					
Feb-16		946					
Mar-16		717					
Apr-16		378					
May-16		139					
Jun-16		16					
Jul-16		0					
Aug-16		4					
Sep-16		65					
Oct-16		335					
Nov-16		617					
Dec-16		946					
Jan-17		1081					
Feb-17		916					
Mar-17		717					
Apr-17		378					
May-17		139					
Jun-17		16					
Jul-17		0					
Aug-17		4					
Sep-17		65					
Oct-17		335					
Nov-17		617					
Dec-17		946					
Jan-18		1081					
Feb-18		916					
Mar-18		717					



UGI UTILITIES, INC.
FY 2015 MANAGEMENT INCENTIVE PLAN





Introduction

The FY 2015 Management Incentive Plan is designed to better align and reward all of our efforts to profitably grow our Company while we safely and reliably deliver energy to our customers and to the many communities we serve.

The goal of the plan is to reward performance in five areas that are within the control or influence of employees:

- Financial Performance
- Employee Safety
- Customer Satisfaction
- Growth
- Public Safety/Reliability

Details about the plan are included in this document. If you have any questions or concerns, please send an email to Compensation@ugi.com.

Our Company succeeds when everyone works together as a team to achieve desired business results. And when those results are created, everyone is eligible to participate in the sharing of that success. Thank you for your continuing efforts and hard work on behalf of our Company, and for your focus on making UGI the best Company it can be.



FY 2015 Management Incentive Plan Design

What is Variable Pay?

Variable Pay is the portion of your total compensation that is “at risk” based on goal achievement – financial, safety, customer satisfaction and growth goals.

Who is Eligible for the Plan?

For an employee to be eligible for the 2015 Utilities Incentive Plan, he or she must:

- Be a UGI Utilities, Inc. full time regular exempt employee in grades 18 to 24
- Be an external new hire or rehire employed prior to 04/01/2015
 - If employed on or after 04/01/2015 will be eligible for the FY 2016 Incentive Plan
- Receive a summary performance rating of Met, Exceeded Some or Exceeded Objectives for their most recent review

The incentive payout will be prorated based upon the percentage of time worked during the fiscal year in the following situations:

- Employees hired between 10/01/2014 and 03/31/2015
- Employees who have transitioned to an exempt position in grades 18 to 24 with UGI Utilities, Inc. (either by transferring from another UGI Corporation business unit or by changing from non-exempt to exempt status)
- Employees who have been absent due to illness or in a no pay status for 30 or more consecutive calendar days
- Employees with service of at least one full calendar month who are separated due to position elimination, retirement, death or transfer to another UGI Corporation business unit
 - Under this circumstance, the incentive will be awarded based upon the actual incentive payout percent and the payout, if any, will be made in December 2015. The payout will be calculated using the last base rate in effect with UGI Utilities, Inc.

Employees will not be eligible for the incentive, if they:

- Voluntarily terminate or are terminated for cause prior to the payout date
- Receive a Met Some Objectives or Did Not Meet Objectives summary performance rating for their most recent review. Exceptions may be granted only by the President and CEO of UGI Utilities, Inc.
 - Please note that those employees with a summary performance rating of Met Some Objectives because they are new to the position (typically under one year) will be eligible for a prorated incentive with approval by the department Vice President

Employees not actively at work at the time of the incentive payout will receive the incentive payment when they return to work:

- When the employee returns to work, the incentive payment will be processed after the supervisor conducts the performance review discussion
- In the event the employee does not return to work, the incentive payment will be processed upon final determination of the employee’s status (i.e. LTD claim approved, LTD claim denied and employment terminated or death)

When Does the Plan Activate?

At least 90% of the FY 2015 net income budget of \$115 million must be achieved in order to activate the bonus plan. This trigger is used to ensure that any potential incentive payouts under this Plan are aligned with the overall success of the Company.

The incentive will be leveraged based on percent of net income achieved as shown below:

% of Net Income	Net Income Amount (million)	% of Payout
90%	\$103.50	50%
100%	\$115.00	100%
125%	\$143.75	150%



How Does the Incentive Pay Out?

The target incentive payout is a percentage of an employee's base rate of pay in effect on the close of the fiscal year (09/30) as outlined in chart below:

Grade	Target Incentive %
18	5.0%
19	7.5%
20	7.5%
21	10.0%
22	10.0%
23	20.0%
24	20.0%

with the Company's goals. The President and CEO of UGI Utilities, Inc. has the authority to change the plan at any time. This includes, but is not limited to, changing goals, percent payout, and termination of the plan.

What are the Goals?

The goal of the plan is to reward performance in five areas that are within the control or influence of employees:

- Financial Performance
- Employee Safety
- Customer Satisfaction
- Growth
- Public Safety/Reliability

What is the Implementation Schedule?

The plan begins 10/01/2014 for FY 2015 and the payout, if any, will be made in December 2015. The plan will be reviewed annually to ensure that the incentive philosophy and overall program are operating fairly and efficiently and in accordance

While one-time events can impact our business, any modifications or adjustments must be approved by the President and CEO of UGI Utilities, Inc. See below for descriptions of how each plan component will be weighted and measured.

Weight	Plan Components	Description	FY 2015 Target
25%	Employee Safety	12.5%: OSHA Recordable Incidence Rate	1.55
		12.5%: Recordable Accident Rate	4.53
25%	Customer Satisfaction	Metrix Matrix Survey Rating	9.0
25%	Growth	Customer Margin	\$16.5 million
25%	Public Safety/Reliability		
	Gas Division	12.5%: Emergency Response Rate	97.2%
		12.5%: Total Damage Rate	1.9
	Electric Division	25%: Reliability Index Values: SAIDI / SAIFI / CAIDI	140 / .83 / 169
	Utilities Headquarters and Call Center	6.25%: Emergency Response Rate	97.2%
		6.25%: Total Damage Rate	1.9
		12.5%: Reliability Index Values: SAIDI / SAIFI / CAIDI	140 / .83 / 169

5/6/2013

UGI UTILITIES, INC.
EXECUTIVE ANNUAL BONUS PLAN
(As amended as of November 16, 2012)

I. Purpose. The purpose of the UGI Utilities, Inc. Executive Annual Bonus Plan (the “Plan”) is to provide a means whereby UGI Utilities, Inc. (the “Company”) may provide incentive compensation to its eligible employees to serve as an incentive for employee performance and retention. The Plan is intended to encourage eligible employees to contribute to the overall success of the Company. The Plan is part of a total compensation structure under which a meaningful portion of eligible employees’ total compensation is based on achievement of performance goals relating to the eligible employees’ business and/or area of responsibility. The Plan was originally effective as of October 1, 2006 and has been amended and restated as of November 16, 2012.

II. Definitions. Whenever used in this Plan, the following terms will have the respective meanings set forth below:

2.1 “*Affiliate*” shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

2.2 “*Board*” means the board of directors of the Company as constituted from time to time.

2.3 “*Code*” means the Internal Revenue Code of 1986, as amended.

2.4 “*Committee*” means (i) for Senior Management, the Compensation and Management Development Committee of the Board or its successor and (ii) for eligible employees who are not members of Senior Management, the Chief Executive Officer of the Company or his designee.

2.5 “*Company*” means UGI Utilities, Inc., a Pennsylvania corporation, or any successor thereto.

2.6 “*Employer*” means the Company and its Affiliates.

2.7 “*Equity Plan*” means the UGI Corporation 2013 Omnibus Incentive Compensation Plan, as in effect from time to time, or a successor plan.

2.8 “*Participant*” means an eligible employee or other individual who provides services to the Company or its Affiliates and who is described in Section III as a participant in the Plan.

2.9 “*Plan*” means this UGI Utilities, Inc. Executive Annual Bonus Plan, as in effect from time to time.

2.10 “*Senior Management*” means those employees who are designated as executive officers by the Board pursuant to Rule 3b-7 of the rules promulgated pursuant to the Securities Exchange Act of 1934, as amended.

2.11 “*Stock Award*” shall have the meaning given that term under the Equity Plan.

III. Participation. All salaried employees of the Company and its Affiliates in grade level 34 or above shall be eligible to participate in the Plan for each fiscal year. The Company’s fiscal year begins on October 1. The Committee may also designate in writing that one or more senior level employees of an Affiliate shall be Participants in the Plan for a fiscal year, in its sole discretion.

IV. Annual Bonus.

4.1 **Target Bonus.** At the beginning of each fiscal year, the Committee shall establish target bonuses as a percentage of each Participant’s salary for the fiscal year. Each Participant shall be eligible to receive an annual bonus for the fiscal year based on the achievement of business/financial performance goals, and the Participant’s individual performance goals, if applicable, during the fiscal year. The amount actually paid to a Participant may be more or less than the target bonus amount, depending on the extent to which the performance goals are satisfied.

4.2 **Performance Goals.**

(a) **Business/Financial Goals.** At the beginning of each fiscal year, the Committee shall establish the business/financial performance goals for the fiscal year and leverage tables that apply to the performance goals.

(b) **Individual Goals.** The Committee shall determine which Participants shall have individual performance goals as part of their bonus calculation. At the beginning of each fiscal year, the Committee shall establish each Participant’s individual performance goals for the year, if applicable, and shall set leverage tables that will apply to individual performance goals. The portion of the target bonus attributable to individual performance will be payable only if the business/financial performance goals are achieved at the threshold level of performance.

(c) **Weighting.** At the time the Committee establishes performance goals for each fiscal year, the Committee will determine the weighting for each Participant with respect to the business/financial goals and the individual goals. The weighting of the two types of goals need not be uniform as to all Participants.

(d) **Communication of Goals.** The Committee shall provide for the communication of the performance goals and corresponding leverage tables to the Participants.

4.3 **Determination and Approval of Bonus Payments.**

(a) At the end of the fiscal year, the Committee shall determine the amount of each Participant’s bonus, if any, based on the achievement of the business/financial performance

goals and, if applicable, the achievement of the individual performance goals. The Committee shall have sole discretion to determine whether and to what extent the performance goals have been met. The Committee may adjust the performance results for extraordinary items or other events, as the Committee deems appropriate.

(b) If the threshold level of business/financial performance is not achieved, no bonuses will be paid.

(c) With respect to Participants whose annual bonus under the Plan is based solely on the achievement of business/financial performance goals, the Committee shall have discretion to increase or decrease the amount of the annual bonus by 50% more or less than the amount otherwise determined, based on the Participant's contribution to the achievement of the business/financial performance goals, other contributions that have a significant impact on Company performance, or other factors.

4.4 Newly Hired Employees, Promotions and Transfers. Employees who are newly hired or who are promoted or transferred into a position eligible to participate in the Plan during the fiscal year may be eligible to receive a prorated bonus award calculated in whole months based on the relative time spent in the eligible position during the fiscal year, as determined by the Committee. If a Participant is transferred to an Affiliate of the Company (or into a position with a different annual bonus target percentage) during the fiscal year, the Participant's performance goals may be adjusted to reflect the change in Employer or position. If a Participant is transferred into a position that is not eligible to participate in the Plan during the fiscal year, the Participant may be eligible to receive a prorated award calculated in whole months based on the relative time spent in the eligible position during the fiscal year, as determined by the Committee.

4.5 Payment of Annual Bonus. Each annual bonus for a fiscal year shall be paid to the Participant in a single lump sum payment between September 30 and December 31 of the calendar year in which the fiscal year ends, except as provided below. Annual bonuses for a fiscal year shall be paid in cash; provided that the Committee may determine that part or all of a Participant's annual bonus shall be paid in the form of a Stock Award under the Equity Plan. Unless the Committee determines otherwise, to the extent that an officer of the Company who is subject to Section 16(b) of the Securities Exchange Act of 1934, as amended, shall not have satisfied any ownership requirement then applicable to such officer, as set forth in the UGI Corporation Stock Ownership Policy, up to 10% of the gross amount of the officer's annual bonus shall be paid in fully vested Stock Awards under the Equity Plan.

4.6 Withholding Tax. Each Employer shall withhold from each bonus payment an amount sufficient to satisfy all federal, state and local tax withholding requirements relating to the bonus. Unless the Committee determines otherwise, withholding taxes with respect to any portion of a bonus paid in the form of a Stock Award shall be deducted from the cash portion of such bonus.

V. Termination of Employment. Except as provided below, a Participant must be employed by the Employer on the last day of the fiscal year for which the bonus is earned in

order to receive a bonus for the year. If a Participant's employment terminates on account of retirement, death or disability, the Committee may determine in its sole discretion that an annual bonus will be paid for the year of termination. The Committee may take into account factors such as Company performance, individual performance and the portion of the year elapsed prior to termination. The annual bonus, if any, shall be paid within 60 days after the date of termination.

VI. Administration. The Committee administers the Plan. The Committee shall have full power and discretionary authority to interpret and administer the Plan, to make all determinations, including all participation and bonus determinations, and to prescribe, amend and rescind any rules, forms or procedures as the Committee deems necessary or appropriate for the proper administration of the Plan and to make any other determinations and take such other actions as the Committee deems necessary or advisable in carrying out its duties under the Plan. Any action required of the Committee under the Plan shall be made in the Committee's sole discretion and not in a fiduciary capacity. All decisions and determinations by the Committee shall be final, conclusive and binding on the Company, the Participants, and any other persons having or claiming an interest hereunder. All bonuses shall be awarded conditional upon the Participant's acknowledgement, by continuing in employment with the Employer, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest in such bonus.

VII. General Provisions.

7.1 Transferability. No bonus under this Plan shall be transferred, assigned, pledged or encumbered by the Participant nor shall it be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Participant. In the event of a Participant's death, any amounts payable under this Plan, as determined by the Committee, shall be paid to the Participant's estate.

7.2 Unfunded Arrangement. The Plan is an unfunded incentive compensation arrangement. Nothing contained in the Plan, and no action taken pursuant to the Plan, shall create or be construed to create a trust of any kind. Each Participant's right to receive a bonus shall be no greater than the right of an unsecured general creditor of the Employer. All bonuses shall be paid from the general funds of the Employer, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of bonuses.

7.3 No Rights to Employment. Nothing in the Plan, and no action taken pursuant hereto, shall confer upon a Participant the right to continue in the employ of the Employer, or affect the right of the Employer to terminate a Participant's employment at any time for cause or for no cause whatsoever.

7.4 Section 409A. The Plan is intended to comply with the short-term deferral rule set forth in the regulations under section 409A of the Code, in order to avoid application of section 409A to the Plan. If and to the extent that any payment under this Plan is deemed to be deferred compensation subject to the requirements of section 409A, this Plan shall be

administered so that such payments are made in accordance with the requirements of section 409A.

7.5 Termination and Amendment of the Plan. The Compensation and Management Development Committee may amend or terminate the Plan at any time.

7.6 Successors. The Plan shall be binding upon and inure to the benefit of the Employer, its successors and assigns, and each Participant and his or her heirs, executors, administrators and legal representatives.

7.7 Applicable Law. The Plan shall be construed and governed in accordance with the laws of the Commonwealth of Pennsylvania.

5/6/2013

UGI CORPORATION
EXECUTIVE ANNUAL BONUS PLAN
(As amended as of November 16, 2012)

I. Purpose. The purpose of the UGI Corporation Executive Annual Bonus Plan (the “Plan”) is to provide a means whereby UGI Corporation (the “Company”) may provide incentive compensation to its eligible employees to serve as an incentive for employee performance and retention. The Plan is intended to encourage eligible employees to contribute to the growth of the Company and the enhancement of shareholder value. The Plan is part of a total compensation structure under which a meaningful portion of eligible employees’ total compensation is based on achievement of performance goals relating to the eligible employees’ business and/or area of responsibility. The Plan was originally effective as of October 1, 2006 and has been amended and restated as of November 16, 2012.

