

Pennsylvania Public Utility Commission

v.

UGI Utilities, Inc. – Gas Division

Docket No. R-2015-2518438

UGI Gas Exhibit A – Fully Projected (REVISED)

6/2/16 *ALG*
SR

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission

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

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Section	Schedule	Present Rates	Increase	Proposed Rates
RATE BASE							
1	Utility Plant		C-2		\$ 1,649,567		\$ 1,649,567
2	Accumulated Depreciation		C-3		(448,737)		(448,737)
3	Net Plant in service	L 1 + L 2			1,200,830	-	1,200,830
4	Working Capital		C-4		21,600		21,600
5	Gas Inventory		C-5		15,853		15,853
6	Accumulated Deferred Income Taxes		C-6		(291,498)		(291,498)
7	Customer Deposits		C-7		(14,517)		(14,517)
8	Materials & Supplies		C-8		4,212		4,212
9	TOTAL RATE BASE	Sum L 3 to L 8			\$ 936,480	\$ -	\$ 936,480
OPERATING REVENUES AND EXPENSES							
<u>Operating Revenues</u>							
10	Base Customer Charges		D-5		\$ 216,065	\$ 59,983	\$ 276,048
11	Gas Cost Revenue		D-5		114,125		114,125
12	Other Operating Revenues		D-5		4,273		4,273
13	Total Revenues	Sum L 10 to L 12			334,463	59,983	394,446
14	Operating Expenses		D		(278,764)	(1,001)	(279,765)
15	OIBIT	L 13 + L 14			55,699	58,982	114,681
16	Pro Forma Income Tax at Present Rates		D-33		(13,697)		
17	Pro Forma Income Tax on Revenue Increase		D-33			(24,473)	(38,170)
18	NET OPERATING INCOME	Sum L 15 to L 17			\$ 42,002	\$ 34,509	\$ 76,511
19	RATE OF RETURN	L 18 / L 9			4.4851%		8.170%
REVENUE INCREASE REQUIRED							
20	Rate of Return at Present Rates	L 19, Col 4			4.4851%		
21	Rate of Return Required		B-7		8.1700%		
22	Change in ROR	L 21 - L 20			3.68490%		
23	Change in Operating Income	L 22 * L 9			\$ 34,508		
24	Gross Revenue Conversion Factor		D-35		1.738224		
25	Change in Revenues	L 23 * L 24			\$ 59,983		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4				27.76%	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4				17.93%	

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

[1]

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

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Balance Sheet

[1]

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

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

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

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

[1]

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

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(\$ in Thousands)

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

[1]

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

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(\$ In Thousands)

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

[1]

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

[1]

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

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(\$ in Thousands)

Detail of Taxes

[1]

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

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

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

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(\$ in Thousands)

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

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

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(\$ in Thousands)

Measure of Value

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Function	Schedule	# of Pages	Present Rates	Adjustments	Proposed Rates
MEASURE OF VALUE							
1	Utility Plant		C-2	9	\$ 1,649,567		\$ 1,649,567
2	Accumulated Depreciation		C-3	11	(448,737)		(448,737)
3	Net Plant in service				1,200,830	-	1,200,830
4	Working Capital		C-4	9	21,600		21,600
5	Gas Inventory		C-5	1	15,853		15,853
6	Accumulated Deferred Income Taxes		C-6	1	(291,497)		(291,497)
7	Customer Deposits		C-7	1	(14,517)		(14,517)
8	Materials & Supplies		C-8	1	4,212		4,212
9	TOTAL MEASURE OF VALUE				\$ 936,481	\$ -	\$ 936,481

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

Pro Forma Gas Plant in Service

[1]

[2]

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

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

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Pro Forma Gas Plant in Service

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

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

Schedule C-2
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Pro Forma Plant Adjustment Summary

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

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

Pro Forma Year End Plant Balances

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

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

Pro Forma Year End Plant Balances

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

UGI Utilities, Inc. - Gas Division
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Additions to Plant

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

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

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Additions to Plant

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

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

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Retirements

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

UGI Utilities, Inc. - Gas Division
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Retirements

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

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

Schedule C-3
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Accumulated Provision for Depreciation

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

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

Accumulated Provision for Depreciation

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

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

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Summary of Accumulated Depreciation

Line #	Description	[1] Factor Or Reference	Test Year Ended September 30, 2017		
			[2] Amount	[3] Pro Forma Adjustment	[4] Balance
1	INTANGIBLE PLANT	Sch C-3, Pg 4	\$ -	\$ -	\$ -
2	NATURAL GAS PRODUCTION & GATHERING	Sch C-3, Pg 4	-	-	-
3	NATURAL GAS STORAGE & PROCESSING PLANT	Sch C-3, Pg 4	(1,137)	820	(317)
4	TRANSMISSION PLANT	Sch C-3, Pg 5	-	-	-
5	DISTRIBUTION PLANT	Sch C-3, Pg 5	464,479	(43,756)	420,723
6	GENERAL PLANT	Sch C-3, Pg 5	35,956	(7,625)	28,331
7	OTHER PLANT		-	-	-
8	Sub-Total Accumulated Depreciation	Sum L 1 to L 7	<u>499,298</u>	<u>(50,561)</u>	<u>448,737</u>
9	COMPLETED CONSTRUCTION NOT CLASSIFIED		-	-	-
10	ACCUMULATED DEPRECIATION	L 8 + L 9	<u>499,298</u>	<u>(50,561)</u>	<u>448,737</u>
11	ACCUMULATED AMORTIZATION		-	-	-
12	TOTAL ACC DEPR & AMORTIZATION	L 10 + L 11	<u>\$ 499,298</u>	<u>\$ (50,561)</u>	<u>\$ 448,737</u>

