

SCHEDULE A

Company Name: UGI Utilities, Inc. - Electric Division (EDC)

Financial Report for Twelve Months Ended

September 30, 2017

(Thousands of Dollars)

	Actual per Books (1)	Intrastate Percent (2)	Intrastate per books (3)	Adjustments (a) (4)	Adjusted Results (5)
(1) Original Cost of Plant In Service	\$146,594	1.0000	\$146,594	\$55,265	\$201,859
(2) Less: Depreciation Reserve	\$59,853	1.0000	59,853	\$10,812	70,664
(3) Net Plant in Service	\$86,742	1.0000	86,742	\$44,453	131,195
<u>Additions:</u>					
(4) Land/Plant Held for Future Use	\$0	1.0000	0	\$0	0
(5) Materials & Supplies & Fuel Stocks	\$1,244	1.0000	1,244	\$0	1,244
(6) Cash Working Capital	\$4,347	1.0000	4,347	(\$12)	4,335
(7) Other	\$0	1.0000	0	\$0	0
<u>Deductions:</u>					
(8) Accumulated Deferred Income Taxes	\$0	1.0000	0	\$0	0
(9) Liberalized Depreciation	\$21,968	1.0000	21,968	\$3,969	25,937
(10) Other	\$0	1.0000	0	\$0	0
(11) Customer Deposits	\$1,419	1.0000	1,419	\$0	1,419
(12) Customer Advances	\$0	1.0000	0	\$0	0
(13) Contributions in Aid of Construction	\$0	1.0000	0	\$0	0
(14) Other	\$0	1.0000	0	\$0	0
(15) RATE BASE	\$68,946	1.0000	\$68,946	\$40,471	\$109,418
(16) <u>Operating Revenues</u>	<u>\$82,755</u>	1.0000	<u>82,755</u>	<u>\$997</u>	<u>\$83,752</u>
<u>Operating Expenses</u>					
(17) Operation & Maintenance	\$65,417	1.0000	65,417	(\$700)	64,717
(18) Annual Depreciation	\$4,495	1.0000	4,495	\$1,600	6,095
(19) Taxes - Other than Income	\$5,438	1.0000	5,438	\$143	5,581
(20) State Income Tax - Current	(\$58)	1.0000	(58)	\$584	526
(21) Federal Income Tax - Current	(\$153)	1.0000	(153)	\$557	404
(22) Deferred Income Taxes	\$302	1.0000	302	\$718	1,020
(23) Investment Tax Credit (Net)	\$0	1.0000	0	\$0	0
(24) Total Operating Expenses	\$75,441	1.0000	75,441	\$2,903	78,344
(25) INCOME AVAILABLE FOR RETURN	\$7,314	1.0000	\$7,314	(\$1,906)	\$5,408
RATE OF RETURN - OVERALL	10.61%		10.61%		4.94%

(a) Summary of adjustments shown in Schedule B and Schedule C

SCHEDULE B

Company Name: UGI Utilities, Inc. - Electric Division (EDC)
Summary of Pro Forma Intrastate Adjustments
(Thousands of Dollars)

<u>Rate Base Adjustments</u>	<u>Rate Base</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Taxes*</u>
(1) Net Plant in Service	44,453			
(2) Working Capital	(12)			
(3) Liberalized Depreciation	(3,969)			
<u>Income Statement Adjustments</u>				
(5) Depreciation Expense			1,600	
(6) Payroll Expense Adjustment			540	
(7) Normalization of Operating Revenues		997		37
(8) Pension Contribution Adjustment			(265)	
(9) Uncollectible Expense Adjustment			449	
(10) Tax Expense Adjustments				1,860
(11) Medical & Other Benefits Expense Adjustment			26	
(12) Post Retirement Benefits			(1,014)	
(13) 'Taxes Other Than Income Tax' Adjustment				106
(14) Normalizing Expense Adjustments (Note A)			(435)	
Totals	<u>40,471</u>	<u>997</u>	<u>900</u>	<u>2,002</u>

Note A - Normalizing expense adjustments is a Storm Costs adjustment (\$435)K

*Includes gross receipts tax (GRT), where applicable

SCHEDULE C

Company Name: UGI Utilities, Inc. - Electric Division (EDC)
Explanation of Adjustments

