

PA Public Utility Commission Winter Reliability Meeting Propane and Oil Update

October 22, 2013

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UGI Corporation

NYSE: UGI

Domestic Propane

- AmeriGas LP (NYSE: APU)
- Largest U.S. retail propane marketer
- 2,000 locations in all 50 states
- Annual sales of 1.2 billion gallons



International Propane

- Antargaz; Flaga, AvantiGas, KosanGas
- France, Austria, UK, Belgium, Scandinavia, Switzerland & Eastern Europe
- Annual sales of 680 million gallons



Regulated Utilities

- UGI Utilities, Inc.
- UGI Penn Natural Gas
- UGI Central Penn Gas
- 600,000 natural gas customers
- 62,000 electric customers



Energy Services

- UGI Energy Services, LLC
- UGI Storage Company
- UGI LNG, Inc.
- UGI Development Company (power gen)
- Deliveries to 30+ Mid-Atlantic LDC markets and 19 EDC markets
- 32,000 locations



UGI Energy Services

Retail Energy Sales

- Natural Gas
- Electricity
- Fuel Oil
- Wholesale propane
- Commercial and industrial customer focus
- Serving 32,000 locations

Power Generation

- Conemaugh -- 102 MW coal (PJM)
- Hunlock -- 130 MW natural gas (PJM)
- Broad Mountain -- 11 MW landfill gas (PJM)
- 5.5 MW solar

Midstream Services

- Gathering systems
- Pennsylvania Natural gas storage 15 BCF Transco, Tenn., Dom.

Peaking & Asset Mgt.

- Storage & pipeline contract management
- LNG peakshaving
- Propane-air peakshaving

Propane Market Factors

- Greater natural gas production from Marcellus and Utica shale plays has driven gas production capability to exceed demand and therefor keep the price low
- Low natural gas prices relative to crude have moved drilling to gas plays with a value uplift from natural gas liquids (NGL's) and condensates
- Build out of processing plants and infrastructure continues
 - Dominion, NiSource, Markwest, Caiman, Momentum
 - NGL Pipelines (mostly ethane)
 - Mariner West, Mariner East, ATEX
- Export markets for U.S. NGL's (propane, butane) expanding as global demand grows