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

Accumulated Depreciation by FERC Account

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

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

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Cost of Removal

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

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

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 Witness: A. P. Kelly
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Cost of Removal

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

UGI Utilities, Inc. - Gas Division
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Negative Net Salvage Amortization

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

UGI Utilities, Inc. - Gas Division
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Negative Net Salvage Amortization

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

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(\$ in Thousands)

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Salvage

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

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

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Salvage

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

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

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Working Capital

Line No	Description	[1]	[2]
		Future FTY 9-30-17	Reference
1	Working Capital for O & M Expense	\$ 18,059	C-4, Page 2
2	Interest Payments	(1,691)	C-4, Page 7
3	Tax Payment Lag Calculations	2,670	C-4, Page 8
4	Prepaid Expenses	2,562	C-4, Page 9
5	Total Cash Working Capital Requirements	<u>\$ 21,600</u>	

UGI Exhibit A (Fully Projected Future)

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

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Summary of Working Capital

Line #	Description	[1] Reference	[2] Test Year Expenses	[3] Factor	[4] Number of (Lead) / Lag Days [2] * [3]	[5] Totals
WORKING CAPITAL REQUIREMENT						
1	REVENUE LAG DAYS	Page 3				59.00
2	EXPENSE LAG DAYS	Page 4				
3	Payroll	Sch D-7	\$ 37,165	12.00	\$ 445,975	
4	Purchased Gas Costs	Sch D-6	114,125	36.71	4,189,711	
5	Other Expenses	L 19 - L 2 to L 4	73,906	27.87	2,059,751	
6	Total	Sum (L 3 to L 5)	<u>\$ 225,195</u>		<u>\$ 6,695,437</u>	
7	O & M Expense Lag Days	L6, C 4 / C 2				29.73
8	Net (Lead) Lag Days	L 1 - L 7				29.27
9	Operating Expenses Per Day	L 6, C 2 / 365				<u>\$ 617</u>
10	Working Capital for O & M Expense	L 8 * L 9				\$ 18,059
11	Interest Payments	Page 7				(1,691)
12	Tax Payment Lag Calculations	Page 8				2,670
13	Prepaid Expenses	Page 9				2,562
14	Total Working Capital Requirement	Sum (L 10 to L 13)				<u>\$ 21,600</u>
15	Pro Forma O & M Expense		\$ 229,829			
Less:						
16	Uncollectible Expense		4,634			
17	Other					
18	Sub-Total	L 16 + L 17	<u>4,634</u>			
19	Pro Forma Cash O&M Expense		<u>\$ 225,195</u>			

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

Schedule C-4
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Revenue Lag						
Line No.	Description	[1] Reference Or Factor	[2] Accounts Receivable Balance End of Month	[3] Total Monthly Sales Page 2	[4] A/R Turnover [3] / [2]	[5] Days Lag 365 / [4]
1	Annual Number of Days					<u>365</u>
2	October		18,355	17,346		
3	November		30,571	32,455		
4	December, 2014		53,053	59,627		
5	January, 2015		73,324	70,976		
6	February		91,758	78,256		
7	March		93,794	75,588		
8	April		72,286	40,619		
9	May		53,041	19,096		
10	June		42,255	15,208		
11	July		34,356	14,587		
12	August		25,396	12,816		
13	September, 2015		19,801	13,473		
14	Total	Sum L 2 to L 13	<u>\$607,990</u>			
15	Number of Months	<u>12</u>				
16	Average Acct Rec Balance	L 14 / L 15	<u>\$50,666</u>			
17	Total Sales for Year	Sum L 2 to L 13		<u>\$ 450,047</u>		
18	Acct Rec Turnover Ratio	L 17 / L 16			<u>8.88</u>	
19	Collection Lag Day Factor	L 1 / L 18				41.10
20	Meter Read Lag Factor					2.69
21	Midpoint Lag Factor		365 /	12 /	2 =	<u>15.21</u>
22	Total Revenue Lag Days	Sum L 19 to L 21				<u>59.00</u>

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

Schedule C-4
Witness: A. P. Kelly
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Summary of Expense Lag Calculations

Line No.	Description	[1] Reference Or Factor	[2] Amount	[3] (Lead) / Lag Days	[4] Weighted Dollar Value [2] * [3]	[5] (Lead) / Lag Days [4] / [2]
<u>PAYROLL</u>						
1	Union Payrolls	Bi-Weekly	\$ 13,523	12.00		
2	Exempt & Non-Exempt	Bi-Weekly	23,642	12.00		
3	Weighted for Union	L1, C2 * C3			\$ 162,273	
4	Weighted for Other	L2, C2 * C3			283,703	
5	Payroll Lag	L 3 + L 4	<u>\$ 37,165</u>		<u>\$ 445,976</u>	
6	Payroll Lag Days	C 4 / C 2				<u>12.00</u>
<u>PURCHASE GAS COSTS</u>						
7	Payment Lag	Page 6	<u>\$ 190,060</u>		<u>\$ 6,977,416</u>	
8	Gas Cost Lag Days	C 4 / C 2				<u>36.71</u>
<u>OTHER O & M EXPENSES</u>						
9	TOTAL		82,582		2,301,884	
10	TOTAL		<u>82,582</u>		<u>2,301,884</u>	
11	Other O&M Expense Lag Days	C 4 / C 2				<u>27.87</u>

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

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Summary of O&M Expense Lag Calculations