Rate Base Adjustments

- (1) Adjustment to Book reserve to reflect increase in plant and depreciation
- (2) Adjustment to future working capital
- (3) Adjustment to reflect the change in accumulated deferred taxes due to the changes in the book/tax depreciation variance

Income Statement Adjustments

- (5) Depreciation Expense
- (6) Payroll Expense Adjustment
- (7) Normalization of Operating Revenues
- (8) Pension Contribution Adjustment
- (9) Uncollectible Expense Adjustment
- (10) Tax Expense Adjustments
- (11) Medical & Other Benefits Expense Adjustment
- (12) Post Retirement Benefits
- (13) 'Taxes Other Than Income Tax' Adjustment
- (14) Normalizing Expense Adjustments (Note A)

Explanation of Changes to Intrastate Allocation Factors (if applicable)

SCHEDULE D-1

Company Name: UGI Utilities, Inc. - Electric Division (EDC)

Intrastate Per Books

Calculation of Return on Common Equity

as of 9/30/2017

(Thousands of Dollars)

	Capital Ratios (a)	Rate Base (b)	Totals	Embedded Cost Rates(c)	Total Rate Base Related Cost of Debt and Preferred & Preference
	(1)	(2)	(3)	(4)	(5)
		Sch. A. Col. 3 Line 16	=	x Sch. F-1 Col. 7	=
1) Debt	47.26%	\$68,946	\$32,584	4.45%	\$1,451
2) Preferred	0.00%	\$68,946	0	0.00%	\$0
3) Common Equity	<u>52.74%</u>	\$68,946	<u>36,362</u>	0.00%	<u>\$0</u>
4) Total	<u>100.00%</u>		<u>\$68,946</u>		<u>\$1,451</u>

12 Months ended 09/30/17

	Intrastate Per Books
5) Income Available for Return (from Sch. A, Col. 3, Line 26)	\$7,314
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$1,451</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$5,863</u>
8) Debt Cost (Col 5., Line 1)	\$1,451
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>1,451</u>
10) Difference (Line 8 Less Line 9)	0
11) Times: Composite State and Federal Income Tax Rate	<u>41.49%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>\$0</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$5,863</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>16.13%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>16.13%</u>

SCHEDULE D-2

Company Name: UGI Utilities, Inc. - Electric Division (EDC)
Intrastate Pro Forma Results
Calculation of Return on Common Equity
as of 9/30/2019

(Thousands of Dollars)

	Capital Ratios(a)		Rate Base(b)		Totals		Embedded Cost Rates(c)		Total Rate Base Related Cost of Debt and Preferred & Preference
	(1)	x	(2)	=	(3)	x	(4)	=	(5)
	Sch. E-2 Col. 2		Sch. A. Col. 5 Line 16				Sch. F-2 Col. 7		
1) Debt	45.98%		\$109,418	=	\$50,310		4.61%	=	\$2,321
2) Preferred	0.00%		\$109,418	=	0		0.00%	=	\$0
3) Common Equity	<u>54.02%</u>		\$109,418	=	<u>59,108</u>		0.00%	=	<u>\$0</u>
4) Total	<u>100.00%</u>			=	<u>\$109,418</u>			=	<u>\$2,321</u>

12 Months ended 9/30/2019

	Intrastate Adjusted
5) Income Available for Return (from Sch. A, Col. 5, Line 26)	\$5,408
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$2,321</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$3,087</u>
8) Debt Cost (Col 5., Line 1)	\$2,321
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>2,321</u>
10) Difference (Line 8 Less Line 9)	0
11) Times: Composite State and Federal Income Tax Rate	<u>41.49%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>\$0</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$3,087</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>5.22%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>5.22%</u>

SCHEDULE E-1

Company Name: UGI Utilities, Inc. - Electric Division (EDC)
Calculation of Capital Structure and Related Ratios
as of 9/30/2017

(Thousands of Dollars)

	Total Company Actual Amount Outstanding <u>(1)</u>	Ratios <u>(2)</u>
Total Debt (Sch. F-1., Col. 4)	\$496,314	47.26%
Total Preferred & Preference Stock Stock (Sch. F-1., Co.. 4)	\$0	0.00%
<u>Common Equity</u>		
Common Stock	\$59,541	
Premium on Common Stock	(\$99,320)	
Capital Surplus	\$0	
Capital Stock	\$0	
Retained Earnings	\$593,635	
Other	<u> </u>	
Total Common Equity	<u>553,856</u>	<u>52.74%</u>
Total Capital	<u><u>\$1,050,170</u></u>	<u><u>100.00%</u></u>