Propane pipeline projects in Marcellus will maximize producer economics

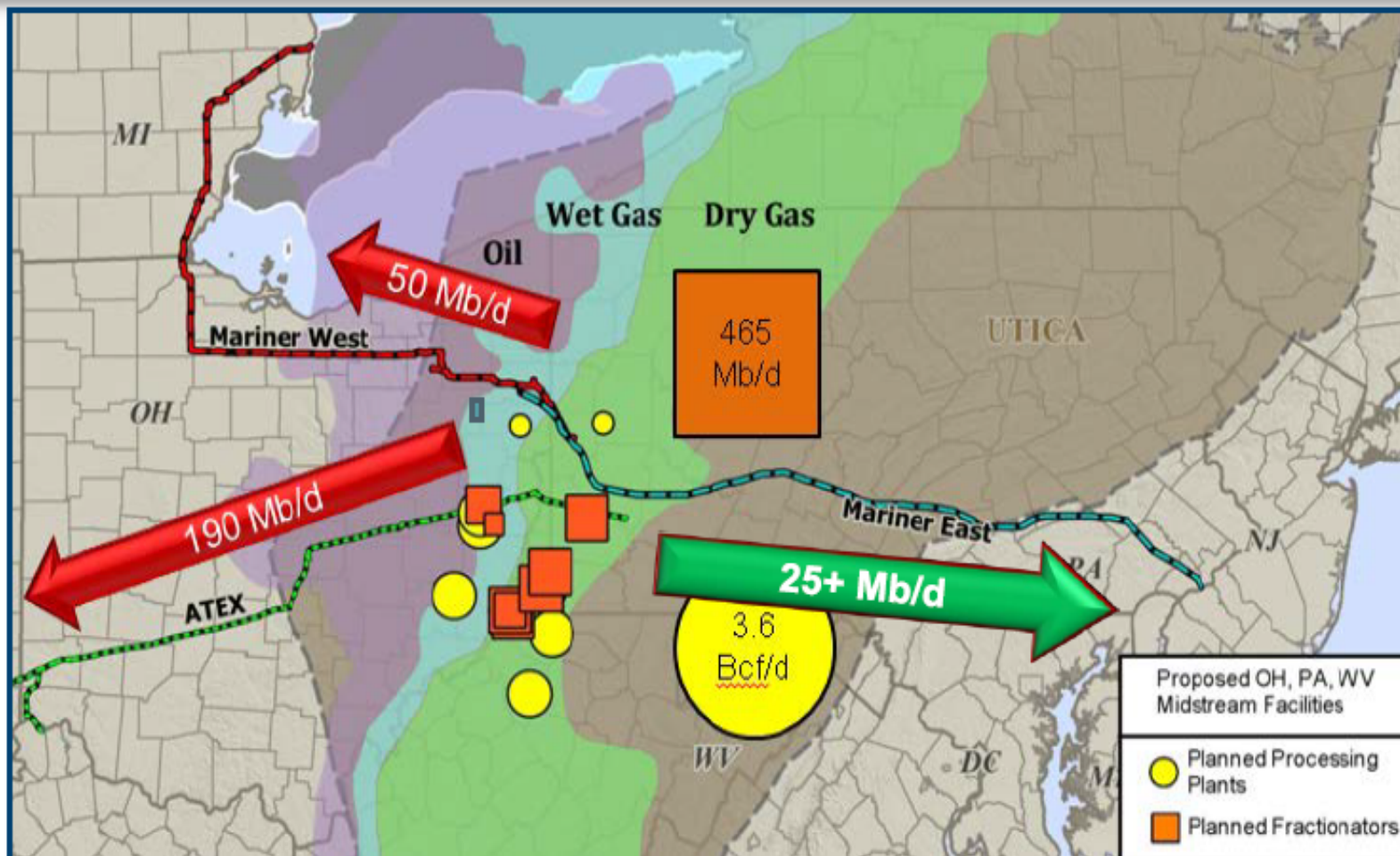
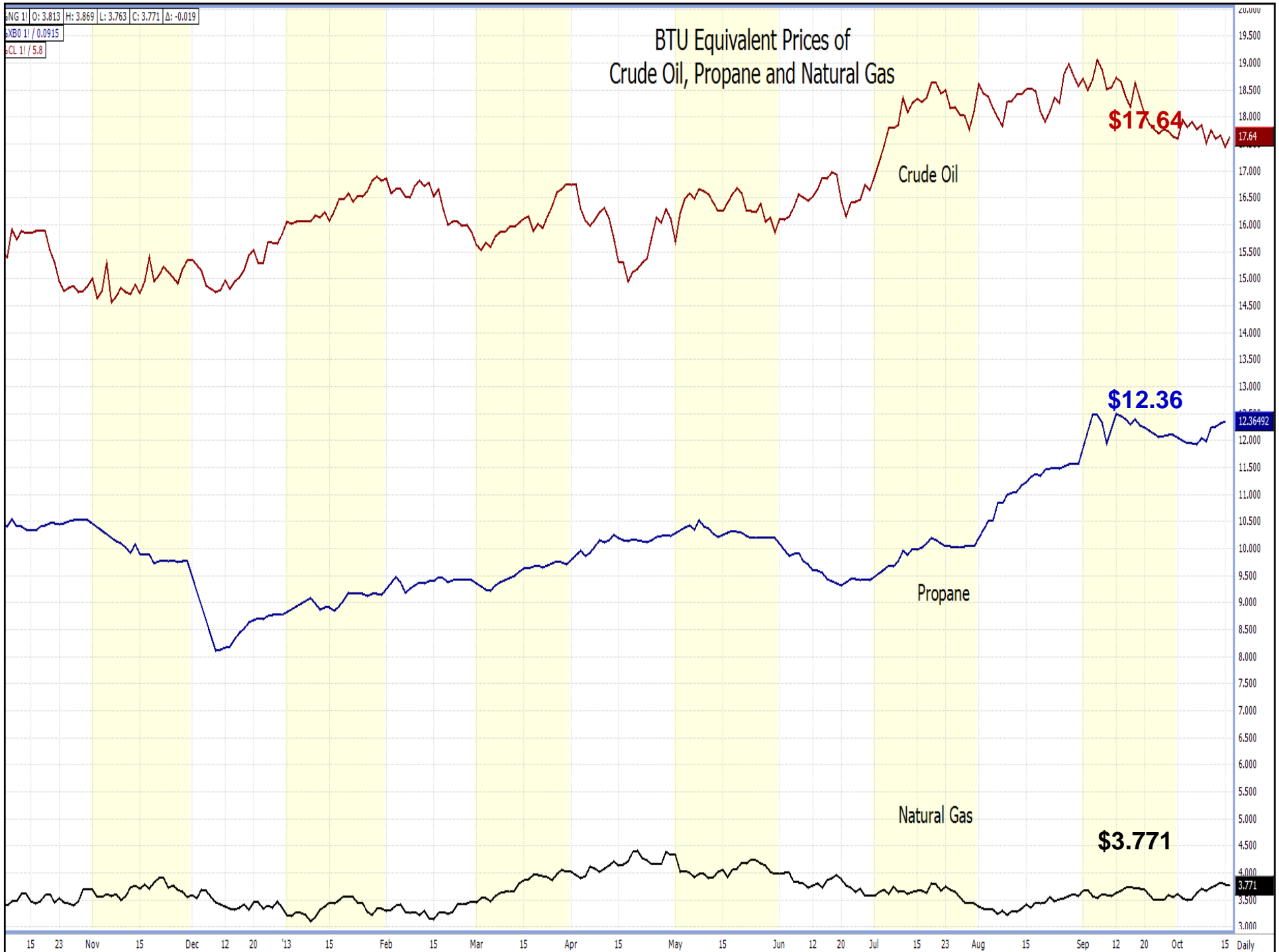