II. Definitions. Whenever used in this Plan, the following terms will have the respective meanings set forth below:

2.1 “*Affiliate*” shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

2.2 “*Board*” means the board of directors of the Company as constituted from time to time.

2.3 “*Code*” means the Internal Revenue Code of 1986, as amended.

2.4 “*Committee*” means (i) for Senior Management, the Compensation and Management Development Committee of the Board or its successor and (ii) for eligible employees who are not members of Senior Management, the Chief Executive Officer of the Company or his designee.

2.5 “*Company*” means UGI Corporation, a Pennsylvania corporation, or any successor thereto.

2.6 “*Employer*” means the Company and its Affiliates.

2.7 “*Equity Plan*” means the UGI Corporation 2013 Omnibus Incentive Compensation Plan, as in effect from time to time, or a successor plan.

2.8 “*Participant*” means an eligible employee or other individual who provides services to the Company or its Affiliates and who is described in Section III as a participant in the Plan. Employees of UGI Utilities, Inc. and AmeriGas Propane, Inc. and their subsidiaries are not eligible to participate in the Plan.

2.9 “*Plan*” means this UGI Corporation Executive Annual Bonus Plan, as in effect from time to time.

2.10 “*Senior Management*” means those employees who are designated as executive officers by the Board pursuant to Rule 16a-1 of the rules promulgated pursuant to the Securities Exchange Act of 1934, as amended.

2.11 “*Stock Award*” shall have the meaning given that term under the Equity Plan.

III. Participation. All salaried employees of the Company and its Affiliates (other than UGI Utilities, Inc., AmeriGas Propane, Inc. and their subsidiaries) in grade level 70 or above shall be eligible to participate in the Plan for each fiscal year. The Company’s fiscal year begins on October 1. The Committee may also designate in writing that one or more senior level directors or employees of an Affiliate shall be Participants in the Plan for a fiscal year, in its sole discretion.

IV. Annual Bonus.

4.1 **Target Bonus.** At the beginning of each fiscal year, the Committee shall establish target bonuses as a percentage of each Participant’s salary for the fiscal year. Each Participant shall be eligible to receive an annual bonus for the fiscal year based on the achievement of business/financial performance goals, and the Participant’s individual performance goals, if applicable, during the fiscal year. The amount actually paid to a Participant may be more or less than the target bonus amount, depending on the extent to which the performance goals are satisfied.

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(c) **Weighting.** At the time the Committee establishes performance goals for each fiscal year, the Committee will determine the weighting for each Participant with respect to the business/financial goals and the individual goals. The weighting of the two types of goals need not be uniform as to all Participants.

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(b) If the threshold level of business/financial performance is not achieved, no bonuses will be paid.

(c) With respect to Participants whose annual bonus under the Plan is based solely on the achievement of business/financial performance goals, the Committee shall have discretion to increase or decrease the amount of the annual bonus by 50% more or less than the amount otherwise determined, based on the Participant's contribution to the achievement of the business/financial performance goals, other contributions that have a significant impact on Company performance, or other factors.

4.4 Newly Hired Employees, Promotions and Transfers. Employees who are newly hired or who are promoted or transferred into a position eligible to participate in the Plan during the fiscal year may be eligible to receive a prorated bonus award calculated in whole months based on the relative time spent in the eligible position during the fiscal year, as determined by the Committee. If a Participant is transferred to an Affiliate of the Company (or into a position with a different annual bonus target percentage) during the fiscal year, the Participant's performance goals may be adjusted to reflect the change in Employer or position. If a Participant is transferred into a position that is not eligible to participate in the Plan during the fiscal year, the Participant may be eligible to receive a prorated award calculated in whole months based on the relative time spent in the eligible position during the fiscal year, as determined by the Committee.

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4.6 Withholding Tax. Each Employer shall withhold from each bonus payment an amount sufficient to satisfy all federal, state and local tax withholding requirements relating to the bonus. Unless the Committee determines otherwise, withholding taxes with respect to any

portion of a bonus paid in the form of a Stock Award shall be deducted from the cash portion of such bonus.

V. Termination of Employment. Except as provided below, a Participant must be employed by the Employer on the last day of the fiscal year for which the bonus is earned in order to receive a bonus for the year. If a Participant's employment terminates on account of retirement, death or disability, the Committee may determine in its sole discretion that an annual bonus will be paid for the year of termination. The Committee may take into account factors such as Company performance, individual performance and the portion of the year elapsed prior to termination. The annual bonus, if any, shall be paid within 60 days after the date of termination.

VI. Administration. The Committee administers the Plan. The Committee shall have full power and discretionary authority to interpret and administer the Plan, to make all determinations, including all participation and bonus determinations, and to prescribe, amend and rescind any rules, forms or procedures as the Committee deems necessary or appropriate for the proper administration of the Plan and to make any other determinations and take such other actions as the Committee deems necessary or advisable in carrying out its duties under the Plan. Any action required of the Committee under the Plan shall be made in the Committee's sole discretion and not in a fiduciary capacity. All decisions and determinations by the Committee shall be final, conclusive and binding on the Company, the Participants, and any other persons having or claiming an interest hereunder. All bonuses shall be awarded conditional upon the Participant's acknowledgement, by continuing in employment with the Employer, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest in such bonus.

VII. General Provisions.

7.1 Transferability. No bonus under this Plan shall be transferred, assigned, pledged or encumbered by the Participant nor shall it be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Participant. In the event of a Participant's death, any amounts payable under this Plan, as determined by the Committee, shall be paid to the Participant's estate.

7.2 Unfunded Arrangement. The Plan is an unfunded incentive compensation arrangement. Nothing contained in the Plan, and no action taken pursuant to the Plan, shall create or be construed to create a trust of any kind. Each Participant's right to receive a bonus shall be no greater than the right of an unsecured general creditor of the Employer. All bonuses shall be paid from the general funds of the Employer, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of bonuses.

7.3 No Rights to Employment. Nothing in the Plan, and no action taken pursuant hereto, shall confer upon a Participant the right to continue in the employ of the Employer, or affect the right of the Employer to terminate a Participant's employment at any time for cause or for no cause whatsoever.

7.4 **Section 409A.** The Plan is intended to comply with the short-term deferral rule set forth in the regulations under section 409A of the Code, in order to avoid application of section 409A to the Plan. If and to the extent that any payment under this Plan is deemed to be deferred compensation subject to the requirements of section 409A, this Plan shall be administered so that such payments are made in accordance with the requirements of section 409A.

7.5 **Termination and Amendment of the Plan.** The Compensation and Management Development Committee may amend or terminate the Plan at any time.

7.6 **Successors.** The Plan shall be binding upon and inure to the benefit of the Employer, its successors and assigns, and each Participant and his or her heirs, executors, administrators and legal representatives.

7.7 **Applicable Law.** The Plan shall be construed and governed in accordance with the laws of the Commonwealth of Pennsylvania.

UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
Effective as of September 5, 2014

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UGI CORPORATION

2013 OMNIBUS INCENTIVE COMPENSATION PLAN

Effective as of September 5, 2014

1. Purpose

The purpose of the UGI Corporation 2013 Omnibus Incentive Compensation Plan (the “Plan”) is to provide (i) designated employees of UGI Corporation (“UGI”) and its subsidiaries, and (ii) non-employee members of the board of directors of UGI with the opportunity to receive grants of stock options, stock units, performance units, stock awards, stock appreciation rights, dividend equivalents, other stock-based awards and cash awards. UGI believes that by providing equity based and cash based incentive compensation, the Plan will encourage the participants to contribute materially to the growth of UGI, thereby benefiting UGI’s shareholders, and will more closely align the economic interests of the participants with those of the shareholders.

The Plan was adopted by the Board effective January 24, 2013, subject to shareholder approval of the Plan. The Plan is hereby amended and restated effective September 5, 2014 to reflect the Stock Split.

2. Definitions

Whenever used in this Plan, the following terms will have the respective meanings set forth below:

(a) “*Base Amount*” means the base amount for a Stock Appreciation Right, as described in Section 11.

(b) “*Board*” means UGI’s Board of Directors as constituted from time to time.

(c) “*Cash Award*” means awards to be settled in cash as described in Section 14.

(d) “*Certificate*” means a certificate, or electronic book entry equivalent, for a share of Stock.

(e) “*Change of Control*” means a change of control of UGI as described on the attached Exhibit A, or as modified by the Board from time to time. The Committee may provide for a more limited definition of “Change of Control” in a Grant Letter if necessary or appropriate to comply with the requirements of Section 409A of the Code.

(f) “*Code*” means the Internal Revenue Code of 1986, as amended.

(g) “*Committee*” means (i) with respect to Grants to Employees, the Compensation and Management Development Committee of the Board or its successor, and (ii) with respect to Grants made to Non-Employee Directors, the Board or its delegate.

(h) “*Company*” means UGI and any Subsidiary.

(i) *"Date of Grant"* means the effective date of a Grant; provided, however, that no retroactive Grants will be made.

(j) *"Dividend Equivalent"* means an amount determined by multiplying the number of shares of Stock subject to a Grant by the per-share cash dividend, or the per-share fair market value (as determined by the Committee) of any dividend in consideration other than cash, paid by UGI on its Stock.

(k) *"Employee"* means an employee of the Company (including an officer or director who is also an employee). For purposes of the Plan, the term "Employee" shall also include a chief executive officer or other officer or person who performs management and policymaking functions with respect to a Subsidiary of UGI located outside the United States. In no event shall any of the following persons be considered an Employee for purposes of the Plan: (i) independent contractors, (ii) persons performing services pursuant to an arrangement with a third party leasing organization or (iii) any person whom the Company determines, in its sole discretion, is not a common law employee, whether or not any such person is later determined to have been a common law employee of the Company.

(l) *"Exchange Act"* means the Securities Exchange Act of 1934, as amended.

(m) *"Fair Market Value"* of Stock means, unless the Committee determines otherwise with respect to a particular Grant, the last reported sale price of a share of Stock on the New York Stock Exchange during regular trading hours on the day on which Fair Market Value is being determined, as reported on the composite tape for transactions on the New York Stock Exchange. In the event that there are no Stock transactions on the New York Stock Exchange on such day, the Fair Market Value will be determined as of the immediately preceding day on which there were Stock transactions on that exchange. Notwithstanding the foregoing, in the case of a broker-assisted exercise pursuant to Section 7(f), the Fair Market Value will be the actual sale price of the shares issued upon exercise of the Option.

(n) *"Grant"* means an Option, Stock Unit, Performance Unit, Stock Award, Stock Appreciation Right, Dividend Equivalent, Other Stock-Based Award or Cash Award granted under the Plan.

(o) *"Grant Letter"* means the written instrument that sets forth the terms and conditions of a Grant, including all amendments thereto.

(p) *"Non-Employee Director"* means a member of the Board who is not an employee of the Company.

(q) *"Option"* means an option to purchase shares of Stock, as described in Section 7.

(r) *"Option Price"* means an amount per share of Stock purchasable under an Option, as designated by the Committee.

(s) *"Other Stock-Based Award"* means any Grant based on, measured by or payable in Stock (other than Grants described in Sections 7, 8, 9, 10, 11 and 12 of the Plan) as described in Section 13.

(t) “*Participant*” means an Employee or Non-Employee Director designated by the Committee to participate in the Plan.

(u) “*Performance Unit*” means an award of a phantom unit representing a share of Stock, as described in Section 9.

(v) “*Plan*” means this 2013 Omnibus Incentive Compensation Plan, as in effect from time to time.

(w) “*Stock*” means the common stock of UGI or such other securities of UGI as may be substituted for Stock pursuant to Section 5(e) or Section 18.

(x) “*Stock Appreciation Right*” means a stock appreciation right with respect to a share of Stock as described in Section 11.

(y) “*Stock Award*” means an award of Stock as described in Section 10.

(z) “*Stock Split*” means the three-for-two split of the Stock that was approved by the Board effective as of September 5, 2014.

(aa) “*Stock Unit*” means an award of a phantom unit representing a share of Stock, as described in Section 8.

(bb) “*Subsidiary*” means any corporation or partnership, at least 20% of the outstanding voting stock, voting power or partnership interest of which is owned, directly or indirectly, by UGI.

(cc) “*Target Amount*” means a target number of shares of Stock to be issued based on achievement of the performance goals and satisfaction of all conditions for payment of Performance Units at the 100% level.

(dd) “*UGI*” means UGI Corporation, a Pennsylvania corporation or any successor thereto.

3. Administration

(a) Committee. The Plan shall be administered and interpreted by the Compensation and Management Development Committee of the Board or its successor with respect to grants to Employees. The Compensation and Management Development Committee shall be comprised, unless otherwise determined by the Board, solely of not less than two (2) members who shall be (i) “non-employee directors” within the meaning of Rule 16b-3(b)(3) (or any successor rule) promulgated under the Exchange Act, (ii) “outside directors” within the meaning of Treasury Regulation Section 1.162-27(e)(3) under Section 162(m) of the Code, and (iii) “independent directors,” as determined in accordance with the independence standards established by the stock exchange on which the Stock is at the time primarily traded. The Plan shall be administered and interpreted by the Board, or by a committee of directors to whom the Board has delegated responsibility, with respect to grants to Non-Employee Directors. The Board or committee, as applicable, that has authority with respect to a specific Grant shall be referred to as the

“Committee” with respect to that Grant. Ministerial functions may be performed by Company employees as appropriate.

(b) Committee Authority. The Committee shall have the sole authority to (i) determine the Participants to whom Grants shall be made under the Plan, (ii) determine the type, size and terms and conditions of the Grants to be made to each such Participant, (iii) determine the time when the Grants will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (iv) amend the terms and conditions of any previously issued Grant, subject to the provisions of Section 20 below, and (v) deal with any other matters arising under the Plan.

(c) Committee Determinations. The Committee shall have full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee’s interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated Participants.

4. Grants

(a) Grants under the Plan may consist of Options as described in Section 7, Stock Units as described in Section 8, Performance Units as described in Section 9, Stock Awards as described in Section 10, Stock Appreciation Rights as described in Section 11, Dividend Equivalents as described in Section 12, Other Stock-Based Awards as described in Section 13 and Cash Awards as described in Section 14. All Grants shall be subject to such terms and conditions as the Committee deems appropriate and as are specified in writing by the Committee to the Participant in the Grant Letter.

(b) All Grants shall be made conditional upon the Participant’s acknowledgement, in writing or by acceptance of the Grant, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under such Grant. Grants under a particular Section of the Plan need not be uniform as among the Participants.

(c) The Committee may make Grants that are contingent on, and subject to, shareholder approval of the Plan or an amendment to the Plan.

5. Shares Subject to the Plan¹

(a) Shares Authorized. The total aggregate number of shares of Stock that may be issued under the Plan is 21,750,000 shares, subject to adjustment as described below. The shares may be authorized but unissued shares of Stock or reacquired shares of Stock for purposes of the

¹ The share numbers set forth herein have been adjusted to reflect the Stock Split.

Plan. Shares of Stock will be issued under this Plan with respect to Dividend Equivalents that are credited after the effective date of this Plan on Stock Units or Performance Units granted under the 2004 Plan before January 24, 2013.

