

**UGI UTILITIES, INC. – GAS DIVISION**

**BEFORE**

**THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Information Submitted Pursuant to**

**Section 53.51 et seq of the Commission’s Regulations**

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SUPPLEMENT NO. 6**

**DOCKET NO. R-2019-3015162**

**Issued: January 28, 2020**

**Effective: March 28, 2020**

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**STATEMENT OF REASONS**



**UGI UTILITIES, INC. – GAS DIVISION**  
**2020 Base Rate Case**  
**Docket No. R-2019-3015162**

**STATEMENT OF REASONS**

**I. INTRODUCTION**

UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) is filing Supplement No. 6 to UGI Gas Tariff – Pa. P.U.C. Nos. 7 and 7S (“Supplement No. 6”), with a proposed effective date of March 28, 2020. The rates set forth in Supplement No. 6, if approved by the Pennsylvania Public Utility Commission (“Commission”), would increase UGI Gas’s annual jurisdictional revenues by \$74.6 million, or by 8.5%. In addition, the Company proposes to complete its transition to uniform rates, which began in the last base rate case at Docket No. R-2018-3006814 (“2019 Rate Case”), for Rates N/NT and Rate DS. Supplement No. 6 also proposes additional changes to tariff rates, riders, and tariff terms and conditions as described in the filing.

The following rate impact analysis applies to UGI Gas’s customers. It assumes that the Company’s proposals for full rate relief and for uniform rate transition are accepted.

**Average Residential Heating Customer Bill Impact**

		Total Monthly Bill Impact			
	Average Usage	Current	Proposed	<u>Increase (Decrease)</u>	Total
All Customers	73.5 Ccf	\$ 81.54	\$ 90.22	\$ 8.68	10.6%

**Average Commercial Heating Customer Bill Impact**

		Total Monthly Bill Impact			
	Average Usage	Current	Proposed	<u>Increase (Decrease)</u>	Total
Former North	28.7 Mcf	\$ 251.83	\$ 273.05	\$ 21.22	8.4%
All Others	28.7 Mcf	\$ 262.21	\$ 273.05	\$ 10.84	4.1%

### **Average Industrial Customer Bill Impact**

		<u>Total Monthly Bill Impact</u>			
	<u>Average Usage</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase (Decrease)</u>	<u>Total</u>
Former North	93.0 Mcf	\$ 762.99	\$ 817.18	\$ 54.19	7.1%
All Others	93.0 Mcf	\$ 796.61	\$ 817.18	\$ 20.57	2.6%

UGI Gas makes this tariff increase filing principally: (1) to earn a fair return on investments used to serve the public safely and reliably; (2) to support ongoing Commission-approved infrastructure replacement programs; (3) to enhance information technology (“IT”) systems and personnel training; and (4) to recover higher levels of certain operating expenses which support the provision of safe and reliable gas distribution service. Each of these reasons is discussed in more detail below and in the Company’s testimony. As compared to current plant and base rate levels reflected in existing rates, UGI Gas projects an increase of approximately \$373 million in gross plant during the Fully Projected Future Test Year ending September 30, 2021 (“FPFTY”). Accordingly, this revenue increase is essential to attract the investments necessary to operate and maintain safe, reliable and customer-focused natural gas distribution services.

## **II. REASONS FOR THE REQUESTED REVENUE INCREASE**

### **1. Fair return on investments used to serve the public**

A variety of circumstances will prevent UGI Gas from earning a fair rate of return at present rate levels. As reflected in UGI Gas Exhibit A (Fully Projected), the Company’s operations are projected to produce an overall return on rate base of 5.95%, which equates to a return on common equity of only 7.20% for the FPFTY. As explained by UGI Gas witness Paul R. Moul (UGI Gas Statement No. 7), those returns are not adequate based on applicable financial analysis and the risks confronted by UGI Gas. Unless UGI Gas receives the requested rate relief,

its returns will decline. This will jeopardize its ability to attract capital necessary for system reliability, safety, and customer service.