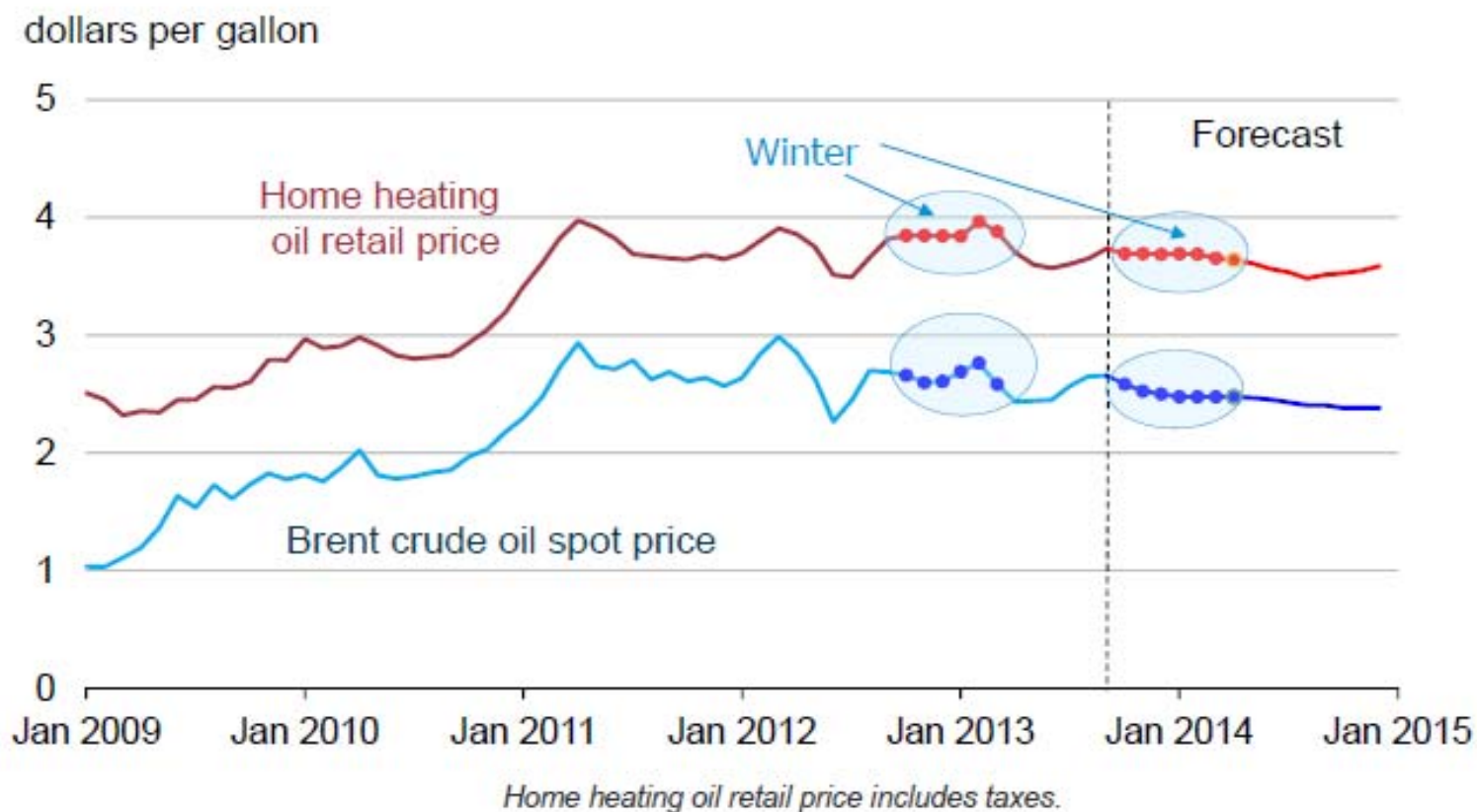
Image Source: BENTEK

NG 1! O: 3.813 H: 3.869 L: 3.763 C: 3.771 Δ: -0.019
XBO 1! / 0.0915
CL 1! / 5.8

BTU Equivalent Prices of Crude Oil, Propane and Natural Gas



EIA expects residential heating oil prices to average 5% lower this winter than last



Source: EIA Short-Term Energy Outlook, October 2013



Short-Term Energy and Winter Fuels Outlook
October 8, 2013

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NYMEX Propane Monthly Settle Price

Dec 2011 \$1.45/gallon

Oct 2013 \$1.12/gallon

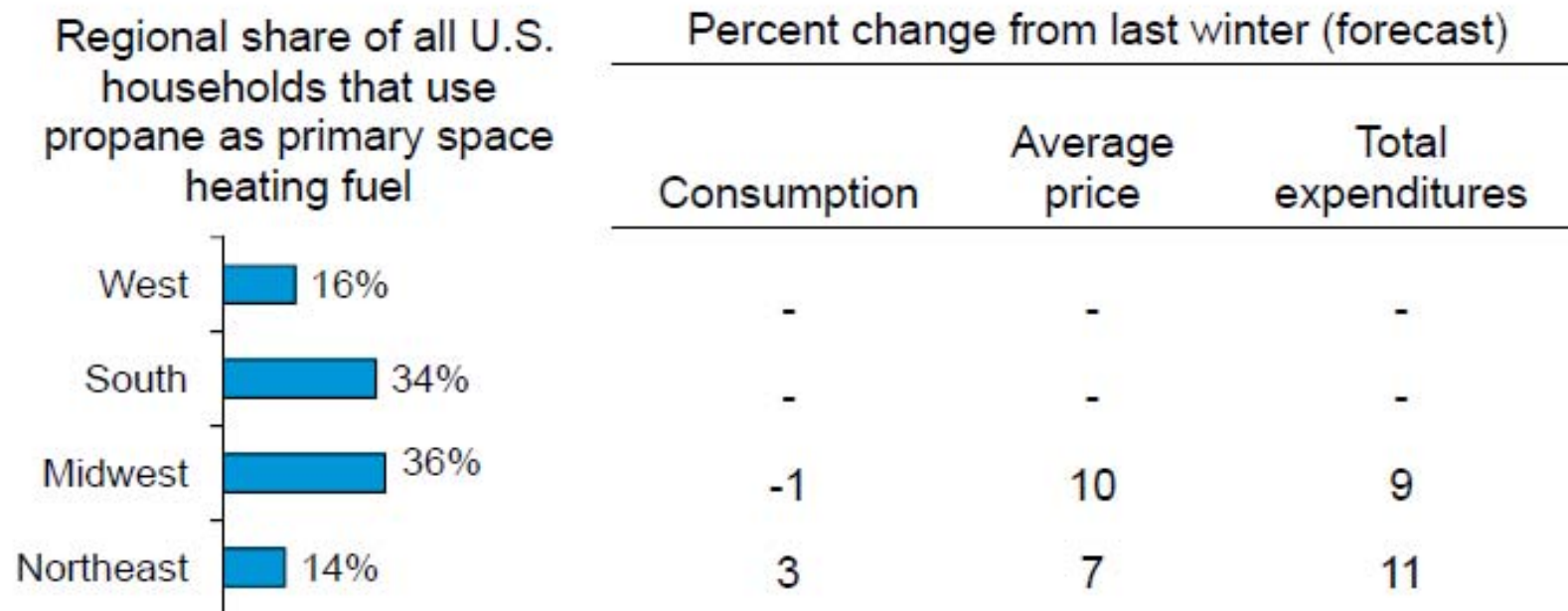
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Jul Aug Sep Oct Nov Dec '12 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec '13 30 Mar Apr May Jun Jul Aug Sep Oct Daily