(b) Share Counting. The number of shares of Stock reserved for Grants under this Plan shall be reduced on a one-for-one basis for each share of Stock subject to an Option or Stock Appreciation Right and shall be reduced by a fixed ratio of 4.67 shares of Stock for each share of Stock subject to a Stock Unit, Performance Unit, Stock Award, Dividend Equivalent or Other Stock-Based Award granted under the Plan. For administrative purposes, when the Committee makes a Grant payable in Stock, the Committee shall reserve, and count against the share limit, shares equal to the maximum number of shares that may be issued under the Grant. If and to the extent Options or Stock Appreciation Rights granted under the Plan terminate, expire, or are canceled, forfeited, exchanged or surrendered without having been exercised, and if and to the extent that any Stock Awards, Stock Units, Performance Units or Other Stock-Based Awards are forfeited or terminated, or otherwise are not paid in full, the shares reserved for such Grants shall again be available for purposes of the Plan. Shares of Stock surrendered in payment of the Option Price of an Option, and shares withheld or surrendered for payment of taxes, shall not be available for re-issuance under the Plan. If Stock Appreciation Rights are exercised, the full number of shares subject to the Stock Appreciation Rights shall be considered issued under the Plan, without regard to the number of shares issued upon settlement of the Stock Appreciation Rights and without regard to any cash settlement of the Stock Appreciation Rights. To the extent that other Grants are designated in the Grant Letter to be paid in cash, and not in shares of Stock, such Grants shall not count against the share limits in subsection (a). The preceding sentences of this Section shall apply only for purposes of determining the aggregate number of shares of Stock that may be issued under the Plan, but shall not apply for purposes of determining the maximum number of shares of Stock with respect to which Grants may be granted to any Participant under the Plan. For the avoidance of doubt, if shares of Stock are repurchased by the Company on the open market with the proceeds of the exercise price of Options, such shares may not again be made available for issuance under the Plan.

(c) Individual Limits. All Grants under the Plan, other than Cash Awards and Dividend Equivalents, shall be expressed in shares of Stock. The individual share limits of this subsection (c) shall apply without regard to whether the Grants are to be paid in Stock or cash. All cash payments (other than with respect to Cash Awards and Dividend Equivalents) shall equal the Fair Market Value of the shares of Stock to which the cash payment relates. The maximum aggregate number of shares of Stock with respect to which all Grants may be made under the Plan to any individual Employee during any calendar year shall be 2,250,000 shares, subject to adjustment as described below. The maximum aggregate number of shares of Stock with respect to which Options and Stock Appreciation Rights may be granted under the Plan to any individual Employee during any calendar year shall be 1,500,000 shares, subject to adjustment as described below. The maximum aggregate number of shares of Stock with respect to which Stock Units, Performance Units, Stock Awards and Other Stock-Based Awards may be made under the Plan to any individual Employee during any calendar year shall be 1,500,000 shares, subject to adjustment as described below. An Employee may not accrue Dividend Equivalents during any calendar year in excess of \$1,000,000. The maximum amount that may be paid to an Employee under a Cash Award for each 12 months in a performance period shall be \$5,000,000.

(d) Adjustments. If there is any change in the number or kind of shares of Stock outstanding (i) by reason of a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) by reason of a merger, reorganization or consolidation, (iii) by reason of a reclassification or change in par value, or (iv) by reason of any other extraordinary or unusual event affecting the outstanding Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Stock is substantially reduced as result of a spinoff or the Company's payment of any extraordinary dividend or distribution, the maximum number of shares of Stock available for issuance under the Plan, the maximum number of shares of Stock for which any individual may receive Grants in any year, the kind and number of shares covered by outstanding Grants, the kind and number of shares to be issued or issuable under the Plan, and the price per share or the applicable market value of such Grants shall be required to be equitably adjusted by the Committee to reflect any increase or decrease in the number of, or change in the kind or value of, issued shares of Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under the Plan and such outstanding Grants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated. Any adjustments to outstanding Grants shall be consistent with Sections 409A and 162(m) of the Code, to the extent applicable. The adjustments of Grants under this Section 5(d) shall include adjustment of shares, Option Price, Base Amount, performance goals or other terms and conditions, as the Committee deems appropriate. Any adjustments determined by the Committee shall be final, binding and conclusive.

(e) Acquisitions. In connection with the acquisition of any business by the Company or its affiliates, any outstanding equity grants with respect to stock of the acquired company may be assumed or replaced by Grants under the Plan upon such terms and conditions as the Committee deems appropriate, which may include terms, including Option Price and Base Amount, different from those described herein. Such substitute Grants shall not reduce the Plan's share reserve as described above in Section 5(a), consistent with applicable stock exchange requirements, and shall not be limited by the individual limits in Section 5(c).

6. Eligibility for Participation

(a) Eligible Persons. All Employees, including Employees who are officers or members of the Board, and all Non-Employee Directors shall be eligible to participate in the Plan.

(b) Selection of Participants. The Committee shall select the Employees and Non-Employee Directors to receive Grants and shall determine the terms of each Grant.

7. Options

(a) General Requirements. The Committee may grant Options to an Employee or Non-Employee Director upon such terms and conditions as the Committee deems appropriate under this Section 7. Dividend Equivalents may not be granted with respect to Options.

(b) Number of Shares. The Committee shall determine the number of shares of Stock that will be subject to each Grant of Options to Employees and Non-Employee Directors.

(c) Type of Option, Price and Term.

(i) The Committee may grant Options that are nonqualified stock options and are not considered incentive stock options under Section 422 of the Code.

(ii) The Option Price of Stock subject to an Option shall be determined by the Committee and shall be equal to or greater than the Fair Market Value of a share of Stock on the Date of Grant.

(iii) The Committee shall determine the term of each Option. The term of an Option shall not exceed ten years from the Date of Grant.

(iv) Notwithstanding any provision in the Plan or Grant Letter to the contrary, unless the Committee determines otherwise, if a vested Option would terminate at a time when trading in Stock is prohibited by law or by the Company's insider trading policy, the vested Option may be exercised until the thirtieth (30th) day after expiration of such prohibition (but not beyond the end of the term of the Option).

(d) Exercisability of Options. Options shall become exercisable in accordance with such terms and conditions as may be determined by the Committee and specified in the Grant Letter. The Committee may accelerate the exercisability of any or all outstanding Options at any time for any reason.

(e) Termination of Employment or Service. Except as provided in the Grant Letter, an Option may only be exercised while the Participant is employed by the Company, or providing service as a Non-Employee Director. The Committee shall determine in the Grant Letter under what circumstances and during what time periods a Participant may exercise an Option after termination of employment or service.

(f) Exercise of Options. A Participant may exercise an Option that has become exercisable, in whole or in part, by delivering a notice of exercise to the Company. The Participant shall pay the Option Price for the Option in any of the following methods, as permitted by the Committee with respect to the Option: (i) in cash, (ii) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, (iii) by "net exercise," which is the surrender of shares for which the Option is exercisable to the Company in exchange for a distribution of shares of Company Stock equal to the amount by which the then Fair Market Value of the shares subject to the exercised Option exceeds the applicable Option Price, or (iv) by such other method as the Committee may approve. Payment for the shares pursuant to the Option, and any required withholding taxes, must be received by the time specified by the Committee depending on the type of payment being made, but in all cases prior to the issuance of the Stock.

8. Stock Units

(a) General Requirements. The Committee may grant Stock Units to an Employee or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate under this Section 8. Each Stock Unit shall represent the right of the Participant to receive a share of Stock or an amount based on the value of a share of Stock. All Stock Units shall be credited to accounts on the Company's records for purposes of the Plan.

(b) Vesting of Stock Units. The Committee shall establish the vesting conditions for Stock Units. If neither the grant nor the vesting of Stock Units is subject to performance conditions, the Stock Units shall vest over a period of not less than three (3) years and if the grant or vesting of Stock Units is subject to performance conditions, the Stock Units shall vest over a period of not less than one (1) year; provided that the Grant Letter may provide that (i) Stock Units may vest on an accelerated basis in the event of a Participant's death, disability, retirement or involuntary termination without cause, or in the event of a Change of Control, and (ii) up to five percent (5%) of the shares of Stock initially authorized for issuance under the Plan may be granted as Stock Units, Performance Units, Stock Awards and Other Stock-Based Awards free of the limitations on vesting set forth herein and in Sections 9(b) and 10(b) below.

(c) Terms of Stock Units. The Committee shall determine the number of Stock Units to be granted and the requirements applicable to such Stock Units. The Committee may grant Stock Units that are payable on terms and conditions determined by the Committee. Stock Units may be paid at the end of a specified period, or payment may be deferred to a date authorized by the Committee consistent with Section 409A of the Code. The Committee may grant Dividend Equivalents with respect to Stock Units, subject to Section 12 below.

(d) Payment With Respect to Stock Units. Payment with respect to Stock Units shall be made in cash, in Stock, or in a combination of the two, as determined by the Committee in the Grant Letter. The Grant Letter shall specify the maximum number of shares that can be issued under the Stock Units.

(e) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Stock Units after termination of the Participant's employment or service, and the circumstances under which Stock Units may be forfeited.

9. Performance Units

(a) General Requirements. The Committee may grant Performance Units to an Employee or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate under this Section 9. Each Performance Unit shall represent the right of the Participant to receive a share of Stock or an amount based on the value of a share of Stock, if specified performance goals and other conditions are met. All Performance Units shall be credited to accounts on the Company's records for purposes of the Plan.

(b) Vesting of Performance Units. The Committee shall establish the vesting conditions for Performance Units. Performance Units shall vest over a period of not less than one (1) year; provided that the Grant Letter may provide that (i) Performance Units may vest on an accelerated basis in the event of a Participant's death, disability, retirement or involuntary termination without cause, or in the event of a Change of Control, and (ii) up to five percent (5%) of the shares of Stock initially authorized for issuance under the Plan may be granted as Stock Units, Performance Units, Stock Awards and Other Stock-Based Awards free of the limitations on vesting set forth herein and in Sections 8(b) and 10(b).

(c) Terms of Performance Units. The Committee shall determine the number of Performance Units to be granted and the requirements applicable to such Performance Units, including the performance goals and other conditions for payment of Performance Units. Performance Units may be paid at the end of a specified performance or other period, or payment may be deferred to a date authorized by the Committee, consistent with Section 409A of the Code. The Committee may grant Dividend Equivalents with respect to Performance Units subject to Section 12 below.

(d) Payment With Respect to Performance Units. Payment with respect to Performance Units shall be made in cash, in Stock, or in a combination of the two, as determined by the Committee in the Grant Letter. The Committee shall establish a Target Amount for Performance Units in the Grant Letter. Unless the Committee determines otherwise, payment of Performance Units in excess of the Target Amount shall be made in cash.

(e) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Performance Units after termination of the Participant's employment or service, and the circumstances under which Performance Units may be forfeited.

10. Stock Awards

(a) General Requirements. The Committee may issue shares of Stock to an Employee or Non-Employee Director under a Stock Award, upon such terms and conditions as the Committee deems appropriate under this Section 10. Shares of Stock issued pursuant to Stock Awards may be issued for cash consideration or for no cash consideration, and subject to restrictions or no restrictions, as determined by the Committee. The Committee may establish conditions under which restrictions on Stock Awards shall lapse over a period of time or according to such other criteria as the Committee deems appropriate, including restrictions based upon the achievement of specific performance goals.

(b) Vesting of Stock Awards. The Committee shall establish the vesting conditions for Stock Awards. If neither the grant nor the vesting of Stock Awards is subject to performance conditions, the Stock Awards shall vest over a period of not less than three (3) years and if the grant or vesting of Stock Awards is subject to performance conditions, the Stock Awards shall vest over a period of not less than one (1) year; provided that the Grant Letter may provide that (x) Stock Awards may vest on an accelerated basis in the event of a Participant's death, disability, retirement or involuntary termination without cause, or in the event of a Change of Control, and (y) up to five percent 5% of the shares of Stock initially authorized for issuance under the Plan may be granted as Stock Awards, Stock Units, Performance Units or Other Stock-Based Awards free of the limitations on vesting set forth herein and in Sections 8(b) and 9(b).

(c) Number of Shares. The Committee shall determine the number of shares of Stock to be issued pursuant to a Stock Award and any restrictions applicable to such shares.

(d) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Stock Awards after termination

of the Participant's employment or service, and the circumstances under which Stock Awards may be forfeited.

(e) Restrictions on Transfer. While Stock Awards are subject to restrictions, a Participant may not sell, assign, transfer, pledge or otherwise dispose of the shares of a Stock Award except upon death as described in Section 17. Each Certificate for a share of a Stock Award shall contain a legend giving appropriate notice of the restrictions in the Grant. The Participant shall be entitled to have the legend removed when all restrictions on such shares have lapsed. The Company may retain possession of any Certificates for Stock Awards until all restrictions on such shares have lapsed.

(f) Right to Vote and to Receive Dividends. The Committee shall determine to what extent, and under what conditions, the Participant shall have the right to vote shares of Stock Awards and to receive any dividends or other distributions paid on such shares during the restriction period; provided that any right to receive dividends with respect to performance-based Stock Awards shall vest only if and to the extent that the underlying Stock Awards vest, as determined by the Committee.

11. Stock Appreciation Rights

(a) General Requirements. The Committee may grant Stock Appreciation Rights to an Employee or Non-Employee Director separately or in tandem with any Option (for all or a portion of the applicable Option) upon such terms and conditions as the Committee deems appropriate under this Section 11. Dividend Equivalents may not be granted with respect to Stock Appreciation Rights.

(b) Number of Shares, Term and Base Amount. The Committee shall establish the number of shares, the term and the Base Amount of the Stock Appreciation Right at the time the Stock Appreciation Right is granted. The term of a Stock Appreciation Right shall not exceed ten years from the Date of Grant. The Base Amount of a Stock Appreciation Right shall not be less than the Fair Market Value of a share of Stock on the Date of Grant of the Stock Appreciation Right.

(c) Exercisability. Stock Appreciation Rights shall become exercisable in accordance with such terms and conditions as may be determined by the Committee and specified in the Grant Letter. The Committee may accelerate the exercisability of any or all outstanding Stock Appreciation Rights at any time for any reason. A tandem Stock Appreciation Right shall be exercisable only during the period when the Option to which it is related is also exercisable.

(d) Termination of Employment or Service. Except as provided in the Grant Letter, a Stock Appreciation Right may only be exercised while the Participant is employed by the Company, or providing service as a Non-Employee Director. The Committee shall determine in the Grant Letter under what circumstances and during what time periods a Participant may exercise a Stock Appreciation Right after termination of employment or service.

(e) Exercise of Stock Appreciation Rights. When a Participant exercises a Stock Appreciation Right, the Participant shall receive in settlement of such Stock Appreciation Right an amount equal to the value of the Stock appreciation for the number of Stock Appreciation

Rights exercised. The Stock appreciation is the amount by which the Fair Market Value of the underlying shares of Stock on the date of exercise of the Stock Appreciation Right exceeds the Base Amount of the Stock Appreciation Right as specified in the Grant Letter. The Stock appreciation amount shall be paid in shares of Company Stock, cash or any combination of the two, as the Committee shall determine in the Grant Letter. For purposes of calculating the number of shares of Stock to be received, shares of Stock shall be valued at their Fair Market Value on the date of exercise of the Stock Appreciation Right. Notwithstanding any provision in the Plan or Grant Letter to the contrary, unless the Committee determines otherwise, if a vested Stock Appreciation Right would terminate at a time when trading in Stock is prohibited by law or by the Company's insider trading policy, the vested Stock Appreciation Right may be exercised until the thirtieth (30th) day after expiration of such prohibition (but not beyond the end of the term of the Stock Appreciation Right).

12. Dividend Equivalents.

(a) General Requirements. When the Committee grants Stock Units or Performance Units under the Plan, the Committee may grant Dividend Equivalents in connection with such Grants under such terms and conditions as the Committee deems appropriate under this Section 12; provided that Dividend Equivalents with respect to Grants that are subject to performance conditions shall vest and be paid only if and to the extent the underlying Grants vest and are paid, as determined by the Committee. Dividend Equivalents may be paid to Participants currently or may be deferred, consistent with Section 409A of the Code, as determined by the Committee. All Dividend Equivalents that are not paid currently shall be credited to accounts on the Company's records for purposes of the Plan. Dividend Equivalents may be accrued as a cash obligation, or may be converted to Stock Units for the Participant, as determined by the Committee. Unless otherwise specified in the Grant Letter, deferred Dividend Equivalents will not accrue interest. The Committee may provide that Dividend Equivalents shall be payable based on the achievement of specific performance goals.