## **2. Support for Commission-approved infrastructure replacement programs**

Significant capital investment in the distribution system is the primary driver for the requested rate relief in this proceeding. Upgrading and modernizing the distribution system facilitates the provision of safe, reliable and satisfactory service to customers. Accordingly, the Company is replacing its non-contemporary infrastructure at an accelerated pace, as described in the Company's Commission-approved Second Long Term Infrastructure Improvement Plan ("LTIP").<sup>1</sup> It will continue the accelerated repair, replacement and improvement of aging distribution infrastructure that began in the Initial LTIP, which included separate plans for each of the three former UGI natural gas distribution companies.<sup>2</sup> Through the Second LTIP, the Company will invest approximately \$1.3 billion on infrastructure improvements between 2020 and 2024, which will strengthen and modernize distribution facilities, in part through its Commission-approved programmatic elimination of all cast iron and bare steel mains on its system. In addition, UGI Gas continues to make system investments to serve new and existing residential and commercial customers, convert existing customers to natural gas (from other fuel sources), and improve critical information systems, as discussed further in subpart 3 below, and in the Company's testimony.

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<sup>1</sup> See *Petition of UGI Utilities, Inc. – Gas Division for Approval of its Second Long Term Infrastructure Improvement Plan*, Docket No. P-2019-3012337 (Opinion and Order entered December 19, 2019).

<sup>2</sup> On December 12, 2013, three petitions for approval of LTIPs were filed at Docket Nos. P-2013-2398835 (for UGI Central Penn Gas, Inc. ("UGI-CPG")); P-2013-2397056 (for UGI Penn Natural Gas, Inc. ("UGI-PNG")); and P-2013-2398833 (for UGI Utilities, Inc. – Gas Division ("UGI-GD")). These were collectively referred to as the "Initial LTIP".

**3. Enhanced information technology systems, business processes and personnel effectiveness**

The Company has improved its technology and employee training resources. In particular, the Company continues to implement UGI-1, an initiative designed to align employees, processes and tools across its system. UGI-1 is making the Company more efficient and effective in all aspects of its business, including customer calls, billing, new construction, operations and maintenance (“O&M”) activities, and emergency response. The Company also continues its UGI Next Information Technology Enterprise (“UNITE”) initiative, creating next generation technology solutions to improve the service experience of its customers, and improve efficiency. Specifically, UGI Gas implemented a new customer information system (UNITE Phase I) in 2017 and replaced its Enterprise Resource Planning financial and supply chain systems (UNITE Phase II) in 2019. For UNITE Phase III Enterprise Performance Management (“UNITE Phase III-EPM”), the Company will streamline capital forecasting and management processes. In addition, UGI Gas’s new state-of-the-art centralized training center will focus on enhanced employee and local emergency personnel training.

**4. Employee compensation and cost increases**

Finally, UGI Gas adopted modest annual wage and salary increases and has made certain compensation adjustments to attract, maintain and promote a highly qualified work force and will continue to do so, where reasonable. As part of this case, the Company has proposed to increase compensation for certain employees in order to be competitive and to maintain its skilled workforce. These changes are discussed in the testimony of UGI Gas witness Christopher R. Brown (UGI Gas Statement No. 1). UGI Gas also experienced other general price increases for necessary products and services.

UGI Gas has made major strides toward modernizing its operations and has seen stable customer growth over time. However, forecasted cost increases and changes in per customer usage, which are described in the Company's testimony, will produce an inadequate rate of return on investments at present rates.

### **III. TRANSITION TO FULLY UNIFORM RATES, TERMS AND CONDITIONS**

On October 4, 2019, the Commission entered an Opinion and Order in the Company's 2019 Rate Case, which approved a unified rate structure for all rate classes except for Rates N/NT and Rate DS. As approved, the Company used a consolidated revenue requirement to establish uniform distribution and purchased gas cost rates, except for the former North Rate District customers on Rates N/NT and Rate DS.