Line #	Description	[1] Number of CDs	[2] Cash Disbursements	[3] Dollar-Days	[4] Expense Lag-Days [3] / [2]
OCTOBER 2014					
1	Total Disbursements for Month	5,744	\$ 28,058		
2	Total Disbursements for Expenses	2,898	\$ 8,192	\$ 177,444	21.66
NOVEMBER 2014					
3	Total Disbursements for Month	4,134	\$ 19,685		
4	Total Disbursements for Expenses	1,932	\$ 6,104	\$ 176,397	28.90
DECEMBER 2014					
5	Total Disbursements for Month	4,968	\$ 31,252		
6	Total Disbursements for Expenses	2,348	\$ 6,455	\$ 194,584	30.14
JANUARY 2015					
7	Total Disbursements for Month	4,987	\$ 33,924		
8	Total Disbursements for Expenses	2,109	\$ 6,906	\$ 210,713	30.51
FEBRUARY 2015					
9	Total Disbursements for Month	3,778	\$ 45,623		
10	Total Disbursements for Expenses	2,003	\$ 5,410	\$ 162,109	29.96
MARCH 2015					
11	Total Disbursements for Month	4,034	\$ 34,788		
12	Total Disbursements for Expenses	2,217	\$ 6,408	\$ 169,762	26.49
APRIL 2015					
13	Total Disbursements for Month	4,072	\$ 34,814		
14	Total Disbursements for Expenses	2,229	\$ 6,434	\$ 173,858	27.02
MAY 2015					
15	Total Disbursements for Month	4,256	\$ 29,418		
16	Total Disbursements for Expenses	2,363	\$ 7,869	\$ 226,111	28.73
JUNE 2015					
17	Total Disbursements for Month	4,819	\$ 23,077		
18	Total Disbursements for Expenses	2,427	\$ 6,388	\$ 157,958	24.73
JULY 2015					
19	Total Disbursements for Month	4,765	\$ 24,132		
20	Total Disbursements for Expenses	2,267	\$ 8,386	\$ 252,392	30.10
AUGUST 2015					
21	Total Disbursements for Month	4,939	\$ 24,852		
22	Total Disbursements for Expenses	2,239	\$ 6,749	\$ 198,565	29.42
SEPTEMBER 2015					
23	Total Disbursements for Month	5,081	\$ 27,877		
24	Total Disbursements for Expenses	2,335	\$ 7,281	\$ 201,991	27.74
TOTAL					
25	Total Test Month Expense Disbursement	27,367	\$ 82,582	\$ 2,301,884	27.87

UGI Utilities, Inc. - Gas Division
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Purchase Gas Cost Payment Lag Summary

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

UGI Utilities, Inc. - Gas Division
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Interest Payments

Line No.	Description	[1] Reference Or Factor	[2] # of Days	[3] # of Days	[4] Total
1	Measure of Value at September 30, 2017	Sch C-1			\$ 936,481
2	Long-term Debt Ratio	Sch B-6			40.30%
3	Embedded Cost of Long-term Debt	Sch B-6			5.07%
4	Pro forma Interest Expense	L 1 * L 2 * L 3			<u>\$ 19,134</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 52
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days	Page 3		59.00	
8	Interest Payment lag days	L 7 - L 6			(32.3)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (1,691)</u>

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Tax Lag Day Calculations

Line #	Description	[1] Payment Dates	[2] Mid-Point of Service Period	[3] Lead (Lag) Payment Days [1] - [2]	[4] Payment Amount	[5] Weighted Lead (Lag) Dollars [3] * [4]	[6] Payment Lead (Lag) Days [5] / [4]	[7] Revenue (Lag) Days	[8] Net Payment Lead (Lag) Days [6] - [7]	[9] Total Dollar Days	[10] Working Capital Amount
											365
1	FEDERAL INCOME TAX				<u>\$ 30,658</u>						
2	First Payment	01/05/17	04/01/17	86.00	\$ 7,664	659,138					
3	Second Payment	03/15/17	04/01/17	17.00	7,664	130,295					
4	Third Payment	06/15/17	04/01/17	(75.00)	7,664	(574,830)					
5	Fourth Payment	09/15/17	04/01/17	(167.00)	7,664	(1,279,954)					
6	Total				<u>\$ 30,658</u>	<u>\$ (1,065,351)</u>	<u>(34.75)</u>	<u>(59.00)</u>	<u>24.25</u>	<u>\$ 743,446</u>	<u>\$ 2,037</u>
7	STATE INCOME TAX				<u>\$ 7,513</u>						
8	First Payment	12/15/16	04/01/17	107.00	\$ 1,878	200,977					
9	Second Payment	03/15/17	04/01/17	17.00	1,878	31,931					
10	Third Payment	06/15/17	04/01/17	(75.00)	1,878	(140,872)					
11	Fourth Payment	09/15/17	04/01/17	(167.00)	1,878	(313,674)					
12	Total				<u>\$ 7,513</u>	<u>(221,638)</u>	<u>(29.50)</u>	<u>(59.00)</u>	<u>29.50</u>	<u>\$ 221,638</u>	<u>\$ 607</u>
13	PA PROPERTY TAX				<u>\$ 177</u>						
14	First Payment	03/31/17	04/01/17	1.00	\$ 89	89					
15	Second Payment	09/30/17	04/01/17	(182.00)	89	(16,107)					
16	Total				<u>\$ 177</u>	<u>(16,019)</u>	<u>(90.50)</u>	<u>(59.00)</u>	<u>(31.50)</u>	<u>\$ (5,576)</u>	<u>\$ (15)</u>
17	PURTA				<u>\$ 513</u>						
18	Payment	05/01/11	04/01/11	(30.00)	\$ 513	(15,388)	(30.00)	(59.00)	29.00	\$ 14,875	\$ 41
19	Total Working Capital For Other Taxes										<u>\$ 2,670</u>