SCHEDULE E-2

Company Name: UGI Utilities, Inc. - Electric Division (EDC)
Calculation of Capital Structure and Related Ratios
as of 9/30/2019

(Thousands of Dollars)

	Total Company Actual Amount Outstanding (1)	Ratios (2)
Total Debt (Sch. F-2., Col. 4)	\$990,000	45.98%
Total Preferred & Preference Stock Stock (Sch. F-2., Co.. 4)	0	0.00%
<u>Common Equity</u>		
Common Stock	\$60,259	
Premium on Common Stock	\$473,580	
Capital Surplus	\$0	
Capital Stock	\$0	
Retained Earnings	\$629,300	
Other		
Total Common Equity	<u>\$1,163,139</u>	<u>54.02%</u>
Total Capital	<u><u>\$2,153,139</u></u>	<u><u>100.00%</u></u>

Schedule F-1

Company Name: UGI Utilities, Inc. - Electric Division (EDC)

Cost of Debt and Preferred Stock as Adjusted

as of 9/30/2017

(Thousands of Dollars)

Item/Description	Issue Date (1)	Maturity Date (2)	Interest Rate (3)	Outstanding Balance (4)	Effective Cost Rate (5)	Percent to Capital (6)	Weighted Cost Capital (7)	Percent to Debt (8)	Weighted Cost Debt (9)
Long Term Debt		2033	6.50%	10,658	6.54%	1.01%	0.07%	2.15%	0.14%
		2043	4.98%	93,258	5.06%	8.88%	0.45%	18.79%	0.95%
		2017	6.17%	10,658	5.89%	1.01%	0.06%	2.15%	0.13%
		2017	7.25%	10,658	7.30%	1.01%	0.07%	2.15%	0.16%
		2034	6.13%	10,658	6.18%	1.01%	0.06%	2.15%	0.13%
		2036	6.21%	53,290	6.26%	5.07%	0.32%	10.74%	0.67%
		2018	5.67%	10,658	5.73%	1.01%	0.06%	2.15%	0.12%
		2026	2.95%	53,290	3.73%	5.07%	0.19%	10.74%	0.40%
		2046	4.12%	106,580	4.58%	10.15%	0.46%	21.47%	0.98%
		2046	4.12%	53,290	4.21%	5.07%	0.21%	10.74%	0.45%
Short Term Debt (If Applicable)			1.71%	83,317	1.88%	7.93%	0.15%	16.79%	0.32%
Total				496,314			2.10%		4.45%
Preferred Stock				-					
Total				496,314			2.10%		4.45%

Schedule F-2

Company Name: UGI Utilities - Gas Division
 Cost of Debt and Preferred Stock as Adjusted
 as of 9/30/2019

(Thousands of Dollars)

Item/Description	Issue Date	Maturity Date	Interest Rate	Outstanding Balance	Effective Cost Rate	Percent to Capital	Weighted Cost Capital	Percent to Debt	Weighted Cost Debt
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Long Term Debt		2033	6.50%	20,000	6.54%	0.93%	0.06%	2.02%	0.13%
		2043	4.98%	175,000	5.06%	8.13%	0.41%	17.68%	0.89%
		2034	6.13%	20,000	6.18%	0.93%	0.06%	2.02%	0.12%
		2036	6.21%	100,000	6.26%	4.64%	0.29%	10.10%	0.53%
		2026	2.95%	100,000	3.73%	4.64%	0.17%	10.10%	0.38%
		2046	4.12%	200,000	4.58%	9.29%	0.43%	20.20%	0.92%
		2046	4.12%	100,000	4.58%	4.64%	0.21%	10.10%	0.46%
		2047	2.46%	125,000	2.58%	5.81%	0.15%	12.63%	0.33%
		2048	4.87%	150,000	4.90%	6.97%	0.34%	15.15%	0.74%
Short Term Debt (If Applicable)			1.71%	-	2.30%	0.00%	0.00%	0.00%	0.00%
Total				990,000			2.12%		4.61%
Preferred Stock				-					
Total				990,000			2.12%		4.61%