In this case, the Company is proposing to take a remaining step to unify Rates N/NT and Rate DS. Doing so will achieve uniform class rates for distribution service throughout the entire service territory. The impact of these changes is discussed in the testimony of UGI Gas witness Christopher R. Brown (UGI Gas Statement No. 1).

The Company's efforts to unify its rates, rules and regulations has provided specific customer, administrative and competitive benefits. Eliminating the Company's rate districts<sup>3</sup> facilitated more uniform offerings, services, and communications to customers (*e.g.* tariff administration, bill inserts, notices, and press releases) including the expansion of the Company's Energy Efficiency and Conservation ("EE&C") program to customers in the former

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<sup>3</sup> On September 20, 2018, the Commission approved the Joint Petition for Settlement filed in the Company's Merger proceeding at Docket Nos. A-2018-3000381, A-2018-3000382 and A-2018-3000383. As a result of the Merger, the then-existing UGI natural gas distribution companies (UGI-GD, UGI-PNG and UGI-CPG) were merged into one resulting entity, UGI Gas. Accordingly, UGI-GD became the UGI South Rate District; UGI-PNG became the UGI North Rate District; and UGI-CPG became the UGI Central Rate District. The Merger was completed on October 1, 2018, and UGI Gas commenced operations under the three rate district structure approved as part of the Merger settlement.

Central Rate District. UGI Gas's customers also now receive uniform price-to-compare notifications applicable to the entire service territory.

The Company's new unified management structure also created administrative efficiencies for the Commission. The Company no longer makes regulatory reports and filings for three separate service territories or rate districts. This change reduced the overall time and expense associated with activities and proceedings before the Commission. As described in this filing, the Company is also requesting to end its merger proceeding commitment to continue making required Chapter 71 quarterly rate of return filings on a rate district basis. With the creation of uniform rates, and final elimination of remaining rate district differences, this quarterly filing requirement is no longer necessary.

Finally, natural gas suppliers ("NGSs") on the UGI Gas system have benefitted from a unified rate approach (including a unified price-to-compare and a unified purchase of receivables ("POR") program). NGSs now have the capability to expand their service offerings in uniform fashion across the entire UGI Gas territory. The Company also expanded its capacity release program to NGSs operating in the former UGI Central Rate District. Specifically, the Company provides mandatory capacity release for Rate DS customers, as well as an optional capacity release for Rate LFD and XD customers on a Company-wide basis. In addition, NGSs may now operate according to a common set of delivery standards for the Company's Choice program. Similar delivery standards will apply to the Company's non-Choice transportation program effective November 1, 2020.

#### **IV. MANAGEMENT EFFECTIVENESS**

UGI Gas has focused on a number of areas to enhance and improve the quality and effectiveness of its management performance. These efforts include:

- Fully unifying the Company's three legacy gas utilities into a single entity, bringing the benefits of efficiency, simplicity, cost savings and economies of scale to all of its customers. Unification has many benefits for customers and other impacted entities, which are described in detail in the Company's testimony.
- Continued programmatic replacement of all cast iron and bare steel mains on a Commission-approved schedule.
- Developing and implementing numerous safety improvement initiatives to reduce injuries and motor vehicle accidents including a focus on fostering an enhanced safety culture across the Company.
- Constructing a new state-of-the-art centralized training center in Berks County, which will be the heart of the Company's training programs and provide real-life and simulated training scenarios to ensure that our personnel are providing customers with the best possible service in the field.
- Managing average annual customer growth of 1.5%.
- Finishing in first or second in the J.D. Power award for customer satisfaction among utilities in each of the last eight years, and winning the J.D. Power #1 in Customer Satisfaction award a total of seven times since UGI was first included in the survey in 2003 by J.D. Power. UGI was also named a 2019 "Customer Champion" by Escalant, who also ranked UGI #1 in Engaged Customer Relationship score across all East Region utilities.
- Undertaking UNITE Phase III-EPM, an information technology advancement that will allow the Company to improve its capital budgeting and forecasting processes.
- Continuing a voluntary service territory-wide EE&C Plan with a comprehensive portfolio of energy efficiency and conservation programs designed to assist customers in saving energy through various cost-effective measures. Through separate efforts, the Company has successfully converted more than 100,000 coal and fuel oil customers to more environmentally-friendly natural gas over the past decade.
- Fostering clean fuel adoption. UGI Gas has incorporated over 100 compressed natural gas fueled vehicles ("NGVs") into its fleet. These vehicles provide significant reductions in carbon emissions and serve to demonstrate the benefits existing today for NGVs to both produce favorable operating costs as well as improve the environment.