UGI Utilities, Inc. - Gas Division
Before the Pennsylvania Public Utility Commission
Future Period - 12 Months Ended September 30, 2017

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Witness: A. P. Kelly
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Prepaid Expenses

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

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

Schedule C-5
Witness: A. P. Kelly
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Gas Inventory					
Line #	Description	[1]	[2]	[3]	[4]
		Factor Or Reference	Stored Underground	Other	Total [2] + [3]
1	January, 2015		21,572		\$ 21,572
2	February		8,661		8,661
3	March		3,147		3,147
4	April		6,238		6,238
5	May		8,778		8,778
6	June		11,650		11,650
7	July		15,314		15,314
8	August		19,540		19,540
9	September		23,368		23,368
10	October		26,404		26,404
11	November		25,267		25,267
12	December		22,845		22,845
13	January 2016		13,303		13,303
14	Total		<u>\$ 206,087</u>	<u>\$ -</u>	<u>\$ 206,087</u>
15	Number of Months		<u>13</u>	<u>13</u>	<u>13</u>
16	Average Monthly Balance		<u>\$ 15,853</u>	<u>\$ -</u>	<u>\$ 15,853</u>

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

Accumulated Deferred Income Taxes

Line #	Description	Factor Or Reference	[1]	[2]	[3]
			Percent	Amount	Total
1	<u>Accumulated Deferred Income Tax</u>				
2	Gas Utility Plant - a/c # 282			\$ (237,976)	
3	Sub-total				\$ (237,976)
4	ADIT on CIAC			18,083	
5	ADIT for Repairs Tax Deduction			<u>(88,031)</u>	
6	Sub-total				<u>(69,948)</u>
7	Federal ADIT				(307,924)
	Pro-Rata Adjustment				27,280
8	State ADIT for Repairs Tax Deduction				<u>(10,854)</u>
9	Balance At September 30, 2017				<u>\$ (291,498)</u>

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

Customer Deposits

[1]

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

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

Materials & Supplies

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

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

Summary of Revenue and Expenses
Pro Forma with Proposed Revenue Increase

Line #	Description	Factor Or Reference	[1]	[2]	[3]
			At Present Rates	Pro Forma Test Year Rate Increase	At Proposed Rates
OPERATING REVENUES					
1	Customer & Distribution Revenue		\$ 214,246	\$ -	\$ 214,246
2	Gas Supply & Cost Adjustment Revenue		115,944	-	115,944
3	Other Revenues		4,273	-	4,273
4	Revenue Increase			59,983	59,983
5	Total operating revenues		<u>334,463</u>	<u>59,983</u>	<u>394,446</u>
OPERATING EXPENSES					
6	Manufactured Gas		69	-	69
7	Gas Supply Production		114,125	-	114,125
8	Distribution		37,762	-	37,762
9	Customer Accounts	0.000%	15,464	-	15,464
10	Uncollectible Expense	1.669%	4,634	1,001	5,635
11	Customer Information & Services		2,309	-	2,309
12	Sales		3,685	-	3,685
13	Administrative & General		51,782	-	51,782
14	Depreciation & Amortization		43,190	-	43,190
15	Taxes other than income taxes		5,745	-	5,745
16	Total operating expenses		<u>278,764</u>	<u>1,001</u>	<u>279,765</u>
17	Net operating income Before Income Tax		55,699	58,982	114,681
Income Taxes					
18	Pro Forma Income Tax At Present Rates		13,697		13,697
19	Pro Forma Income Tax on Revenue Increase			24,473	24,473
20	Net Income (loss)		<u>\$ 42,002</u>	<u>\$ 34,509</u>	<u>\$ 76,511</u>

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

Summary of Pro Forma Revenue and Expense
Adjustments with Proposed Revenue Increase

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]
		Factor Or Reference	Budget For Year End 09/30/17	Adjustments Sch D-3 Increase (Decrease)	Pro Forma Adjusted For Test Year 9/30/17	Proposed Increase	Pro Forma Test Year With Proposed Increase
<u>OPERATING REVENUES</u>					[2] + [3]		[4] + [5]
1	Residential (R/RT)	480	\$ 214,366	\$ (24,352)	\$ 190,014	\$ -	\$ 190,014
2	Comm & Ind (N/NT)	481	112,023	(18,794)	93,229	-	93,229
3	Comm & Ind (DS)	489	20,273	(6,848)	13,425	-	13,425
4	Lg Transport/Other	489	30,787	(2,165)	28,622	-	28,622
5	Interruptible	489	21,271	(16,371)	4,900	-	4,900
6	Forfeited Discounts		3,112	(116)	2,996	-	2,996
7	Miscellaneous Service Revenues		3,823	(3,306)	517	-	517
8	Rent from Gas Properties		-	165	165	-	165
9	Other Revenues		802	(207)	595	-	595
10	Rate Increase			-	-	59,983	59,983
11	Total operating revenues		<u>406,457</u>	<u>(71,994)</u>	<u>334,463</u>	<u>59,983</u>	<u>394,446</u>
<u>OPERATING EXPENSES</u>							
12	Gas Production		68	1	69	-	69
13	Gas Supply Production		147,767	(33,642)	114,125	-	114,125
14	Distribution		36,475	1,287	37,762	-	37,762
15	Customer Accounts	0.000%	10,073	5,391	15,464	-	15,464
16	Uncollectible Expense	1.669%	4,706	(72)	4,634	1,001	5,635
17	Customer Information & Services		1,954	355	2,309	-	2,309
18	Sales		923	2,762	3,685	-	3,685
19	Administrative & General		51,209	573	51,782	-	51,782
20	Depreciation & Amortization		41,516	1,674	43,190	-	43,190
21	Taxes other than income taxes		5,886	(141)	5,745	-	5,745
22	Total operating expenses		<u>300,577</u>	<u>(21,813)</u>	<u>278,764</u>	<u>1,001</u>	<u>279,765</u>
23	Net Operating Income - BIT		<u>\$ 105,880</u>	<u>\$ (50,181)</u>	<u>\$ 55,699</u>	<u>\$ 58,982</u>	<u>\$ 114,681</u>