(b) Payment with Respect to Dividend Equivalents. Dividend Equivalents may be payable in cash or shares of Stock or in a combination of the two, as determined by the Committee in the Grant Letter.

13. Other Stock-Based Awards

The Committee may grant other awards that are based on, measured by or payable in Stock to Employees or Non-Employee Directors, on such terms and conditions as the Committee deems appropriate under this Section 13. Vesting of Other Stock-Based Awards shall be subject to the requirements described in Section 8(b). Other Stock-Based Awards may be granted subject to achievement of performance goals or other conditions and may be payable in Stock or cash, or in a combination of the two, as determined by the Committee in the Grant Letter.

14. Cash Awards

The Committee may grant Cash Awards, which are awards that are to be settled solely in cash to Employees or Non-Employee Directors, on such terms and conditions as the Committee

deems appropriate. Cash Awards may be granted subject to achievement of performance goals or other conditions as the Committee deems appropriate.

15. Qualified Performance-Based Compensation

(a) Designation as Qualified Performance-Based Compensation. The Committee may determine that Stock Units, Performance Units, Stock Awards, Dividend Equivalents, Other Stock-Based Awards or Cash Awards granted to an Employee shall be considered “qualified performance-based compensation” under Section 162(m) of the Code. The provisions of this Section 15 shall apply to any such Grants that are to be considered “qualified performance-based compensation” under Section 162(m) of the Code.

(b) Performance Goals. When Stock Units, Performance Units, Stock Awards, Dividend Equivalents, Other Stock-Based Awards or Cash Awards that are to be considered “qualified performance-based compensation” are granted, the Committee shall establish in writing (i) the objective performance goals that must be met, (ii) the period during which performance will be measured, (iii) the maximum amounts that may be paid if the performance goals are met, consistent with the limits of Section 5(d)(i) above, and (iv) any other conditions that the Committee deems appropriate and consistent with the requirements of Section 162(m) of the Code for “qualified performance-based compensation.” The performance goals shall satisfy the requirements for “qualified performance-based compensation,” including the requirement that the achievement of the goals be substantially uncertain at the time they are established and that the performance goals be established in such a way that a third party with knowledge of the relevant facts could determine whether and to what extent the performance goals have been met. The Committee shall not have discretion to increase the amount of compensation that is payable, but may reduce the amount of compensation that is payable, pursuant to Grants identified by the Committee as “qualified performance-based compensation.”

(c) Criteria Used for Objective Performance Goals. The Committee shall use objectively determinable performance goals based on one or more of the following criteria: stock price, earnings per share, net earnings, operating earnings, margin, EBITDA (earnings before interest, taxes, depreciation and amortization), net capital employed, return on assets, shareholder return, return on equity, return on capital employed, growth in assets, unit volume, sales, cash flow, market share, relative performance to a comparison group designated by the Committee, or strategic business criteria consisting of one or more objectives based on meeting specified revenue goals, market penetration goals, customer growth, geographic business expansion goals, cost targets, other operational targets, or goals relating to acquisitions or divestitures. The performance goals may relate to the Participant’s business unit or the performance of the Company as a whole, or any combination of the foregoing. Performance goals need not be uniform as among Participants.

(d) Timing of Establishment of Goals. The Committee shall establish the performance goals in writing either before the beginning of the performance period or during a period ending no later than the earlier of (i) 90 days after the beginning of the performance period or (ii) the date on which 25% of the performance period has been completed, or such other date as may be required or permitted under applicable regulations under Section 162(m) of the Code.

(e) Certification of Results. The Committee shall certify the performance results for the performance period specified in the Grant Letter after the performance period expires. The Committee shall determine the amount, if any, to be paid pursuant to each Grant based on the achievement of the performance goals and the satisfaction of all other terms of the Grant Letter.

(f) Impact of Extraordinary Items or Changes in Accounting. To the extent applicable, subject to the following sentence and unless the Committee determines otherwise, the determination of the achievement of performance goals shall be based on the relevant financial measure, computed in accordance with U.S. generally accepted accounting principles (“GAAP”), and in a manner consistent with the methods used in the Company’s audited financial statements. To the extent permitted by Section 162(m) of the Code, in setting the performance goals for “qualified performance-based compensation” within the period prescribed in subsection (d), the Committee may provide for adjustment as it deems appropriate, including for one or more of the following items: asset write-downs; litigation or claim judgments or settlements; changes in accounting principles; changes in tax law or other laws affecting reported results; changes in commodity prices; severance, contract termination, and other costs related to exiting, modifying or reducing any business activities; costs of, and gains and losses from, the acquisition, disposition, or abandonment of businesses or assets; gains and losses from the early extinguishment of debt; gains and losses in connection with the termination or withdrawal from a pension plan; stock compensation costs and other non-cash expenses; any extraordinary non-recurring items as described in applicable Accounting Principles Board opinions or in management’s discussion and analysis of financial condition and results of operation appearing in the Company’s annual report to stockholders for the applicable year; and any other specified non-operating items as determined by the Committee in setting performance goals.

(g) Death, Disability or Other Circumstances. The Committee may provide in the Grant Letter that Grants identified as “qualified performance-based compensation” shall be payable, in whole or in part, in the event of the Participant’s death or disability, a Change of Control or under other circumstances consistent with the Treasury regulations and rulings under Section 162(m) of the Code.

16. Withholding of Taxes

(a) Required Withholding. All Grants under the Plan shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Company may require that the Participant or other person receiving or exercising Grants pay to the Company the amount of any federal, state or local taxes that the Company is required to withhold with respect to such Grants, or the Company may deduct from other wages paid by the Company the amount of any withholding taxes due with respect to such Grants.

(b) Withholding of Shares. The Committee may determine that the Company’s tax withholding obligation with respect to Grants paid in Stock shall be satisfied by having shares of Stock withheld, at the time such Grants become taxable, up to an amount that does not exceed the minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities, or the Committee may allow Participants to elect to have such share withholding applied to particular Grants.

17. Transferability of Grants

Only the Participant may exercise rights under a Grant during the Participant's lifetime, and a Participant may not transfer those rights except by will or by the laws of descent and distribution. When a Participant dies, the personal representative or other person entitled to succeed to the rights of the Participant may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Participant's will or under the applicable laws of descent and distribution.

18. Consequences of a Change of Control

(a) Assumption of Grants. Upon a Change of Control where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless the Grant Letter provides otherwise, or the Committee determines otherwise, all outstanding Grants that are not exercised or paid at the time of the Change of Control shall be assumed by, or replaced with Grants that have comparable terms by, the surviving corporation (or a parent or subsidiary of the surviving corporation).

(b) Other Alternatives. Notwithstanding the foregoing, in the event of a Change of Control, the Committee may take any of the following actions with respect to any or all outstanding Grants, without the consent of any Participant: (i) the Committee may determine that outstanding Options and Stock Appreciation Rights shall automatically accelerate and become fully exercisable, and the restrictions and conditions on outstanding Stock Awards shall immediately lapse; (ii) the Committee may determine that Participants shall receive a payment in settlement of outstanding Stock Units, Performance Units, Dividend Equivalents, Other Stock-Based Awards or Cash Awards, in such amount and form as may be determined by the Committee; (iii) the Committee may require that Participants surrender their outstanding Options and Stock Appreciation Rights in exchange for a payment by the Company, in cash or Stock as determined by the Committee, in an amount equal to the amount, if any, by which the then Fair Market Value of the shares of Stock subject to the Participant's unexercised Options and Stock Appreciation Rights exceeds the Option Price or Base Amount, and (iv) after giving Participants an opportunity to exercise all of their outstanding Options and Stock Appreciation Rights, the Committee may terminate any or all unexercised Options and Stock Appreciation Rights at such time as the Committee deems appropriate. Such surrender, termination or payment shall take place as of the date of the Change of Control or such other date as the Committee may specify. Without limiting the foregoing, if the per share Fair Market Value of the Stock does not exceed the per share Option Price or Base Amount, as applicable, the Company shall not be required to make any payment to the Participant upon surrender of the Option or Stock Appreciation Right.

(c) Other Transactions. The Committee may provide in a Grant Letter that a sale or other transaction involving a Subsidiary or other business unit of the Company shall be considered a Change of Control for purposes of a Grant, or the Committee may establish other provisions that shall be applicable in the event of a specified transaction.

19. Requirements for Issuance of Shares

No Stock shall be issued in connection with any Grant hereunder unless and until all legal requirements applicable to the issuance of such Stock have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any Grant made to any Participant hereunder on such Participant's undertaking in writing to comply with such restrictions on his or her subsequent disposition of such shares of Stock as the Committee shall deem necessary or advisable, and Certificates representing such shares may be legended to reflect any such restrictions. Certificates representing shares of Stock issued under the Plan will be subject to such stop-transfer orders and other restrictions as may be required by applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon. No Participant shall have any right as a shareholder with respect to Stock covered by a Grant until shares have been issued to the Participant.

20. Amendment and Termination of the Plan

(a) Amendment. The Board may amend or terminate the Plan at any time; provided, however, that the Board shall not amend the Plan without approval of the shareholders of UGI if such approval is required in order to comply with the Code or applicable laws, or to comply with applicable stock exchange requirements. No amendment or termination of this Plan shall, without the consent of the Participant, materially impair any rights or obligations under any Grant previously made to the Participant under the Plan, unless such right has been reserved in the Plan or the Grant Letter, or except as provided in Section 21(d) below.

(b) No Repricing. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Grants may not be amended to reduce the Option Price of outstanding Options or the Base Amount of outstanding Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other awards or Options or Stock Appreciation Rights with an Option Price or Base Amount, as applicable, that is less than the Option Price or Base Amount, as applicable, of the original Options or Stock Appreciation Rights without shareholder approval.

(c) Shareholder Approval for "Qualified Performance-Based Compensation." If Stock Units, Performance Units, Stock Awards, Dividend Equivalents, Other Stock-Based Awards or Cash Awards are granted as "qualified performance-based compensation" under Section 15 above, the Plan must be reapproved by the UGI shareholders no later than the first shareholders meeting that occurs in the fifth year following the year in which the shareholders previously approved the provisions of Section 15, if additional Grants are to be made under Section 15 and if required by Section 162(m) of the Code or the regulations thereunder.

(d) Termination of Plan. The Plan shall terminate on January 23, 2023, unless the Plan is terminated earlier by the Board or is extended by the Board with the approval of the shareholders. The termination of the Plan shall not impair the power and authority of the Committee with respect to an outstanding Grant, nor shall it adversely affect outstanding Grants.

21. Miscellaneous

(a) Grants in Connection with Corporate Transactions and Otherwise. Nothing contained in this Plan shall be construed to (i) limit the right of the Committee to make Grants under this Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees, or for other proper corporate purposes, or (ii) limit the right of the Company to grant stock options or make other stock-based awards outside of this Plan. Without limiting the foregoing, the Committee may make a Grant to an employee of another corporation who becomes an Employee by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company in substitution for a grant made by such corporation. The terms and conditions of the Grants may vary from the terms and conditions required by the Plan and from those of the substituted stock incentives, as determined by the Committee.

(b) Reduction of Responsibilities. The Committee shall have discretion to adjust an Employee's outstanding Grants if the Employee's authority, duties or responsibilities are significantly reduced.

(c) Company Policies. All Grants made under the Plan shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board from time to time.

(d) Compliance with Law. The Plan, the exercise of Options and the obligations of the Company to issue or transfer shares of Stock under Grants shall be subject to all applicable laws and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to Section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that Grants made under Section 15 of the Plan comply with the applicable provisions of Section 162(m) of the Code. To the extent that any legal requirement of Section 16 of the Exchange Act or Section 162(m) of the Code as set forth in the Plan ceases to be required under Section 16 of the Exchange Act or Section 162(m) of the Code, that Plan provision shall cease to apply. The Committee may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation. The Committee may also adopt rules regarding the withholding of taxes on payments to Participants. The Committee may, in its sole discretion, agree to limit its authority under this Section.

(e) Section 409A. The Plan is intended to comply with the requirements of Section 409A of the Code, to the extent applicable. All Grants shall be construed and administered such that the Grant either (i) qualifies for an exemption from the requirements of Section 409A of the Code or (ii) satisfies the requirements of Section 409A of the Code. If a Grant is subject to Section 409A of the Code, (i) distributions shall only be made in a manner and upon an event permitted under Section 409A of the Code, (ii) payments to be made upon a termination of employment shall only be made upon a "separation from service" under Section 409A of the Code, (iii) payments to be made upon a Change of Control shall only be made upon a "change of control event" under Section 409A of the Code, (iv) unless the Grant specifies otherwise, each

payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (v) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. Any Grant granted under the Plan that is subject to Section 409A of the Code and that is to be distributed to a key employee (as defined below) upon separation from service shall be administered so that any distribution with respect to such Grant shall be postponed for six months following the date of the Participant's separation from service, if required by Section 409A of the Code. If a distribution is delayed pursuant to Section 409A of the Code, the distribution shall be paid within 30 days after the end of the six-month period. If the Participant dies during such six-month period, any postponed amounts shall be paid within 90 days of the Participant's death. The determination of key employees, including the number and identity of persons considered key employees and the identification date, shall be made by the Committee or its delegate each year in accordance with Section 416(i) of the Code and the "specified employee" requirements of Section 409A of the Code.

(f) Enforceability. The Plan shall be binding upon and enforceable against the Company and its successors and assigns.

(g) Funding of the Plan; Limitation on Rights. This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Grants under this Plan. Nothing contained in the Plan and no action taken pursuant hereto shall create or be construed to create a fiduciary relationship between the Company and any Participant or any other person. No Participant or any other person shall under any circumstances acquire any property interest in any specific assets of the Company. To the extent that any person acquires a right to receive payment from the Company hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

(h) Rights of Participants. Nothing in this Plan shall entitle any Employee, Non-Employee Director or other person to any claim or right to receive a Grant under this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employment or service of the Company.

(i) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Grant. The Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Employees Subject to Taxation Outside the United States. With respect to Participants who are subject to taxation in countries other than the United States, the Committee may make Grants on such terms and conditions as the Committee deems appropriate to comply with the laws of the applicable countries, and the Committee may create such procedures, addenda and subplans and make such modifications as may be necessary or advisable to comply with such laws.

(k) Governing Law. The validity, construction, interpretation and effect of the Plan and Grant Letters issued under the Plan shall be governed and construed by and determined in

accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflict of laws provisions thereof.