- Continuing its commitment to contract with Minority, Women and Disabled Owned Businesses by spending more than \$40 million in 2019 with qualifying businesses.

The identified initiatives and efforts, as described by the Company's witnesses, demonstrate UGI Gas's commitment to providing safe, reliable and quality distribution service to its customers. The Company believes that its management efforts, system investments, and continued provision of safe and reliable service at reasonable rates, as detailed by witness testimony submitted in this case, all support an upward adjustment to the Company's rate of return. This upward adjustment is included in the 10.95% return on common equity requested by the Company, and is discussed in the Direct Testimony of Paul R. Moul (UGI Gas Statement No. 7).

## V. OVERVIEW OF FILING

Included with UGI Gas's filing are all of the supporting data required by the Commission's regulations. This information provides data for an historic test year ended September 30, 2019 ("HTY"), a future test year ("FTY") ending September 30, 2020, and a FPFTY. In accordance with permitted ratemaking, in this filing, the Company has elected to use the FPFTY as the basis for its proposed revenue change.

UGI Gas has followed Commission ratemaking practice in preparing its claims for rate base, operating revenues and operating expenses.

**Rate Base.** Rate base was determined based on depreciated original cost values for projected plant in service at the end of the FPFTY. This includes more than \$373 million of plant to be placed into service during the FPFTY. The Company's rate base claim also includes reasonable estimates for materials and supplies inventory and cash working capital, as well as standard deductions for accumulated depreciation, accumulated deferred income taxes, and



customer deposits. The Company's rate base claim is shown in summary form in Schedule C-1 to Exhibit A (Fully Projected) and is principally supported by the Direct Testimony of Vivian K. Ressler (UGI Gas Statement No. 3).

**Operating Revenues.** UGI Gas's *pro forma* test year operating revenues were derived from its fiscal year 2021 operating budget. As explained in the testimony of Christopher R. Brown (UGI Gas Statement No. 1) and other witnesses, operating revenues were annualized, normalized, and otherwise adjusted in accordance with standard ratemaking practice, as detailed in Schedules D-5 and D-5A of Exhibit A (Fully Projected) and the exhibits attached to Mr. Brown's testimony.

**Operating Expenses.** UGI Gas's *pro forma* test year operating expenses were derived from its fiscal year 2021 operating budget. As explained in the testimony of Stephen F. Anzaldo (UGI Gas Statement No. 2) and other witnesses, certain operating expenses were annualized, normalized, and otherwise adjusted in accordance with standard ratemaking practice, as detailed in Section D of Exhibit A (Fully Projected). UGI Gas's claim for depreciation and amortization expense is supported by Exhibit C (Fully Projected) to the filing, and exhibits developed and supported by John F. Wiedmayer of Gannett Fleming Valuation & Rate Consultants, LLC (UGI Gas Statement No. 9). Mr. Wiedmayer's calculations are based on the straight-line, remaining life method previously approved for UGI Gas's operations by the Commission.

**Income Taxes.** UGI Gas's income tax expense was calculated using procedures previously accepted by the Commission. The Company's filing reflects the normalization of book-tax timing differences related to the use of accelerated depreciation for tax purposes and for the Company's repairs allowance deductions. Other appropriate book-tax timing differences

were flowed through for ratemaking purposes. The Company's tax claims are described and supported in the Direct Testimony of Nicole M. McKinney (UGI Gas Statement No. 10).