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

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

Line #	Description	[1] As Budgeted And Allocated	[2] Company Use Gas D-4	[3] Revenues D-5	[4] Gas Costs D-6	[6] Adjustments				[9] Adjustments			[13] Sub-Total Adjustments	[14] Total Proforma		
						[5] Salaries & Wages D-7	[6] Environmental Expense D-8	[7] Headcount Additions D-9	[8] Rate Case D-10	[9] Uncollectibles Expense D-11	[10] D-12	[11] UNITE Project D-13				
OPERATING REVENUES																
Customer & Distribution Revenue																
1	Residential (R/RT)	480	\$ 114,084	\$ (7,238)										\$ (7,238)	\$ 106,846	
2	Comm & Ind (N/NT)	481	67,972	(7,519)										(7,519)	60,453	
3	Comm & Ind (DS)	489	18,069	(2,844)										(2,844)	13,425	
4	Lg Transport/Other	489	30,674	(2,952)										(2,952)	28,622	
5	Interruptible	489	19,646	(14,748)										(14,748)	4,900	
Revenue for Cost of Gas																
6	Residential (R/RT)	480	100,282	(17,114)										(17,114)	83,168	
7	Comm & Ind (N/NT)	481	44,051	(11,275)										(11,275)	32,776	
8	Comm & Ind (DS)	489	4,204	(4,204)										(4,204)	-	
9	Lg Transport/Other	489	113	(113)										(113)	-	
10	Interruptible Transport	489	1,625	(1,625)										(1,625)	-	
11	Forfeited Discounts		3,112	(116)										(116)	2,996	
12	Miscellaneous Service Revenues		3,823	(3,306)										(3,306)	517	
13	Rent from Gas Properties		-	185										185	185	
14	Other Revenues		802	(207)										(207)	595	
15	Rate Increase		-	-										-	-	
16	Total operating revenues		406,457	(71,994)										(71,994)	334,463	
OPERATING EXPENSES																
17	Gas Production		68			1								1	69	
18	Gas Supply Production		147,767		(34,331)									(33,642)	114,125	
19	Distribution		36,475	(524)		183		1,136						795	37,270	
20	Customer Accounts		10,073			61								656	10,929	
21	Uncollectible Expense		4,706							(72)		795		(72)	4,634	
22	Customer Information & Services		1,954			11								345	2,309	
23	Sales		923			6								6	929	
24	Administrative & General		51,209	(185)		119	2,500	1,420	628			(1,040)		3,462	54,671	
25	Depreciation & Amortization		41,516											-	41,516	
26	Taxes other than income taxes		5,886											-	5,886	
27	Total operating expenses		\$ 300,577	\$ -	\$ (34,331)	\$ 380	\$ 2,500	\$ 2,556	\$ 628	\$ (72)	\$ -	\$ 100	\$ -	\$ (28,240)	\$ 272,337	
28	Net operating income Before Income Tax		\$ 105,880	\$ -	\$ (71,994)	\$ 34,331	\$ (380)	\$ (2,500)	\$ (2,556)	\$ (628)	\$ 72	\$ -	\$ (100)	\$ -	\$ (43,754)	\$ 62,126

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

Summary of Pro Forma Adjustments

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		From Page 1 Sub-total		Benefits Adjustments D-14	Other Adjustments D-15	Universal Service D-16	Adjustments D-17	D-18	Conservation Program D-19	Adjustments D-21	Taxes Other Than Income D-31		TOTAL Adjusted	
OPERATING REVENUES														
29	Customer & Distribution Revenue													
30	Residential (R/RT)	\$ 106,846												\$ 106,846
31	Comm & Ind (N/NT)	60,453												60,453
32	Comm & Ind (DS)	13,425												13,425
33	Lg Transport/Other	28,622												28,622
34	Interruptible	4,900												4,900
Revenue for Cost of Gas														
35	Residential (R/RT)	83,168												83,168
36	Comm & Ind (N/NT)	32,776												32,776
37	Comm & Ind (DS)	-												-
38	Lg Transport/Other	-												-
39	Interruptible Transport	-												-
40	Forfeited Discounts	2,996												2,996
41	Miscellaneous Service Revenues	517												517
42	Rent from Gas Properties	165												165
43	Other Revenues	595												595
44	Rate Increase	-												-
45	Total operating revenues	334,463	-	-	-	-	-	-	-	-	-	-	-	334,463
OPERATING EXPENSES														
46	Gas Production	69												69
47	Gas Supply Production	114,125												114,125
48	Distribution	37,270		492										37,762
49	Customer Accounts	10,929			4,535									15,464
50	Uncollectible Expense	4,834												4,834
51	Customer Information & Services	2,309												2,309
52	Sales	929						2,859						3,685
53	Administrative & General	54,671	(2,863)	97										51,782
54	Depreciation & Amortization	41,516		(26)						1,674				43,180
55	Taxes other than income taxes	5,886										(141)		5,745
56	Total operating expenses	\$ 272,337	\$ -	\$ (2,863)	\$ 563	\$ 4,535	\$ -	\$ -	\$ 2,859	\$ -	\$ 1,674	\$ (141)	\$ -	\$ 276,784
57	Net operating income Before Income Tax	\$ 62,126	\$ -	\$ 2,863	\$ (563)	\$ (4,535)	\$ -	\$ -	\$ (2,859)	\$ -	\$ (1,674)	\$ 141	\$ -	\$ 56,699