Exhibit A

**UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
EFFECTIVE AS OF SEPTEMBER 5, 2014**

For purposes of the Plan, the term “Change of Control,” and other defined terms used in the definition of “Change of Control,” shall have the following meanings:

1. “Change of Control” shall mean:

(i) Any Person (except UGI, any UGI Subsidiary, any employee benefit plan of UGI or of any UGI Subsidiary, or any Person or entity organized, appointed or established by UGI for or pursuant to the terms of any such employee benefit plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner in the aggregate of 20% or more of either (i) the then outstanding shares of common stock of UGI (the “Outstanding UGI Common Stock”) or (ii) the combined voting power of the then outstanding voting securities of UGI entitled to vote generally in the election of directors (the “UGI Voting Securities”); or

(ii) Individuals who, as of the beginning of any 24-month period, constitute the UGI Board of Directors (the “Incumbent UGI Board”) cease for any reason to constitute at least a majority of the Incumbent UGI Board, provided that any individual becoming a director of UGI subsequent to the beginning of such period whose election or nomination for election by the UGI shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent UGI Board shall be considered as though such individual were a member of the Incumbent UGI Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of UGI (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act); or

(iii) Consummation by UGI of a reorganization, merger or consolidation (a “Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of the Outstanding UGI Common Stock and UGI Voting Securities immediately prior to such Business Combination do not, following such Business Combination, Beneficially Own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of the Outstanding UGI Common Stock and UGI Voting Securities, as the case may be; or

(iv) Consummation of (a) a complete liquidation or dissolution of UGI or (b) a sale or other disposition of all or substantially all of the assets of UGI other than to a corporation with respect to which, following such sale or disposition, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding

voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the Outstanding UGI Common Stock and UGI Voting Securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of the Outstanding UGI Common Stock and UGI Voting Securities, as the case may be, immediately prior to such sale or disposition.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. A Person shall be deemed the “Beneficial Owner” of any securities: (i) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the “Beneficial Owner” of securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered securities are accepted for payment, purchase or exchange; (ii) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has “beneficial ownership” of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including without limitation pursuant to any agreement, arrangement or understanding, whether or not in writing; *provided, however*, that a Person shall not be deemed the “Beneficial Owner” of any security under this clause (ii) as a result of an oral or written agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or (iii) that are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person’s Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to clause (ii) above) or disposing of any securities; *provided, however*, that nothing in this Section 3 shall cause a Person engaged in business as an underwriter of securities to be the “Beneficial Owner” of any securities acquired through such Person’s participation in good faith in a firm commitment underwriting until the expiration of forty (40) days after the date of such acquisition.

4. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

5. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI, as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

UGI CORPORATION
2004 OMNIBUS EQUITY COMPENSATION PLAN
Amended and Restated as of September 5, 2014

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UGI CORPORATION

2004 OMNIBUS EQUITY COMPENSATION PLAN

Amended and Restated as of September 5, 2014

1. Purpose

The purpose of the UGI Corporation 2004 Omnibus Equity Compensation Plan (the "Plan") is to provide (i) designated employees of UGI Corporation ("UGI") and its subsidiaries, and (ii) non-employee members of the board of directors of UGI with the opportunity to receive grants of stock options, stock units, performance units, stock awards, stock appreciation rights, dividend equivalents and other stock-based awards. UGI believes that by providing equity based compensation, the Plan will encourage the participants to contribute materially to the growth of UGI, thereby benefiting UGI's shareholders, and will more closely align the economic interests of the participants with those of the shareholders.

The Plan was adopted effective as of January 1, 2004, and was approved by the shareholders of UGI. The UGI Corporation Directors' Equity Compensation Plan was merged into the Plan as of January 1, 2004. The Plan was hereby amended and restated effective December 5, 2006 to increase the number of shares authorized to be issued under the Plan and to make other appropriate changes. The 2006 amended and restated Plan was subject to shareholder approval, except that the changes to the definition of Fair Market Value in Section 2(l), and the changes to the provisions for adjustments in Section 5(d), were effective as of December 5, 2006. The Plan is hereby amended and restated effective September 5, 2014 to reflect the Stock Split.

2. Definitions

Whenever used in this Plan, the following terms will have the respective meanings set forth below:

- (a) "*Board*" means UGI's Board of Directors as constituted from time to time.
- (b) "*Certificate*" means a certificate, or electronic book entry equivalent, for a share of Stock.
- (c) "*Change of Control*" means a change of control of UGI as described on the attached Exhibit A, or as modified by the Board from time to time.
- (d) "*Code*" means the Internal Revenue Code of 1986, as amended.
- (e) "*Committee*" means (i) with respect to Grants to Employees, the Compensation and Management Development Committee of the Board or its successor, and (ii) with respect to Grants made to Non-Employee Directors, the Board or its delegate.
- (f) "*Company*" means UGI and any Subsidiary.

(g) *"Date of Grant"* means the effective date of a Grant; provided, however, that no retroactive Grants will be made.

(h) *"Directors' Equity Plan"* means the UGI Corporation Directors' Equity Compensation Plan.

(i) *"Dividend Equivalent"* means an amount determined by multiplying the number of shares of Stock subject to a Grant by the per-share cash dividend, or the per-share fair market value (as determined by the Committee) of any dividend in consideration other than cash, paid by UGI on its Stock.

(j) *"Employee"* means an employee of the Company (including an officer or director who is also an employee). For purposes of the Plan, the term "Employee" shall also include a chief executive officer or other officer or person who performs management and policymaking functions with respect to a Subsidiary of UGI located outside the United States.

(k) *"Exchange Act"* means the Securities Exchange Act of 1934, as amended.

(l) *"Fair Market Value"* of Stock means the last reported sale price of a share of Stock on the New York Stock Exchange on the day on which Fair Market Value is being determined, as reported on the composite tape for transactions on the New York Stock Exchange. In the event that there are no Stock transactions on the New York Stock Exchange on such day, the Fair Market Value will be determined as of the immediately preceding day on which there were Stock transactions on that exchange. Notwithstanding the foregoing, in the case of a broker-assisted exercise pursuant to Section 7(f), the Fair Market Value will be the actual sale price of the shares issued upon exercise of the Option.

(m) *"Grant"* means an Option, Stock Unit, Performance Unit, Stock Award, Stock Appreciation Right, Dividend Equivalent or Other Stock-Based Award granted under the Plan.

(n) *"Grant Letter"* means the written instrument that sets forth the terms and conditions of a Grant, including all amendments thereto.

(o) *"Non-Employee Director"* means a member of the Board who is not an employee of the Company.

(p) *"Option"* means an option to purchase shares of Stock, as described in Section 7.

(q) *"Option Price"* means an amount per share of Stock purchasable under an Option, as designated by the Committee.

(r) *"Other Stock-Based Award"* means any Grant based on, measured by or payable in Stock (other than Grants described in Sections 7, 8, 9, 10, 11 and 12 of the Plan) as described in Section 13.

(s) *"Participant"* means an Employee or Non-Employee Director designated by the Committee to participate in the Plan.

(t) “*Performance Unit*” means an award of a phantom unit representing a share of Stock, as described in Section 9.

(u) “*Plan*” means this 2004 Omnibus Equity Compensation Plan, as in effect from time to time.

(v) “*Stock*” means the common stock of UGI or such other securities of UGI as may be substituted for Stock pursuant to Section 5(d) or Section 18.

(w) “*Stock Appreciation Right*” means a stock appreciation right with respect to a share of Company Stock as described in Section 11.

(x) “*Stock Award*” means an award of Stock as described in Section 10.

(y) “*Stock Split*” means the three-for-two split of the Stock that was approved by the Board effective as of September 5, 2014.

(z) “*Stock Unit*” means an award of a phantom unit representing a share of Stock, as described in Section 8.

(aa) “*Subsidiary*” means any corporation or partnership, at least 20% of the outstanding voting stock, voting power or partnership interest of which is owned, directly or indirectly, by UGI.

(bb) “*Target Amount*” means a target number of Shares to be issued based on achievement of the performance goals and satisfaction of all conditions for payment of Performance Units at the 100% level.

(cc) “*UGI*” means UGI Corporation, a Pennsylvania corporation or any successor thereto.

3. Administration

(a) Committee. The Plan shall be administered and interpreted by the Compensation and Management Development Committee of the Board or its successor with respect to grants to Employees. The Plan shall be administered and interpreted by the Board, or by a committee of directors to whom the Board has delegated responsibility, with respect to grants to Non-Employee Directors. The Board or committee, as applicable, that has authority with respect to a specific Grant shall be referred to as the “Committee” with respect to that Grant. Ministerial functions may be performed by an administrative committee comprised of Company employees appointed by the Committee.

(b) Committee Authority. The Committee shall have the sole authority to (i) determine the Participants to whom Grants shall be made under the Plan, (ii) determine the type, size and terms and conditions of the Grants to be made to each such Participant, (iii) determine the time when the Grants will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (iv) amend

the terms and conditions of any previously issued Grant, subject to the provisions of Section 20 below, and (v) deal with any other matters arising under the Plan.

(c) **Committee Determinations.** The Committee shall have full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee's interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated Participants.

4. Grants

(a) Grants under the Plan may consist of Options as described in Section 7, Stock Units as described in Section 8, Performance Units as described in Section 9, Stock Awards as described in Section 10, Stock Appreciation Rights as described in Section 11, Dividend Equivalents as described in Section 12 and Other Stock-Based Awards as described in Section 13. All Grants shall be subject to such terms and conditions as the Committee deems appropriate and as are specified in writing by the Committee to the Participant in the Grant Letter.

(b) All Grants shall be made conditional upon the Participant's acknowledgement, in writing or by acceptance of the Grant, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under such Grant. Grants under a particular Section of the Plan need not be uniform as among the Participants.

(c) The Committee may make Grants that are contingent on, and subject to, shareholder approval of the Plan or an amendment to the Plan.

5. Shares Subject to the Plan¹

(a) **Shares Authorized.** The total aggregate number of shares of Stock that may be issued under the Plan from January 1, 2004 is 22,500,000 shares, subject to adjustment as described below. The maximum number of shares of Stock that may be issued under the Plan from January 1, 2004 pursuant to Grants other than Options or Stock Appreciation Rights during the term of the Plan is 4,800,000 shares, subject to adjustment as described below. The shares may be authorized but unissued shares of Stock or reacquired shares of Stock for purposes of the Plan.

(b) **Share Counting.** For administrative purposes, when the Committee makes a Grant payable in Stock, the Committee shall reserve, and count against the share limit, shares equal to the maximum number of shares that may be issued under the Grant. If and to the extent Options or Stock Appreciation Rights granted under the Plan terminate, expire, or are canceled,

¹ The share numbers set forth herein have been adjusted to reflect the Stock Split.

forfeited, exchanged or surrendered without having been exercised, and if and to the extent that any Stock Awards, Stock Units, Performance Units or Other Stock-Based Awards are forfeited or terminated, or otherwise are not paid in full, the shares reserved for such Grants shall again be available for purposes of the Plan. Shares of Stock surrendered in payment of the Option Price of an Option, and shares withheld or surrendered for payment of taxes, shall not be available for re-issuance under the Plan. If Stock Appreciation Rights are granted, the full number of shares subject to the Stock Appreciation Rights shall be considered issued under the Plan, without regard to the number of shares issued upon settlement of the Stock Appreciation Rights and without regard to any cash settlement of the Stock Appreciation Rights. To the extent that other Grants are designated in the Grant Letter to be paid in cash, and not in shares of Stock, such Grants shall not count against the share limits in subsection (a).

(c) Individual Limits. All Grants under the Plan, other than Dividend Equivalents, shall be expressed in shares of Stock. The maximum aggregate number of shares of Stock with respect to which all Grants may be made under the Plan to any individual during any calendar year shall be 1,500,000 shares, subject to adjustment as described below. The maximum aggregate number of shares of Stock with respect to which all Grants, other than Options and Stock Appreciation Rights, may be made under the Plan to any individual during any calendar year shall be 300,000 shares, subject to adjustment as described below. A Participant may not accrue Dividend Equivalents during any calendar year in excess of \$750,000. The individual limits of this subsection (b) shall apply without regard to whether the Grants are to be paid in Stock or cash. All cash payments (other than with respect to Dividend Equivalents) shall equal the Fair Market Value of the shares of Stock to which the cash payment relates.

(d) Adjustments. If there is any change in the number or kind of shares of Stock outstanding (i) by reason of a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) by reason of a merger, reorganization or consolidation, (iii) by reason of a reclassification or change in par value, or (iv) by reason of any other extraordinary or unusual event affecting the outstanding Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Stock is substantially reduced as result of a spinoff or the Company's payment of any extraordinary dividend or distribution, the maximum number of shares of Stock available for issuance under the Plan, the maximum number of shares of Stock for which any individual may receive Grants in any year, the kind and number of shares covered by outstanding Grants, the kind and number of shares to be issued or issuable under the Plan, and the price per share or the applicable market value of such Grants shall be required to be equitably adjusted by the Committee to reflect any increase or decrease in the number of, or change in the kind or value of, issued shares of Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under the Plan and such outstanding Grants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated. Any adjustments to outstanding Grants shall be consistent with Section 409A of the Code, to the extent applicable. Any adjustments determined by the Committee shall be final, binding and conclusive.

6. Eligibility for Participation

(a) Eligible Persons. All Employees, including Employees who are officers or members of the Board, and all Non-Employee Directors shall be eligible to participate in the Plan.

(b) Selection of Participants. The Committee shall select the Employees and Non-Employee Directors to receive Grants and shall determine the number of shares of Stock subject to each Grant.

7. Options

(a) General Requirements. The Committee may grant Options to an Employee or Non-Employee Director upon such terms and conditions as the Committee deems appropriate under this Section 7. Dividend Equivalents may not be granted with respect to Options.

(b) Number of Shares. The Committee shall determine the number of shares of Stock that will be subject to each Grant of Options to Employees and Non-Employee Directors.

(c) Type of Option, Price and Term.

(i) The Committee may grant Options that are nonqualified stock options and are not considered incentive stock options under section 422 of the Code.

(ii) The Option Price of Stock subject to an Option shall be determined by the Committee and shall be equal to or greater than the Fair Market Value of a share of Stock on the Date of Grant.

(iii) The Committee shall determine the term of each Option. The term of an Option shall not exceed ten years from the Date of Grant.

(d) Exercisability of Options. Options shall become exercisable in accordance with such terms and conditions as may be determined by the Committee and specified in the Grant Letter. The Committee may accelerate the exercisability of any or all outstanding Options at any time for any reason.

(e) Termination of Employment or Service. Except as provided in the Grant Letter, an Option may only be exercised while the Participant is employed by the Company, or providing service as a Non-Employee Director. The Committee shall determine in the Grant Letter under what circumstances and during what time periods a Participant may exercise an Option after termination of employment or service.

(f) Exercise of Options. A Participant may exercise an Option that has become exercisable, in whole or in part, by delivering a notice of exercise to the Company. The Participant shall pay the Option Price for the Option (i) in cash, (ii) by delivering shares of Stock owned by the Participant and having a Fair Market Value on the date of exercise equal to the Option Price or by attestation to ownership of shares of Stock having an aggregate Fair Market Value on the date of exercise equal to the Option Price, (iii) by payment through a broker in

accordance with procedures permitted by Regulation T of the Federal Reserve Board, or (iv) by such other method as the Committee may approve. Shares of Stock used to exercise an Option shall have been held by the Participant for the requisite period of time to avoid adverse accounting consequences to the Company with respect to the Option. Payment for the shares pursuant to the Option, and any required withholding taxes, must be received by the time specified by the Committee depending on the type of payment being made, but in all cases prior to the issuance of the Stock.

8. Stock Units

(a) General Requirements. The Committee may grant Stock Units to an Employee or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate under this Section 8. Each Stock Unit shall represent the right of the Participant to receive a share of Stock or an amount based on the value of a share of Stock. All Stock Units shall be credited to accounts on the Company's records for purposes of the Plan.

(b) Terms of Stock Units. The Committee may grant Stock Units that are payable on terms and conditions determined by the Committee. Stock Units may be paid at the end of a specified period, or payment may be deferred to a date authorized by the Committee consistent with section 409A of the Code. The Committee shall determine the number of Stock Units to be granted and the requirements applicable to such Stock Units. The Committee may grant Dividend Equivalents with respect to Stock Units.

(c) Payment With Respect to Stock Units. Payment with respect to Stock Units shall be made in cash, in Stock, or in a combination of the two, as determined by the Committee in the Grant Letter. The Grant Letter shall specify the maximum number of shares that can be issued under the Stock Units.

(d) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Stock Units after termination of the Participant's employment or service, and the circumstances under which Stock Units may be forfeited.