Chart-1 | Chart-2 | Chart-3

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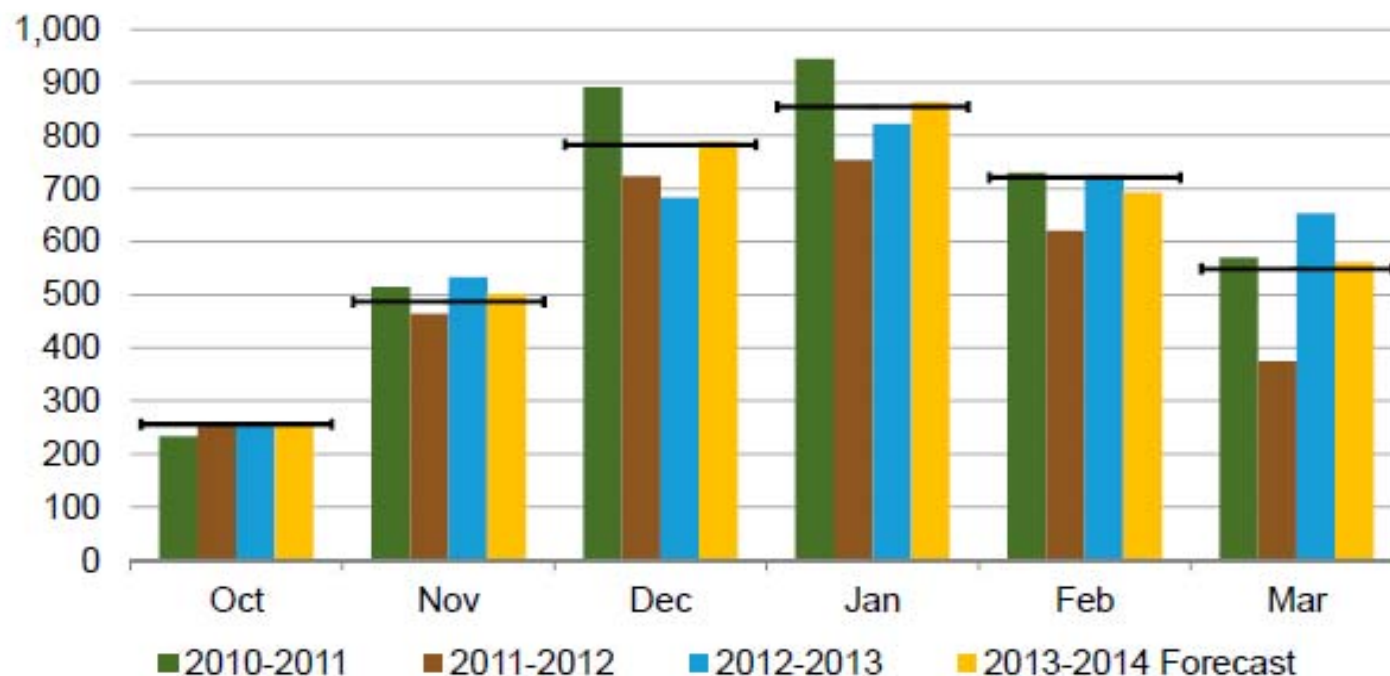
Forecast propane expenditures also higher than last winter because of higher prices



Source: EIA Short-Term Energy Outlook, October 2013

The U.S. winter 2013-14 heating season forecast is very close to last winter and the 10-year average