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

Company Use of Fuel

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

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

Adjustment - Revenue Adjustments

	[1]	[2]	[3]	[4]	[5]	[6]	
			PRO FORMA ADJUSTMENTS				
Line #	Description	Reference Or Account Number	2017 Budget	Rev Adj Annualization D-5A	Other Adjustments D-5B	Total Proforma Adjustments	Proforma Adjusted At Present Rates
Customer & Distribution Revenue							
1	Residential (R/RT)	480	\$ 114,084	\$ (7,238)		\$ (7,238)	\$ 106,846
2	Comm & Ind (N/NT)	481	67,972	(7,519)		(7,519)	60,453
3	Comm & Ind (DS)	489	16,069	(2,644)		(2,644)	13,425
4	Lg Transport/Other	489	30,874	(2,052)		(2,052)	28,822
5	Interruptible	489	19,646	(14,746)		(14,746)	4,900
6	Cust Chg & Distrib Revenue		248,445	(34,199)	-	(34,199)	214,246
Revenue for Cost of Gas							
7	Residential (R/RT)	480	100,282	(17,114)		(17,114)	83,168
8	Comm & Ind (N/NT)	481	44,051	(11,275)		(11,275)	32,776
9	Comm & Ind (DS)	489	4,204	(4,204)		(4,204)	-
10	Lg Transport/Other	489	113	(113)		(113)	-
11	Interruptible Transport	489	1,625	(1,625)		(1,625)	-
12	Revenue for Cost of Gas		150,275	(34,331)	-	(34,331)	115,944
13	Total Customer Revenue		398,720	(68,530)	-	(68,530)	330,190
14	Forfeited Discounts	487	3,112		(116)	(116)	2,996
15	Miscellaneous Service Revenues	488	3,823		(3,306)	(3,306)	517
16	Rent from Gas Properties	493	-		165	165	165
17	Other Revenues	495	802		(207)	(207)	595
18	TOTAL REVENUES		\$ 406,457	\$ (68,530)	\$ (3,464)	\$ (71,994)	\$ 334,463

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

Adjustment - Test Year Revenue Changes

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

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

Adjustment - Other Revenue Items

		[1]	[2]	[3]
Line #	Description	Factor Or Reference	Budgeted	Adjustment
<u>OTHER REVENUES</u>				
1	Miscellaneous Service Revenues	488	\$ (3,306)	
2	Forefeited Discounts	487	(116)	
3	Rent from Gas Property	493	165	
4	Other Gas Revenues	495	<u>(207)</u>	
5	Adjust Other Revenues			<u>\$ (3,464)</u>

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

Adjustment - Gas Costs

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

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

Adjustment - Salaries & Wages

Line #	Description	[1] Account Number	[2] Budgeted Year 09/30/17	[3] Adjustment	[4] Payroll As Distributed	[5] Annualization Adjustment	[6] Total Pro Forma Payroll
<u>OPERATIONS</u>							
1	Total Natural Gas Production Expenses		\$ 67	\$ -	\$ 67	\$ 1	\$ 68
2	Total Underground Storage Expenses		-	-	-	-	-
3	Total Transmission Operation Expenses		-	-	-	-	-
4	Total Distribution Operation Expenses		11,058	-	11,058	117	11,175
5	Customer Account Operations Expenses		5,787	735	6,522	61	6,583
6	Total Cust. Service & Inform. Operations Exp		1,020	-	1,020	11	1,031
7	Total Operation Sales Expenses		540	-	540	6	546
8	Total A & G Operation Expenses		10,368	(39)	10,329	117	10,446
9	Total Operations	Sum L 1 to L 8	<u>28,840</u>	<u>696</u>	<u>29,536</u>	<u>312</u>	<u>29,848</u>
<u>MAINTENANCE</u>							
10	Total Underground Maintenance Expenses		-	-	-	-	-
11	Storage Maintenance Expenses		-	-	-	-	-
12	Total Transmission Maintenance Expenses		-	-	-	-	-
13	Total Distribution Maintenance Expenses		6,218	841	7,059	66	7,125
14	Maintenance of General Plant		190	-	190	2	192
15	Total Maintenance	Sum L 10 to L 14	<u>6,408</u>	<u>841</u>	<u>7,249</u>	<u>68</u>	<u>7,317</u>
16	Total Payroll to Expense	L 9 + L 15	<u>\$ 35,248</u>	<u>\$ 1,537</u>	<u>\$ 36,785</u>	<u>\$ 380</u>	<u>\$ 37,165</u>

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

Adjustment - Salaries & Wages

Line #	Description	[1] Reference Or Function	[2] Union Increase At 4-1	[3] Union Increase At 6-1	[4] Non- Exempt	[5] Exempt	[6] Pro Forma Total Payroll
1	Budgeted Payroll For TY 9-30-17		\$ 10,390	\$ 2,931	\$ 5,860	\$ 16,552	<u>\$ 35,733</u>
<u>Annualize for Wage Increase to 9-30-17</u>							
2	Percent Increase		2.75%	3.00%	3.23%	2.94%	
3	Union Increase At 4-1 Annualization Factor	4/1/17	50%				
4	Union Increase At 6-1 Annualization Factor	6/1/17		67%			
5	Non-Exempt Annualization Factor	4/1/17			50%		
6	Exempt Annualization Factor	12/1/16				17%	
7	Increase for wage rate changes		<u>143</u>	<u>59</u>	<u>95</u>	<u>81</u>	\$ 378
8	Annualized Salaries & Wages at 9-30-17 Rates		\$ 10,533	\$ 2,990	\$ 5,955	\$ 16,633	
9							
10	Additional headcount hired in FY2017					<u>1,052</u>	
11	Pro Forma Salaries & Wages for TY		<u>\$ 10,533</u>	<u>\$ 2,990</u>	<u>\$ 5,955</u>	<u>\$ 17,685</u>	
12	Pro Forma Adjustment to S&W						<u>\$ 378</u>
13	Annualization Factor						<u>1.057%</u>