9. Performance Units

(a) General Requirements. The Committee may grant Performance Units to an Employee or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate under this Section 9. Each Performance Unit shall represent the right of the Participant to receive a share of Stock or an amount based on the value of a share of Stock, if specified performance goals and other conditions are met. All Performance Units shall be credited to accounts on the Company's records for purposes of the Plan.

(b) Terms of Performance Units. The Committee shall establish the performance goals and other conditions for payment of Performance Units. Performance Units may be paid at the end of a specified performance or other period, or payment may be deferred to a date authorized by the Committee, consistent with section 409A of the Code. The Committee shall determine the number of Performance Units to be granted and the requirements applicable to

such Performance Units. The Committee may grant Dividend Equivalents with respect to Performance Units.

(c) Payment With Respect to Performance Units. Payment with respect to Performance Units shall be made in cash, in Stock, or in a combination of the two, as determined by the Committee in the Grant Letter. The Committee shall establish a Target Amount for Performance Units in the Grant Letter. Payment of Performance Units in excess of the Target Amount shall be made in cash.

(d) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Performance Units after termination of the Participant's employment or service, and the circumstances under which Performance Units may be forfeited.

10. Stock Awards

(a) General Requirements. The Committee may issue shares of Stock to an Employee or Non-Employee Director under a Stock Award, upon such terms and conditions as the Committee deems appropriate under this Section 10. Shares of Stock issued pursuant to Stock Awards may be issued for cash consideration or for no cash consideration, and subject to restrictions or no restrictions, as determined by the Committee. The Committee may establish conditions under which restrictions on Stock Awards shall lapse over a period of time or according to such other criteria as the Committee deems appropriate, including restrictions based upon the achievement of specific performance goals.

(b) Number of Shares. The Committee shall determine the number of shares of Stock to be issued pursuant to a Stock Award and any restrictions applicable to such shares.

(c) Requirement of Employment or Service. The Committee shall determine in the Grant Letter under what circumstances a Participant may retain Stock Awards after termination of the Participant's employment or service, and the circumstances under which Stock Awards may be forfeited.

(d) Restrictions on Transfer. While Stock Awards are subject to restrictions, a Participant may not sell, assign, transfer, pledge or otherwise dispose of the shares of a Stock Award except upon death as described in Section 17. Each Certificate for a share of a Stock Award shall contain a legend giving appropriate notice of the restrictions in the Grant. The Participant shall be entitled to have the legend removed when all restrictions on such shares have lapsed. The Company may retain possession of any Certificates for Stock Awards until all restrictions on such shares have lapsed.

(e) Right to Vote and to Receive Dividends. The Committee shall determine to what extent, and under what conditions, the Participant shall have the right to vote shares of Stock Awards and to receive any dividends or other distributions paid on such shares during the restriction period.

11. Stock Appreciation Rights

(a) General Requirements. The Committee may grant Stock Appreciation Rights to an Employee or Non-Employee Director separately or in tandem with any Option (for all or a portion of the applicable Option). Dividend Equivalents may not be granted with respect to Stock Appreciation Rights.

(b) Number of Shares, Term and Base Amount. The Committee shall establish the number of shares, the term and the base amount of the Stock Appreciation Right at the time the Stock Appreciation Right is granted. The term of a Stock Appreciation Right shall not exceed ten years from the Date of Grant. The base amount of a Stock Appreciation Right shall not be less than the Fair Market Value of a share of Stock on the Date of Grant of the Stock Appreciation Right.

(c) Exercisability. Stock Appreciation Rights shall become exercisable in accordance with such terms and conditions as may be determined by the Committee and specified in the Grant Letter. The Committee may accelerate the exercisability of any or all outstanding Stock Appreciation Rights at any time for any reason. A tandem Stock Appreciation Right shall be exercisable only during the period when the Option to which it is related is also exercisable.

(d) Termination of Employment or Service. Except as provided in the Grant Letter, a Stock Appreciation Right may only be exercised while the Participant is employed by the Company, or providing service as a Non-Employee Director. The Committee shall determine in the Grant Letter under what circumstances and during what time periods a Participant may exercise a Stock Appreciation Right after termination of employment or service.

(e) Exercise of Stock Appreciation Rights. When a Participant exercises a Stock Appreciation Right, the Participant shall receive in settlement of such Stock Appreciation Right an amount equal to the value of the Stock appreciation for the number of Stock Appreciation Rights exercised. The Stock appreciation is the amount by which the Fair Market Value of the underlying shares of Stock on the date of exercise of the Stock Appreciation Right exceeds the base amount of the Stock Appreciation Right as specified in the Grant Letter. The Stock appreciation amount shall be paid in shares of Company Stock, cash or any combination of the two, as the Committee shall determine in the Grant Letter. For purposes of calculating the number of shares of Stock to be received, shares of Stock shall be valued at their Fair Market Value on the date of exercise of the Stock Appreciation Right.

12. Dividend Equivalents

(a) General Requirements. When the Committee grants Stock Units or Performance Units under the Plan, the Committee may grant Dividend Equivalents in connection with such Grants under such terms and conditions as the Committee deems appropriate under this Section 12. Dividend Equivalents may be paid to Participants currently or may be deferred, consistent with section 409A of the Code, as determined by the Committee. All Dividend Equivalents that are not paid currently shall be credited to accounts on the Company's records for purposes of the Plan. Dividend Equivalents may be accrued as a cash obligation, or may be converted to Stock Units for the Participant, as determined by the Committee. Unless otherwise specified in the

Grant Letter, deferred Dividend Equivalents will not accrue interest. The Committee may provide that Dividend Equivalents shall be payable based on the achievement of specific performance goals.

(b) Payment with Respect to Dividend Equivalents. Dividend Equivalents may be payable in cash or shares of Stock or in a combination of the two, as determined by the Committee in the Grant Letter.

13. Other Stock-Based Awards

The Committee may grant other awards that are based on, measured by or payable in Stock to Employees or Non-Employee Directors, on such terms and conditions as the Committee deems appropriate under this Section 13. Other Stock-Based Awards may be granted subject to achievement of performance goals or other conditions and may be payable in Stock or cash, or in a combination of the two, as determined by the Committee in the Grant Letter.

14. Qualified Performance-Based Compensation

(a) Designation as Qualified Performance-Based Compensation. The Committee may determine that Stock Units, Performance Units, Stock Awards, Dividend Equivalents or Other Stock-Based Awards granted to an Employee shall be considered “qualified performance-based compensation” under section 162(m) of the Code. The provisions of this Section 14 shall apply to any such Grants that are to be considered “qualified performance-based compensation” under section 162(m) of the Code.

(b) Performance Goals. When Stock Units, Performance Units, Stock Awards, Dividend Equivalents or Other Stock-Based Awards that are to be considered “qualified performance-based compensation” are granted, the Committee shall establish in writing (i) the objective performance goals that must be met, (ii) the period during which performance will be measured, (iii) the maximum amounts that may be paid if the performance goals are met, and (iv) any other conditions that the Committee deems appropriate and consistent with the requirements of Section 162(m) of the Code for “qualified performance-based compensation.” The performance goals shall satisfy the requirements for “qualified performance-based compensation,” including the requirement that the achievement of the goals be substantially uncertain at the time they are established and that the performance goals be established in such a way that a third party with knowledge of the relevant facts could determine whether and to what extent the performance goals have been met. The Committee shall not have discretion to increase the amount of compensation that is payable, but may reduce the amount of compensation that is payable, pursuant to Grants identified by the Committee as “qualified performance-based compensation.”

(c) Criteria Used for Objective Performance Goals. The Committee shall use objectively determinable performance goals based on one or more of the following criteria: stock price, earnings per share, net earnings, operating earnings, margin, EBITDA (earnings before interest, taxes, depreciation and amortization), net capital employed, return on assets, shareholder return, return on equity, return on capital employed, growth in assets, unit volume, sales, cash flow, market share, relative performance to a comparison group designated by the

Committee, or strategic business criteria consisting of one or more objectives based on meeting specified revenue goals, market penetration goals, customer growth, geographic business expansion goals, cost targets or goals relating to acquisitions or divestitures. The performance goals may relate to the Participant's business unit or the performance of the Company as a whole, or any combination of the foregoing. Performance goals need not be uniform as among Participants.

(d) Timing of Establishment of Goals. The Committee shall establish the performance goals in writing either before the beginning of the performance period or during a period ending no later than the earlier of (i) 90 days after the beginning of the performance period or (ii) the date on which 25% of the performance period has been completed, or such other date as may be required or permitted under applicable regulations under section 162(m) of the Code.

(e) Certification of Results. The Committee shall certify the performance results for the performance period specified in the Grant Letter after the performance period expires. The Committee shall determine the amount, if any, to be paid pursuant to each Grant based on the achievement of the performance goals and the satisfaction of all other terms of the Grant Letter.

(f) Death, Disability or Other Circumstances. The Committee may provide in the Grant Letter that Grants identified as qualified performance-based compensation shall be payable, in whole or in part, in the event of the Participant's death or disability, a Change of Control or under other circumstances consistent with the Treasury regulations and rulings under section 162(m) of the Code.

15. Directors' Equity Plan

The Directors' Equity Plan was merged into this Plan as of January 1, 2004, and all outstanding Units and accrued Dividend Equivalents under the Directors' Equity Plan as of January 1, 2004 shall be issued and paid out of this Plan. No additional awards shall be made under the Directors' Equity Plan. Dividend Equivalents shall be credited under this Plan with respect to outstanding Units under the Directors' Equity Plan, according to terms and conditions established by the Committee under Section 12.

16. Withholding of Taxes

(a) Required Withholding. All Grants under the Plan shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Company may require that the Participant or other person receiving or exercising Grants pay to the Company the amount of any federal, state or local taxes that the Company is required to withhold with respect to such Grants, or the Company may deduct from other wages paid by the Company the amount of any withholding taxes due with respect to such Grants.

(b) Election to Withhold Shares. If the Committee so permits, a Participant may elect to satisfy the Company's tax withholding obligation with respect to Grants paid in Stock by having shares of Stock withheld, at the time such Grants become taxable, up to an amount that does not exceed the minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities.

17. Transferability of Grants

Only the Participant may exercise rights under a Grant during the Participant's lifetime, and a Participant may not transfer those rights except by will or by the laws of descent and distribution. When a Participant dies, the personal representative or other person entitled to succeed to the rights of the Participant may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Participant's will or under the applicable laws of descent and distribution.

18. Consequences of a Change of Control

(a) Notice and Acceleration. Upon a Change of Control, unless the Committee determines otherwise, (i) the Company shall provide each Participant who holds outstanding Grants with written notice of the Change of Control, (ii) all outstanding Options and Stock Appreciation Rights shall automatically accelerate and become fully exercisable, (iii) the restrictions and conditions on all outstanding Stock Awards shall immediately lapse, (iv) all Stock Units and Performance Units shall become payable in cash in an amount not less than their Target Amount or in a larger amount, up to the maximum Grant value, as determined by the Committee, and (v) Dividend Equivalents and Other Stock-Based Awards shall become payable in full in cash, in amounts determined by the Committee.

(b) Assumption of Grants. Upon a Change of Control where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless the Committee determines otherwise, all outstanding Options and Stock Appreciation Rights that are not exercised shall be assumed by, or replaced with comparable options or stock appreciation rights by, the surviving corporation (or a parent or subsidiary of the surviving corporation), and other Grants that remain outstanding after the Change of Control shall be converted to similar Grants of the surviving corporation (or a parent or subsidiary of the surviving corporation).

(c) Other Alternatives. Notwithstanding the foregoing, subject to subsection (d) below, in the event of a Change of Control, the Committee may take any of the following actions with respect to any or all outstanding Grants, without the consent of any Participant: (i) the Committee may require that Participants surrender their outstanding Options and Stock Appreciation Rights in exchange for a payment by the Company, in cash or Stock as determined by the Committee, in an amount equal to the amount, if any, by which the then Fair Market Value of the shares of Stock subject to the Participant's unexercised Options and Stock Appreciation Rights exceeds the Option Price or base amount, (ii) after giving Participants an opportunity to exercise their outstanding Options and Stock Appreciation Rights, the Committee may terminate any or all unexercised Options and Stock Appreciation Rights at such time as the Committee deems appropriate, and (iii) with respect to Participants holding Stock Units, Performance Units, Dividend Equivalents or Other Stock-Based Awards, the Committee may determine that such Participants shall receive a payment in settlement of such Stock Units, Performance Units, Dividend Equivalents or Other Stock-Based Awards, in such amount and form as may be determined by the Committee. Such surrender or termination shall take place as of the date of the Change of Control or such other date as the Committee may specify.

(d) Committee. The Committee making the determinations under this Section 18 following a Change of Control must be comprised of the same members as those of the Committee immediately before the Change of Control. If the Committee members do not meet this requirement, the automatic provisions of subsections (a) and (b) shall apply, and the Committee shall not have discretion to vary them.

(e) Other Transactions. The Committee may provide in a Grant Letter that a sale or other transaction involving a Subsidiary or other business unit of the Company shall be considered a Change of Control for purposes of a Grant, or the Committee may establish other provisions that shall be applicable in the event of a specified transaction.

19. Requirements for Issuance of Shares

No Stock shall be issued in connection with any Grant hereunder unless and until all legal requirements applicable to the issuance of such Stock have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any Grant made to any Participant hereunder on such Participant's undertaking in writing to comply with such restrictions on his or her subsequent disposition of such shares of Stock as the Committee shall deem necessary or advisable, and Certificates representing such shares may be legended to reflect any such restrictions. Certificates representing shares of Stock issued under the Plan will be subject to such stop-transfer orders and other restrictions as may be required by applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon. No Participant shall have any right as a shareholder with respect to Stock covered by a Grant until shares have been issued to the Participant.

20. Amendment and Termination of the Plan

(a) Amendment. The Board may amend or terminate the Plan at any time; provided, however, that the Board shall not amend the Plan without approval of the shareholders of UGI if such approval is required in order to comply with the Code or applicable laws, or to comply with applicable stock exchange requirements. No amendment or termination of this Plan shall, without the consent of the Participant, materially impair any rights or obligations under any Grant previously made to the Participant under the Plan, unless such right has been reserved in the Plan or the Grant Letter, or except as provided in Section 21(c) below.

(b) No Repricing Without Shareholder Approval. Notwithstanding anything in the Plan to the contrary, the Committee may not reprice Options or Stock Appreciation Rights, nor may the Board amend the Plan to permit repricing of Options or Stock Appreciation Rights, unless the shareholders of UGI provide prior approval for such repricing. The term "repricing" shall have the meaning given that term in Section 303A(8) of the New York Stock Exchange Listed Company Manual, as in effect from time to time.

(c) Shareholder Approval for "Qualified Performance-Based Compensation". If Stock Units, Performance Units, Stock Awards, Dividend Equivalents or Other Stock-Based Awards are granted as "qualified performance-based compensation" under Section 14 above, the Plan must be reapproved by the UGI shareholders no later than the first shareholders meeting that occurs in the fifth year following the year in which the shareholders previously approved the

provisions of Section 14, if additional Grants are to be made under Section 14 and if required by section 162(m) of the Code or the regulations thereunder.

(d) Termination of Plan. The Plan shall terminate on December 4, 2016, unless the Plan is terminated earlier by the Board or is extended by the Board with the approval of the shareholders. The termination of the Plan shall not impair the power and authority of the Committee with respect to an outstanding Grant.

21. Miscellaneous

(a) Grants in Connection with Corporate Transactions and Otherwise. Nothing contained in this Plan shall be construed to (i) limit the right of the Committee to make Grants under this Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees, or for other proper corporate purposes, or (ii) limit the right of the Company to grant stock options or make other stock-based awards outside of this Plan. Without limiting the foregoing, the Committee may make a Grant to an employee of another corporation who becomes an Employee by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company in substitution for a grant made by such corporation. The terms and conditions of the Grants may vary from the terms and conditions required by the Plan and from those of the substituted stock incentives, as determined by the Committee.