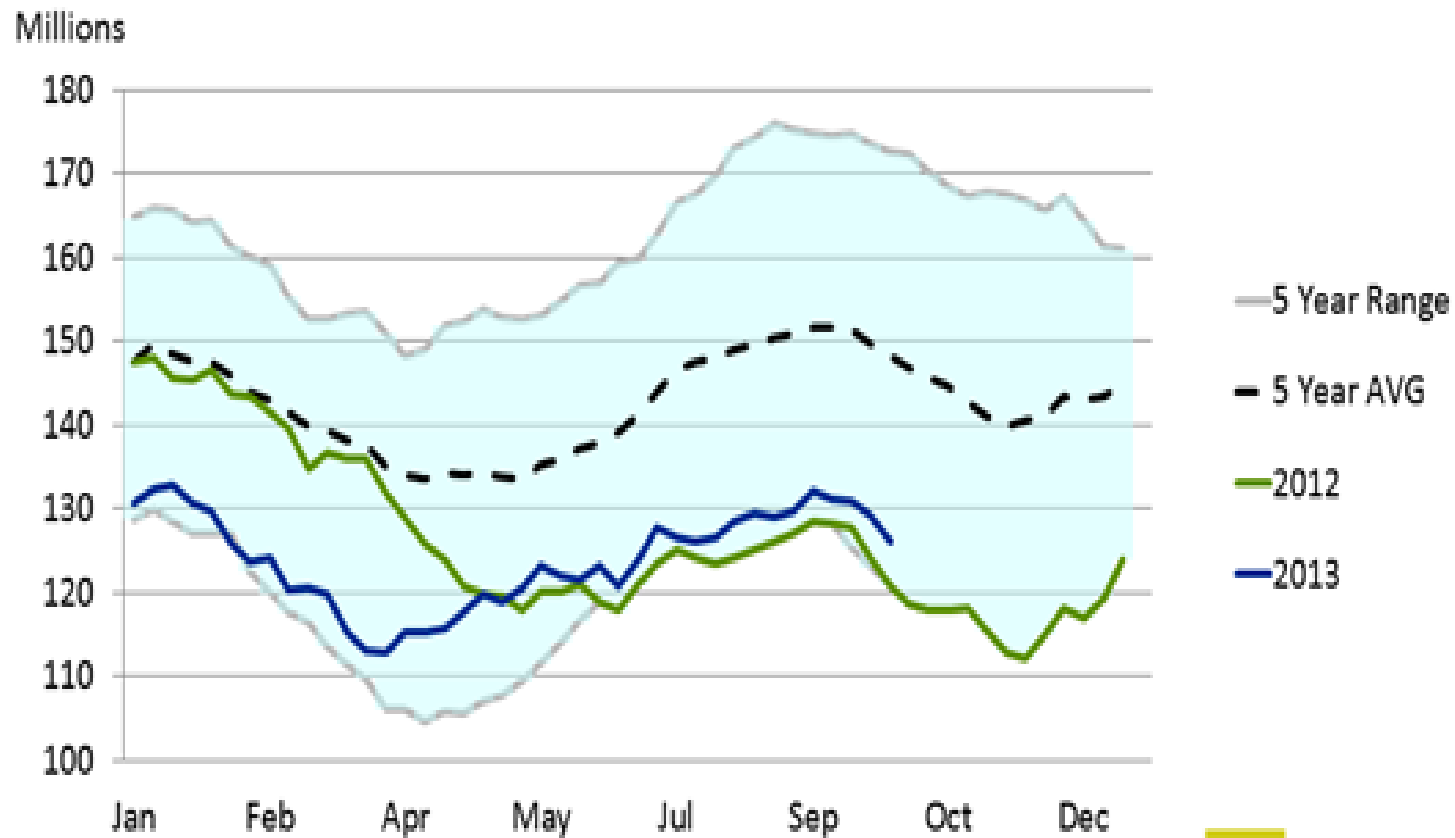
U.S. current population-weighted
heating degree days



Note: Source: EIA calculations based on National Oceanic and Atmospheric Administration (NOAA) data. Horizontal lines indicate 10-year average over the period Oct 2003 – Mar 2013. Projections reflect NOAA's 14-16 month outlook.