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

Adjustment - Environmental

[1]

[2]

Line #	Description	Amount	Total
1	Increase expense for environmental remediation	<u>\$ 2,500</u>	
2	Pro Forma Adjustment		<u>\$ 2,500</u>

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

Adjustment - Employee Additions & Other Compensation

	[1]	[2]	[3]
Line #	Number of Employees	Amount	Total
1	17	\$ 735	
2	10	696	
3		145	
4	5	<u>317</u>	
5	Total		<u>\$ 1,893</u>
6			
7		257	
8		244	
9		51	
10		111	
11	Total		<u>\$ 663</u>

**UGI Utilities, Inc. - Gas Division
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Adjustment - Rate Case Expense

		[1]	[2]	[3]	[4]
Line #	Description	Reference	Amount	Sub-Total	Total
<u>Rate Case Expenditures</u>					
1	External Consultants		\$ 293		
2	External Legal		900		
3	Total Recorded at 9-30-15		62		
4	Sub-Total	L 1 to L 3		<u>1,256</u>	
<u>TOTAL EXPENDITURES FOR RATE FILING</u>					
5	TOTAL COSTS	L 4			<u>\$ 1,256</u>
6	Normalized over 2 years (Line 5 / 2)		<u>2</u>		\$ 628
7	Rate Case Expense included in Budget				<u>0</u>
8	Pro Forma Adjustment	L 6 - L 7			<u>\$ 628</u>

UGI Utilities, Inc. - Gas Division
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Adjustment - Uncollectibles

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

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Adjustment - UNITE Project

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

**UGI Utilities, Inc. - Gas Division
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Adjustment - Benefits Adjustments

Line #	Description	[1] Amount	[2] Subtotal	[3] Pro Forma Adjustment
<u>OPEB Adjustments</u>				
1	Budgeted OPEB Expense		\$ (2,374)	
2	Total OPEB Adjustment			\$ (2,374)
3	Total OPEB Overrecovery		\$ (10,027)	
4	Amortization Period (Years)		20	
5	Reduce Expense for OPEB Overrecovery Amortization			\$ (501)
<u>Pension Expense Adjustment</u>				
6	Total budgeted pension expense		\$ 4,404	
7	Total cash contributions per revised estimate	11,839		
8	Estimated Cash Contributions attributable to UGI Gas	6,092		
9	Less: estimated capitalized portion (28%)	(1,676)		
10	Pension cash contributions per updated estimates		4,416	
11	Pro Forma Adjustment			\$ 12

**UGI Utilities, Inc. - Gas Division
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Adjustment - Other Adjustments

Line #	Description	[1] Sub-Total	[2] Total
Injuries & Damages Adjustment			
1	2013 Injuries & Damages Expense	\$ 2,446	
2	2014 Injuries & Damages Expense	3,382	
3	2015 Injuries & Damages Expense	<u>2,635</u>	
4	Three year average of injuries and damages expenses	2,821	
5	Budgeted injuries and damanges expenses	<u>\$ 2,914</u>	
6	Pro Forma Adjustment		<u>\$ (93)</u>
Membership Dues Adjustment			
7	Budgeted American Gas Association membership dues attributable to lobbying	\$ (12)	
8	Budgeted Energy Association of Pennsylvania membership dues attributable to lobbying	<u>(4)</u>	
9	Pro Forma Adjustment		<u>\$ (16)</u>
Licensing Fees for New Software			
10	Contractor Management System annual licensing fee	\$ 226	
11	Customer relationship management software annual licensing fee	<u>97</u>	
12	Total		<u>\$ 323</u>
Insurance Premium for Cyber Insurance Policy			
13	Cyber insurance policy		<u>\$ 83</u>
Distribution Expense Adjustment			
14	Adjust mains and services expense for corrosion control program		<u>\$ 266</u>

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

Adjustment - Universal Service

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

**UGI Utilities, Inc. - Gas Division
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Adjustment - Energy Efficiency and Conservation Programs

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

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

Adjustment - Depreciation expense

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

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

Adjustment - Depreciation expense

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

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

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

Line #	Description	[1] Account Number	[2] Factor or Reference	[3] Budget Amounts 9/30/17	[4] Pro Forma Adjustments	[5] Pro Forma Tax Expense 9/30/17
1	PURTA Taxes	408.1		\$ 513	\$ -	\$ 513
2	Capital Stock	408.1		316	(316)	-
3	PA & Local Use taxes	408.1		177	-	177
4	Social Security	408.1	D-32	2,679	146	2,825
5	FUTA	408.1	D-32	55	3	58
6	SUTA	408.1	D-32	485	26	511
7	PUC Assessment	408.1		1,663	-	1,663
8	Total			<u>\$ 5,888</u>	<u>\$ (141)</u>	<u>\$ 5,747</u>

UGI Exhibit A (Fully Projected Future)

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

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Witness: A. P. Kelly
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Adjustment - Payroll Taxes