(b) Reduction of Responsibilities. The Committee shall have discretion to adjust an Employee's outstanding Grants if the Employee's authority, duties or responsibilities are significantly reduced.

(c) Compliance with Law. The Plan, the exercise of Options and the obligations of the Company to issue or transfer shares of Stock under Grants shall be subject to all applicable laws and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that Grants made under Section 14 of the Plan comply with the applicable provisions of section 162(m) of the Code. To the extent that any legal requirement of section 16 of the Exchange Act or section 162(m) of the Code as set forth in the Plan ceases to be required under section 16 of the Exchange Act or section 162(m) of the Code, that Plan provision shall cease to apply. The Committee may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation. The Committee may also adopt rules regarding the withholding of taxes on payments to Participants. The Committee may, in its sole discretion, agree to limit its authority under this Section.

(d) Enforceability. The Plan shall be binding upon and enforceable against the Company and its successors and assigns.

(e) Funding of the Plan; Limitation on Rights. This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other

segregation of assets to assure the payment of any Grants under this Plan. Nothing contained in the Plan and no action taken pursuant hereto shall create or be construed to create a fiduciary relationship between the Company and any Participant or any other person. No Participant or any other person shall under any circumstances acquire any property interest in any specific assets of the Company. To the extent that any person acquires a right to receive payment from the Company hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

(f) Rights of Participants. Nothing in this Plan shall entitle any Employee, Non-Employee Director or other person to any claim or right to receive a Grant under this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employment or service of the Company.

(g) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Grant. The Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(h) Employees Subject to Taxation Outside the United States. With respect to Participants who are subject to taxation in countries other than the United States, the Committee may make Grants on such terms and conditions as the Committee deems appropriate to comply with the laws of the applicable countries, and the Committee may create such procedures, addenda and subplans and make such modifications as may be necessary or advisable to comply with such laws.

(i) Governing Law. The validity, construction, interpretation and effect of the Plan and Grant Letters issued under the Plan shall be governed and construed by and determined in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflict of laws provisions thereof.

Exhibit A

**UGI CORPORATION
2004 OMNIBUS EQUITY COMPENSATION PLAN
AMENDED AND RESTATED AS OF SEPTEMBER 5, 2014**

For purposes of the Plan, the term “Change of Control,” and other defined terms used in the definition of “Change of Control,” shall have the following meanings:

1. “Change of Control” shall mean:

(i) Any Person (except UGI, any UGI Subsidiary, any employee benefit plan of UGI or of any UGI Subsidiary, or any Person or entity organized, appointed or established by UGI for or pursuant to the terms of any such employee benefit plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner in the aggregate of 20% or more of either (i) the then outstanding shares of common stock of UGI (the “Outstanding UGI Common Stock”) or (ii) the combined voting power of the then outstanding voting securities of UGI entitled to vote generally in the election of directors (the “UGI Voting Securities”); or

(ii) Individuals who, as of the beginning of any 24-month period, constitute the UGI Board of Directors (the “Incumbent UGI Board”) cease for any reason to constitute at least a majority of the Incumbent UGI Board, provided that any individual becoming a director of UGI subsequent to the beginning of such period whose election or nomination for election by the UGI shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent UGI Board shall be considered as though such individual were a member of the Incumbent UGI Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of UGI (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act); or

(iii) Consummation by UGI of a reorganization, merger or consolidation (a “Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of the Outstanding UGI Common Stock and UGI Voting Securities immediately prior to such Business Combination do not, following such Business Combination, Beneficially Own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of the Outstanding UGI Common Stock and UGI Voting Securities, as the case may be; or

(iv) Consummation of (a) a complete liquidation or dissolution of UGI or (b) a sale or other disposition of all or substantially all of the assets of UGI other than to a corporation with respect to which, following such sale or disposition, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding

voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the Outstanding UGI Common Stock and UGI Voting Securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of the Outstanding UGI Common Stock and UGI Voting Securities, as the case may be, immediately prior to such sale or disposition.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. A Person shall be deemed the “Beneficial Owner” of any securities: (i) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the “Beneficial Owner” of securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered securities are accepted for payment, purchase or exchange; (ii) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has “beneficial ownership” of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including without limitation pursuant to any agreement, arrangement or understanding, whether or not in writing; *provided, however*, that a Person shall not be deemed the “Beneficial Owner” of any security under this clause (ii) as a result of an oral or written agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or (iii) that are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person’s Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to clause (ii) above) or disposing of any securities; *provided, however*, that nothing in this Section 1(c) shall cause a Person engaged in business as an underwriter of securities to be the “Beneficial Owner” of any securities acquired through such Person’s participation in good faith in a firm commitment underwriting until the expiration of forty (40) days after the date of such acquisition.

4. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

5. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI, as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

UGI CORPORATION
2009 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
FOR NEW EMPLOYEES
As Amended and Restated as of November 22, 2013

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ARTICLE I

STATEMENT OF PURPOSE

The purpose of the UGI Corporation 2009 Supplemental Executive Retirement Plan for New Employees (the "2009 UGI SERP") is to provide a fair and competitive level of retirement benefits to certain management and other highly compensated employees and thereby to attract and retain the highest quality executives to UGI Corporation, UGI Utilities, Inc. and its subsidiaries, including UGI Penn Natural Gas, Inc., UGI Central Penn Gas, Inc., and, effective October 1, 2010, UGI Energy Services, Inc. To address these purposes and to account for the closure of the Pension Plan and the CPG Pension Plan, each as defined herein, certain employees of UGI Corporation, UGI Utilities, Inc. and its subsidiaries, including UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc., and, effective October 1, 2010, UGI Energy Services, Inc. (those designated as "Participants"), will be provided with supplemental retirement benefits. The 2009 UGI SERP was amended and restated as of October 1, 2010 to include certain employees of UGI Energy Services, Inc. The 2009 UGI SERP is now amended and restated as of November 22, 2013.

ARTICLE II

DEFINITIONS

Sec. 2.01 "Administrative Committee" shall mean the administrative committee designated pursuant to Article VII to administer the 2009 UGI SERP in accordance with its terms.

Sec. 2.02 "Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

Sec. 2.03 "Beneficiary" shall mean the person designated by a Participant to receive any benefits payable after the Participant's death. UGI shall provide a form for this purpose. In the event a Participant has not filed a Beneficiary designation with UGI or none of the designated Beneficiaries are living at the date of the Participant's death, the Beneficiary shall be the Participant's estate.

Sec. 2.04 "Board" shall mean the Board of Directors of UGI.

Sec. 2.05 "Change in Control Agreement" shall mean a Change in Control Agreement between an Employee and a Participating Employer.

Sec. 2.06 "Code" shall mean the Internal Revenue Code of 1986, as amended.

Sec. 2.07 "Compensation Committee" shall mean the Compensation and Management Development Committee of the Board.

Sec. 2.08 "Compensation" shall mean a Participant's actual base salary earned from the Participating Employers with respect to each Plan Year, plus the amount of annual bonus paid under the applicable bonus or severance plan with respect to each Plan Year, regardless of the

payment date. Compensation shall include any such salary and bonus that that would be payable to the Employee except for an election by the Employee to have such compensation deferred under any qualified savings plan, non-qualified deferred compensation plan, or section 125 plan, of the Participating Employers. Compensation shall be prorated for any Plan Year during which the Employee ceases to be a Participant and remains an employee of the Participating Employers.

Sec. 2.09 “CPG Pension Plan” shall mean the UGI Central Penn Gas, Inc. Employees’ Retirement Plan.

Sec. 2.10 “Deferral Plan” shall mean the UGI Corporation 2009 Deferral Plan.

Sec. 2.11 “Effective Date” of the 2009 UGI SERP shall mean January 1, 2009, for Participating Employers other than UGI Energy Services, Inc. The 2009 UGI SERP shall be effective for UGI Energy Services, Inc. as of October 1, 2010. The effective date of the amended and restated 2009 UGI SERP is November 22, 2013.

Sec. 2.12 “Employee” shall mean any person in the employ of a Participating Employer other than a person (i) whose terms and conditions of employment are determined through collective bargaining with a third party or (ii) who is characterized as an independent contractor by a Participating Employer, no matter how characterized by a court or government agency. No retroactive characterization of an individual’s status for any other purpose shall make an individual an “Employee” for purposes hereof unless specifically determined otherwise by a Participating Employer for the purposes of this 2009 UGI SERP.

Sec. 2.13 “Employment Commencement Date” shall mean the first day on which a Participant became an employee of UGI or its Affiliates, or any entity whose business or assets have been acquired by UGI or its Affiliates or by any predecessor of such entities. If any interruption of employment occurred after the date described in the preceding sentence, the “Employment Commencement Date” after reemployment shall be the first day on which the Participant became an employee as described in the preceding sentence after the most recent such interruption of the employment relationship between the Participant and UGI or any of its Affiliates, unless the Administrative Committee determines otherwise.

Sec. 2.14 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

Sec. 2.15 “Executive Annual Bonus Plan” shall mean the UGI Corporation Executive Annual Bonus Plan or the UGI Utilities, Inc. Executive Annual Bonus Plan, each as amended from time to time, and any successor plans.

Sec. 2.16 “Key Employee” shall mean an employee who, at any time during the 12-month period ending on the identification date, is a “specified employee” under section 409A of the Code, as determined by the Compensation Committee or its delegate. The determination of Key Employees, including the number and identity of persons considered specified employees and the identification date, shall be made by such Committee or its delegate in accordance with the provisions of sections 416(i) and 409A of the Code and the regulations issued thereunder.

Sec. 2.17 "Matching Contribution" shall have the meaning given that term under the Savings Plan.

Sec. 2.18 "Participant" shall mean each Employee who meets the requirements of Section 3.01 hereof.

Sec. 2.19 "Participating Employer" shall mean an employer listed on Schedule A.

Sec. 2.20 "Pension Plan" shall mean the Retirement Income Plan for Employees of UGI Utilities, Inc., as currently in effect and as it may hereafter be amended, and any plan designated by the Board as a successor thereto.

Sec. 2.21 "Plan Year" shall mean the 12-month period beginning on October 1 and ending on September 30.

Sec. 2.22 "Postponement Period" shall mean, for a Key Employee, the period of six months after separation from service (or such other period as may be required by Section 409A of the Code) during which 2009 UGI SERP benefits may not be paid to the Key Employee under section 409A of the Code.

Sec. 2.23 "Savings Plan" shall mean the UGI Utilities, Inc. Savings Plan.

Sec. 2.24 "Termination for Cause" shall mean termination of employment by reason of misappropriation of funds, habitual insobriety, substance abuse, conviction of a crime involving moral turpitude, or gross negligence in the performance of duties, which gross negligence has had a material gross adverse effect on the business, operations, assets, properties or financial condition of UGI and its Affiliates, taken as a whole.

Sec. 2.25 "UGI" shall mean UGI Corporation.

Sec. 2.26 "2009 UGI SERP" shall mean the UGI Corporation 2009 Supplemental Executive Retirement Plan for New Employees as set forth herein and as the same may be hereafter amended.

Sec. 2.27 "UGI Utilities" shall mean UGI Utilities, Inc.

ARTICLE III

PARTICIPATION AND VESTING

Sec. 3.01 Participation.

(a) For Employees of a Participating Employer other than UGI Energy Services, Inc, on and after the Effective Date, each Employee who (i) is eligible to receive a bonus under an Executive Annual Bonus Plan at any time during the applicable Plan Year, (ii) is hired or rehired by a Participating Employer on or after the Effective Date (including by a transfer from an Affiliate), and (iii) is not accruing a benefit under the Pension Plan, CPG Pension Plan or any other defined benefit plan maintained by a Participating Employer and its

Affiliates shall be eligible to become a Participant in the 2009 UGI SERP. Employees who meet the requirements of this subsection (a) as of the Effective Date shall become Participants in the 2009 UGI SERP as of the Effective Date.

(b) For Employees of UGI Energy Services, Inc., on and after October 1, 2010, each Employee who (i) is eligible to receive a bonus under an Executive Annual Bonus Plan at any time during the applicable Plan Year, (ii) is employed by UGI Energy Services, Inc. on or after October 1, 2010 (including by a transfer from an Affiliate) and (iii) is not accruing a benefit under the Pension Plan, CPG Pension Plan or any other defined benefit plan maintained by a Participating Employer and its Affiliates shall be eligible to become a Participant in the 2009 UGI SERP. Employees who meet the requirements of this subsection (b) as of October 1, 2010 shall become Participants in the 2009 UGI SERP as of October 1, 2010.

(c) Each newly hired Employee who meets the requirements of subsection (a) or (b), as applicable, shall become a Participant in the 2009 UGI SERP immediately upon his or her date of hire. Each newly promoted Employee of a Participating Employer, or an Employee who is transferred to a Participating Employer from an Affiliate that is not a Participating Employer, who meets the requirements of subsection (a) or (b), as applicable, shall become a Participant in the 2009 UGI SERP as of the first day of the Plan Year following his transfer or promotion date.

Sec. 3.02 Vesting. Benefits under this 2009 UGI SERP shall vest on the fifth anniversary of a Participant's most recent Employment Commencement Date, if the Participant continues to be employed by UGI and its Affiliates through the vesting date, unless the Compensation Committee determines that a Participant's benefits should vest, in whole or in part, sooner. A Participant's benefit under this 2009 UGI SERP shall also vest if the Participant's employment with UGI and its Affiliates terminates on account of death or Total Disability, as determined under the Savings Plan. Notwithstanding anything to the contrary, a Participant shall vest in his or her benefits under Section 4.05 of this 2009 UGI SERP when the Participant's employment has terminated under the circumstances described in Section 4.05 and the Participant has met all the requirements of the Participant's Change in Control Agreement that entitle the Participant to receive the benefits described in Section 4.05.

ARTICLE IV

BENEFITS

Sec. 4.01 Benefit Credits.

(a) UGI shall establish a bookkeeping account for each Participant. At the end of each Plan Year, UGI shall credit to the Participant's account an amount equal to 5% of the Participant's maximum recognizable Compensation as determined under the limit in effect under section 401(a)(17) of the Code for the calendar year in which the Plan Year begins, and 10% of the Participant's Compensation, if any, in excess of such maximum recognizable Compensation under section 401(a)(17) of the Code. For UGI Energy Services, Inc. Participants, this subsection (a) shall be effective for Plan Years beginning on or after October 1, 2010.

(b) In addition, in the event that any portion of the Matching Contribution allocated to a Participant under the Savings Plan with respect to the Savings Plan year in which the Plan Year begins is forfeited to satisfy the nondiscrimination requirements of section 401(m) of the Code, UGI shall credit to the Participant's account under the 2009 UGI SERP, in the Plan Year in which the forfeiture occurs, an amount that is equal to the forfeited Matching Contributions, adjusted for earnings and losses as provided under the Savings Plan to the date forfeited. The allocation with respect to forfeited Matching Contributions shall not exceed the Matching Contributions that would have been provided under the Savings Plan in the absence of any plan-based restrictions that reflect limits on qualified plan contributions under the Code, in accordance with section 409A of the Code. For UGI Energy Services, Inc. Participants, this subsection (b) shall be effective for Savings Plan years beginning on or after January 1, 2011.

Sec. 4.02 Timing of Credits. Amounts shall be credited to a Participant's account annually within 90 days after the end of the Plan Year.

Sec. 4.03 Earnings.

(a) For purposes of measuring the investment returns of a Participant's account, the Participant may select the investment funds in which all or part of his account shall be deemed to be invested, from the investment funds designated by the Administrative Committee.

(b) A Participant shall make an investment designation by such method as the Administrative Committee determines. An investment designation shall remain effective until another valid designation has been made by the Participant. The Participant may amend his or her investment designation at such time or times as permitted by the Administrative Committee in its sole discretion, and in accordance with such procedures as may be established by the Administrative Committee.