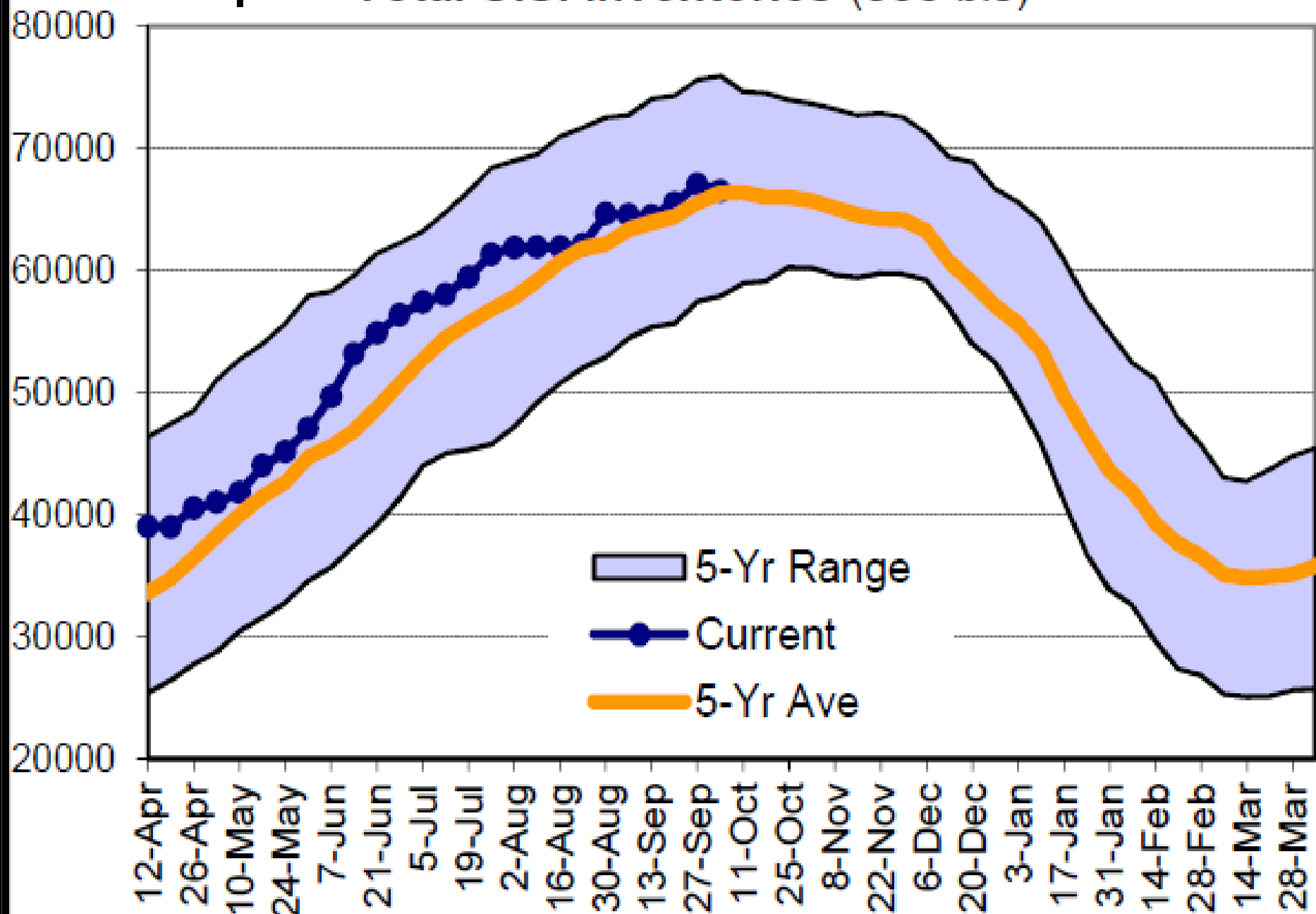
Source: EIA Short-Term Energy Outlook, October 2013

Distillate Fuel Oil Stocks (Millions of Barrels) Week Ending 10/4/2013



Source: Powerhouse Research, EIA

Propane Total U.S. Inventories (000 bls)



Conclusion

- Propane prices are up from last year
- Crude oil (excluding SPR), gasoline and distillate stocks are all at higher storage levels than last year
- The EIA expects higher average fuel bills this winter for propane users due to the higher price and normal winter weather
- The EIA expects lower fuel bills this winter for heating oil users
- Significant propane supplies are being developed from the Marcellus and Utica shale plays
- Propane stocks for the U.S. in general are in good shape to meet potential supply disruptions or demand increases this winter
 - Propane inventory right on the five year average