Line #	Description	[1] Account Number	[2] Test Year 9/30/17 Present Rates	[3] Pro Forma Adjustments	[4] Increase in Payroll Taxes
1	Total Payroll Charged to Expense		<u>\$ 35,248</u>	<u>\$ 1,917</u>	
2	FICA Expense		<u>2,679</u>		
3	FICA Expense - Percent	L 2 / L 1	<u>7.60%</u>	<u>7.60%</u>	
4	Pro Forma FICA Expense on Pro Forma S&W	[4] L 1 * L 3			\$ 146
5	FUTA Expense		<u>55</u>		
6	FUTA Expense - Percent	L 5 / L 1	<u>0.15%</u>	<u>0.15%</u>	
7	Pro Forma FUTA Expense on Pro Forma S&W	[4] L 1 * L 6			3
8	SUTA Expense		<u>485</u>		
9	SUTA Expense - Percent	L 8 / L 1	<u>1.38%</u>	<u>1.38%</u>	
10	Pro Forma SUTA Expense on Pro Forma S&W	[4] L 1 * L 9			26
11	Pro Forma Adjustment	Sum L 4 to L 10			<u>\$ 175</u>

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

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Witness: N. McKinney
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Line #	Description	[1]	[2]	[3]	[4]	[5]
		Factor Or Reference	Element Or Amount	Pro Forma Test Year At Present Rates	Revenue Increase	Pro Forma Test Year At Proposed Rates
						[3] + [4]
1	Revenue			\$ 334,463	\$ 59,983	\$ 394,446
2	Operating Expenses			(278,764)	(1,001)	(279,765)
3	OIBIT	L 1 + L 2		55,699	58,982	114,681
	<u>Interest Expense</u>					
4	Rate Base	Sch A-1	936,481			
5	Weighted Cost of Debt	Sch B-7	0.02170			
6	Synchronized Interest Expense	L 4 * L 5		(20,322)	-	(20,322)
7	Base Taxable Income	L 3 + L 6		35,377	58,982	94,359
8	Total Tax Depreciation	Pg 2	\$ 86,327			
9	Pro Forma Book Depreciation	Pg 2	43,621			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8		(42,706)	-	(42,706)
11	Other					
12	State Taxable Income	Sum L 7 to L 11		\$ (7,329)	\$ 58,982	\$ 51,653
13	State Income Tax (Expense)/Refund	L 12 * Rate [2]	9.99%	\$ 732	\$ (5,892)	\$ (5,160)
14	Total Tax Depreciation	Pg 2	\$ 144,327			
15	Pro Forma Book Depreciation	Pg 2	43,621			
16	Federal Tax Deducts (Over) Under Book	L 14 - L 13		(100,706)	-	(100,706)
17	Other					
18	Federal Taxable Income	L 7 + sum L 13 to L 17		(64,597)	53,090	(11,507)
19	Federal Income Tax (Expense)/Refund	- L 18 * Rate [2]	35.00%	22,609	(18,581)	4,027
20	Total Tax Expense before Deferred Income Tax	L 13 + L 19		23,341	(24,473)	(1,133)
	<u>Deferred Federal Income Taxes</u>					
21	Total Straight Line Tax Depreciation	Pg 2	\$ 38,831			
22	Total Tax Depreciation	Pg 2	138,801			
23	Federal Tax Deducts (Over) Under Book	L 22 - L 21		99,970	-	99,970
24	Deferred Federal Taxable Income	L 23		\$ 99,970	\$ -	\$ 99,970
25	Federal Income Tax (Expense)/Refund	- L 24 * Rate [2]	Blended Rate	(35,003)	-	(35,003)
	<u>Deferred State Income Taxes</u>					
26	Repairs			(2,802)		(2,802)
27	CIAC			449		449
28	State Deferred Income Tax (Expense)/Refund			(2,353)	-	(2,353)
29	Net Income Tax Expense	L20 + L 25 + L28		(14,015)	(24,473)	(38,489)
	<u>Other Tax Adjustments</u>					
30	ITC			318		318
31						
32	Combined Income Tax Expense	L 29 + L 30		\$ (13,697)	\$ (24,473)	\$ (38,171)
33	Federal Income Tax Expense	L 19 + L 25 + L 30				\$ (30,658)
34	State Income Tax Expense	L 13 + L 28				(7,513)
35	Total Income Tax Expense	L 32 + L 33				\$ (38,171)

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

Line #	Description	Tax Depreciation		
		[1] Amount	[2] Amount	[3] Total
<u>Accelerated Tax Depreciation</u>				
1	Gas Plant		\$ 100,183	
2	Cost of Removal		5,526	
3	Repairs Tax Deduction		45,715	
4	Other Tax Basis Adjustments		<u>(7,097)</u>	
5	Total Federal Accelerated Tax Depreciation			\$ 144,327
6	Adjustment for PA Tax Depreciation - Bonus Decoupling		<u>(58,000)</u>	
7	Total State Accelerated Tax Depreciation			<u>\$86,327</u>
<u>Straight Line Tax Depreciation</u>				
8	Gas Plant		\$ 38,831	
9	Total Tax Depreciation			<u>\$ 38,831</u>
<u>Book Depreciation</u>				
10	Pro Forma Book Depreciation		\$ 38,831	
11	Net Salvage Amortization		4,996	
12	Depreciation Charged to Clearing Accounts	(637)		
13	Estimated Percent of Clearing Charged to CWIP	<u>32%</u>		
14	Depreciation Charged to CWIP		(206)	
15	Book Depreciation for Tax Calculation			<u>\$ 43,621</u>

UGI Exhibit A (Fully Projected Future)

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

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Witness: A. P. Kelly
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Gross Revenue Conversion Factor

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