(c) In the absence of any Participant election designating the deemed investment of his account, a Participant shall be deemed to have elected that his account be invested in the manner selected by the Administrative Committee for such circumstance.

(d) Each Participant's account shall be adjusted periodically to take into account the gains, losses and income returns of the investment funds selected by the Participant.

Sec. 4.04 Divestiture. Each Participant shall be divested of, and shall immediately forfeit, any benefit to which the Participant is otherwise entitled under the 2009 UGI SERP if the Participant experiences a Termination for Cause or if the Participant terminates employment with UGI and its Affiliates prior to satisfying the vesting requirements in Section 3.02 above.

Sec. 4.05 Change of Control Benefit. In the event of a Change of Control (as defined in the applicable Change in Control Agreement), if and to the extent required by a Participant's Change in Control Agreement, each Participant in the 2009 UGI SERP who is entitled to receive severance benefits under a Change in Control Agreement shall receive a credit to the Participant's account equal to the aggregate credits that would have been made under Section 4.01(a) had the Participant continued in employment during the continuation period under the Change in Control Agreement and received annual compensation as described in the Change in

Control Agreement. This amount shall be credited to the Participant's account as of the Participant's termination date.

ARTICLE V

FORM AND TIMING OF BENEFIT DISTRIBUTION

Sec. 5.01 Form of Benefit Distributions. A Participant's vested account under the 2009 UGI SERP shall be paid in a lump sum to the Participant upon the Participant's termination of employment with UGI and its Affiliates for any reason other than Termination for Cause. In the event of death, the Participant's vested account shall be paid in a lump sum to the Participant's beneficiary designated in writing on a form filed with the Administrative Committee or its designee or, if there is none, to the Participant's estate.

Sec. 5.02 Timing of Benefit Distributions. Except as otherwise required by Section 5.03 below, vested benefits payable under the 2009 UGI SERP shall be paid within 60 days after a Participant's termination of employment for a reason other than Termination for Cause.

Sec. 5.03 Key Employees. If required by section 409A of the Code, no benefits shall be paid to a Participant who is a Key Employee during the Postponement Period. If a Participant is a Key Employee and payment of benefits under the 2009 UGI SERP is required to be delayed for the Postponement Period, the accumulated amounts withheld on account of section 409A of the Code shall be paid in a lump sum payment within 15 days after the end of the Postponement Period. If the Participant dies during the Postponement Period prior to the payment of benefits, the amounts withheld on account of section 409A of the Code shall be paid to the Participant's beneficiary (as described in Section 5.01) within 60 days after the Participant's death.

Sec. 5.04 Deferral Elections. Notwithstanding the foregoing, a Participant may make a one-time, irrevocable election to elect to have the Participant's vested account under this 2009 UGI SERP credited to the Participant's account under the Deferral Plan on the date of the Participant's separation from service, in lieu of the payments described in Section 5.01 and 5.02. If the Participant makes a deferral election, the Participant's vested account under this 2009 UGI SERP will be credited to the Participant's account under the Deferral Plan at separation from service and the amount credited to the Deferral Plan shall be distributed in accordance with the provisions of the Deferral Plan. An election under this Section 5.04 shall be made in writing, on a form and at a time prescribed by the Administrative Committee and shall be irrevocable upon submission to the Corporate Secretary of UGI Corporation.

ARTICLE VI

FUNDING OF BENEFITS

Sec. 6.01 Source of Funds. The Board may, but shall not be required to, authorize the establishment of a rabbi trust for the benefits described herein. In any event, UGI's obligation hereunder shall constitute a general, unsecured obligation, payable solely out of its general assets, and no Participant shall have any right to any specific assets of UGI or any such vehicle.

Sec. 6.02 Participant Contributions. There shall be no contributions made by Participants under the 2009 UGI SERP.

ARTICLE VII

THE COMMITTEE

Sec. 7.01 Appointment and Tenure of Administrative Committee Members. The Administrative Committee shall consist of one or more persons who shall be appointed by and serve at the pleasure of the Compensation Committee. Any Administrative Committee member may resign by delivering his or her written resignation to the Compensation Committee. Vacancies arising by the death, resignation or removal of an Administrative Committee member may be filled by the Compensation Committee.

Sec. 7.02 Meetings; Majority Rule. Any and all acts of the Administrative Committee taken at a meeting shall be by a majority of all members of the Administrative Committee. The Administrative Committee may act by vote taken in a meeting (at which a majority of members shall constitute a quorum). The Administrative Committee may also act by unanimous consent in writing without the formality of convening a meeting.

Sec. 7.03 Delegation. The Administrative Committee may, by majority decision, delegate to each or any one of its members, authority to sign any documents on its behalf, or to perform ministerial acts, but no person to whom such authority is delegated shall perform any act involving the exercise of any discretion without first obtaining the concurrence of a majority of the members of the Administrative Committee, even though such person alone may sign any document required by third parties. The Administrative Committee shall elect one of its members to serve as Chairperson. The Chairperson shall preside at all meetings of the Administrative Committee or shall delegate such responsibility to another Administrative Committee member. The Administrative Committee shall elect one person to serve as Secretary to the Administrative Committee. All third parties may rely on any communication signed by the Secretary, acting as such, as an official communication from the Administrative Committee.

Sec. 7.04 Authority and Responsibility of the Administrative Committee. The Administrative Committee shall have only such authority and responsibilities as are delegated to it by the Compensation Committee or specifically under this 2009 UGI SERP. The Administrative Committee shall have full power and express discretionary authority to administer and interpret the 2009 UGI SERP, to make factual determinations and to adopt or amend such rules and regulations for implementing the 2009 UGI SERP and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Administrative Committee's authorities and responsibilities shall also include:

- (a) maintenance and preservation of records relating to Participants, former Participants, and their beneficiaries;
- (b) preparation and distribution to Participants of all information and notices required under federal law or the provisions of the 2009 UGI SERP;

- (c) preparation and filing of all governmental reports and other information required under law to be filed or published;
- (d) construction of the provisions of the 2009 UGI SERP, to correct defects therein and to supply omissions thereto;
- (e) engagement of assistants and professional advisers;
- (f) arrangement for bonding, if required by law; and
- (g) promulgation of procedures for determination of claims for benefits.

Sec. 7.05 Compensation of Administrative Committee Members. The members of the Administrative Committee shall serve without compensation for their services as such, but all expenses of the Administrative Committee shall be paid or reimbursed by UGI.

Sec. 7.06 Committee Discretion. Any discretion, actions or interpretations to be made under the 2009 UGI SERP by the Administrative Committee or by the Compensation Committee on behalf of UGI shall be made in its sole discretion, not acting in a fiduciary capacity, need not be uniformly applied to similarly situated individuals, and shall be final, binding and conclusive upon the parties. All benefits under the 2009 UGI SERP shall be provided conditional upon the Participant's acknowledgement, in writing or by acceptance of the benefits, that all decisions and determinations of the Administrative Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under the 2009 UGI SERP.

Sec. 7.07 Indemnification of the Committees. Each member of the Administrative Committee and each member of the Compensation Committee shall be indemnified by UGI against costs, expenses and liabilities (other than amounts paid in settlement to which UGI does not consent) reasonably incurred by the member in connection with any action to which the member may be a party by reason of the member's service on the applicable Committee, except in relation to matters as to which the member shall be adjudged in such action to be personally guilty of gross negligence or willful misconduct in the performance of the member's duties. The foregoing right to indemnification shall be in addition to such other rights as the Administrative Committee member or the Compensation Committee member may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the Administrative Committee member or the Compensation Committee member may be entitled pursuant to the by-laws of UGI. Service on the Administrative Committee or the Compensation Committee shall be deemed in partial fulfillment of the applicable Committee member's function as an employee, officer, or director of UGI, if the Committee member also serves in that capacity.

ARTICLE VIII

AMENDMENT AND TERMINATION

Sec. 8.01 Amendment. The provisions of the 2009 UGI SERP may be amended at any time and from time to time by the Compensation Committee for any reason without either the consent of or prior notice to any Participant; *provided, however*, that no such amendment shall serve to reduce the benefit that has accrued on behalf of a Participant as of the effective date of the amendment. Notwithstanding the foregoing, the Administrative Committee may adopt any amendment to the 2009 UGI SERP as it shall deem necessary or appropriate to (i) maintain compliance with current laws and regulations; (ii) correct errors and omissions in the 2009 UGI SERP document; and (iii) facilitate the administration and operation of the 2009 UGI SERP.

Sec. 8.02 2009 UGI SERP Termination. While it is UGI's intention to continue the 2009 UGI SERP indefinitely in operation, UGI, by action of the Compensation Committee, reserves the right to terminate the 2009 UGI SERP in whole or in part at any time for any reason without either the consent of or prior notice to any Participant. No such termination shall reduce the benefit that has accrued on behalf of a Participant as of the effective date of the termination, but UGI may immediately distribute all accrued benefits upon termination of the 2009 UGI SERP in accordance with section 409A of the Code.

ARTICLE IX

CLAIMS PROCEDURES

Sec. 9.01 Claim. Any person or entity claiming a benefit, requesting an interpretation or ruling under the 2009 UGI SERP (hereinafter referred to as "claimant"), or requesting information under the 2009 UGI SERP shall present the request in writing to the Administrative Committee, which shall respond in writing or electronically. The notice advising of the denial shall be furnished to the claimant within 90 days of receipt of the benefit claim by the Administrative Committee, unless special circumstances require an extension of time to process the claim. If an extension is required, the Administrative Committee shall provide notice of the extension prior to the termination of the 90 day period. In no event may the extension exceed a total of 180 days from the date of the original receipt of the claim.

Sec. 9.02 Denial of Claim. If the claim or request is denied, the written or electronic notice of denial shall state:

- (a) The reason(s) for denial;
- (b) Reference to the specific 2009 UGI SERP provisions on which the denial is based;
- (c) A description of any additional material or information required and an explanation of why it is necessary; and

(d) An explanation of the 2009 UGI SERP's claims review procedures and the time limits applicable to such procedures, including the right to bring a civil action under section 502(a) of ERISA.

Sec. 9.03 Final Decision. The decision on review shall normally be made within 60 days after the Administrative Committee's receipt of claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be 120 days. The decision shall be in writing or in electronic form and shall:

- (a) State the specific reason(s) for the denial;
- (b) Reference the relevant 2009 UGI SERP provisions;
- (c) State that the claimant is entitled to receive, upon request and free of charge, and have reasonable access to and copies of all documents, records and other information relevant to the claim for benefits; and
- (d) State that the claimant may bring an action under section 502(a) of ERISA.

All decisions on review shall be final and bind all parties concerned.

Sec. 9.04 Review of Claim. Any claimant whose claim or request is denied or who has not received a response within 60 days may request a review by notice given in writing or electronic form to the Administrative Committee. Such request must be made within 60 days after receipt by the claimant of the written or electronic notice of denial, or in the event the claimant has not received a response, 60 days after receipt by the Administrative Committee of the claimant's claim or request. The claim or request shall be reviewed by the Administrative Committee which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

ARTICLE X

MISCELLANEOUS PROVISIONS

Sec. 10.01 Nonalienation of Benefits. None of the payments, benefits or rights of any Participant under the 2009 UGI SERP shall be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Participant. No Participant shall have the right to alienate, anticipate commute, pledge, encumber or assign any of the benefits or payments which he or she may expect to receive, contingently or otherwise, under the 2009 UGI SERP.

Sec. 10.02 No Contract of Employment. Neither the establishment of the 2009 UGI SERP, nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving any Participant or Employee, or any person whomsoever, the right to be retained in the service of a Participating Employer, and all

Participants and other Employees shall remain subject to discharge to the same extent as if the 2009 UGI SERP had never been adopted.

Sec. 10.03 Severability of Provisions. If any provision of the 2009 UGI SERP shall be held invalid or unenforceable, such validity or unenforceability shall not affect any other provisions hereof, and the 2009 UGI SERP shall be construed and enforced as if such provision had not been included.

Sec. 10.04 Heirs, Assigns and Personal Representatives. The 2009 UGI SERP shall be binding upon the heirs, executors, administrators, successors and assigns of the parties, including each Participant, present and future.

Sec. 10.05 Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the 2009 UGI SERP, and shall not be employed in the construction of the 2009 UGI SERP.

Sec. 10.06 Gender and Number. Except where otherwise clearly indicated by context, the masculine and the neuter shall include the feminine and the neuter, the singular shall include the plural, and vice-versa.

Sec. 10.07 Controlling Law. The 2009 UGI SERP shall be construed and enforced according to the laws of the Commonwealth of Pennsylvania, exclusive of conflict of law provisions thereof, to the extent not preempted by Federal law, which shall otherwise control.

Sec. 10.08 Payments to Minors, Etc. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Participating Employers, the Board, the Administrative Committee, the Compensation Committee and all other parties with respect thereto.

Sec. 10.09 Lost Payees. A benefit shall be deemed forfeited if the Administrative Committee is unable to locate a Participant to whom payment is due; provided, however, that such benefit shall be reinstated if a claim is made by the proper payee for the forfeited benefit.

Sec. 10.10 Reliance on Data and Consents. The Participating Employers, the Board, the Compensation Committee, the Administrative Committee, all fiduciaries with respect to the 2009 UGI SERP, and all other persons or entities associated with the operation of the 2009 UGI SERP, and the provision of benefits thereunder, may reasonably rely on the truth, accuracy and completeness of all data provided by the Participant, including, without limitation, data with respect to age, health and marital status. Furthermore, the Participating Employers, the Board, the Compensation Committee, the Administrative Committee and all fiduciaries with respect to the 2009 UGI SERP may reasonably rely on all consents, elections and designations filed with the 2009 UGI SERP or those associated with the operation of the 2009 UGI SERP by any Participant, or the representatives of any such person without duty to inquire into the genuineness of any such consent, election or designation. None of the aforementioned persons or entities associated with the operation of the 2009 UGI SERP or the benefits provided under the 2009 UGI SERP shall have any duty to inquire into any such data, and all may rely on such

data being current to the date of reference, it being the duty of the Participants to advise the appropriate parties of any change in such data.

Sec. 10.11 Taxation.

(a) The 2009 UGI SERP is intended to comply with section 409A of the Code. Notwithstanding anything in the 2009 UGI SERP to the contrary, allocations to the 2009 UGI SERP shall be made consistent with section 409A, and distributions may only be made under the 2009 UGI SERP upon an event and in a manner permitted by section 409A of the Code. All payments under the 2009 UGI SERP shall be subject to applicable tax withholding. Distributions upon termination of employment shall only be made upon the Participant's "separation from service" under section 409A of the Code, and in no event may a Participant designate the calendar year of a payment.

(b) If a Participant is subject to tax under the Federal Insurance Contribution Act (FICA) before distributions are to be made under the 2009 UGI SERP, a distribution may be made under the 2009 UGI SERP to pay the FICA tax imposed under section 3101 of the Code, section 3121(a) of the Code, and section 3121(v)(2) of the Code, or to pay the income tax at source on wages imposed under section 3401 of the Code or the corresponding withholding provisions of applicable state, local, or foreign tax laws as a result of the payment of the FICA amount, and to pay the additional income tax at source on wages attributable to the pyramiding section 3401 of the Code wages and taxes. The total payment made pursuant to this subsection must not exceed the aggregate FICA and related tax amount permitted under section 409A of the Code.

SCHEDULE A

PARTICIPATING EMPLOYERS

1. UGI Corporation
2. UGI Utilities, Inc.
3. UGI Penn Natural Gas, Inc.
4. UGI Central Penn Gas, Inc.
5. UGI Energy Services, Inc., effective as of October 1, 2010