**Revenue Allocation and Class Cost of Service.** UGI Gas is proposing to allocate the revenue requirement to all customer classes based on the results of a consolidated class cost of service study. The Company also is proposing to establish uniform rates for Rates N/NT and Rate DS. The Company's proposed revenue allocation will move all rate classes substantially toward the overall system average rate of return. Additional details regarding the Company's cost of service study and revenue allocation are provided in the Direct Testimonies of Paul R. Herbert (UGI Gas Statement No. 8) and Christopher R. Brown (UGI Gas Statement No. 1).

**Rate Design.** In prior base rate proceedings, the Company has established a largely uniform rate structure and rate design across the former rate districts. As discussed above, in the 2019 Rate Case, UGI Gas adopted a single gas supply portfolio and unified rates to all customers but Rates N/NT and Rate DS customers. The Company also established a single Purchased Gas Cost ("PGC") rate and associated price to compare. As part of this proceeding, UGI Gas is proposing to complete the process of incorporating Rates N/NT and Rate DS into the uniform rate design applied to all other rate classes. Details are found in the Direct Testimony of Christopher R. Brown (UGI Gas Statement No. 1).

**Other Tariff Changes.** In this filing, the Company proposes very few changes to the terms and conditions approved by the Commission in the Company's most recent completed rate case. A list of all proposed changes is identified in the Company's proposed tariff, Supplement No. 6 to UGI Gas Tariff – Pa. P.U.C. Nos. 7 and 7S. Details related to a change in the Company's line extension regulations can be found in the Direct Testimony of Christopher R. Brown (UGI Gas Statement No. 1).

## **VI. CONCLUSION**

The proposed revenue increase is the minimum increase necessary for UGI Gas to continue providing safe and reliable service, to maintain the integrity of its financial ratings, to attract additional capital on reasonable terms, and to have a reasonable opportunity to earn a fair rate of return on property that is used and useful in providing natural gas service to the public within its service territory. The proposals contained in this filing will provide significant benefits to all stakeholders. Moreover, the Company's proposed revenue allocation and rate design are just and reasonable and non-discriminatory, as are the proposed changes made to the Company's general terms and conditions of service. Therefore, the rates, rules, and terms and conditions of service set forth in Supplement No. 6 to UGI Gas Tariff – Pa. P.U.C. Nos. 7 and 7S should be permitted to become effective as filed.

**PLAIN LANGUAGE - STATEMENT OF REASONS**

**UGI UTILITIES, INC. – GAS DIVISION**  
**2020 Base Rate Case**  
**Docket No. R-2019-3015162**

**PLAIN LANGUAGE**  
**STATEMENT OF REASONS**

UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) has asked the Pennsylvania Public Utility Commission (“Commission”) to increase UGI Gas’s annual jurisdictional revenues by \$74.6 million, or by 8.5%. The percentage rate increase will vary by rate class. The main reasons for this filing are:

- UGI Gas continues to invest in gas plant needed to provide continued safe and reliable service. Over the next five years, the Company plans to invest over \$1.3 billion dollars in repair, replacement and modernization of its aging infrastructure, as well as other improvements. This includes \$373 million that will be invested during the Fully Projected Future Test Year.
- UGI Gas seeks to complete its transition to uniform rates, which began in the Company’s last base rate case, for Rates N/NT and Rate DS. Doing so will achieve uniform class rates for distribution service throughout the entire service territory.
- UGI Gas proposes to modify Section 5 of its tariff in order to reduce/eliminate up-front contributions for certain qualifying line extensions; thereby removing a significant barrier for households wishing to convert to natural gas.
- Without substantial rate relief, UGI Gas will not be able to earn a fair return on its investment used to serve the public and, if not addressed, this could adversely affect the integrity of its financial ratings and its ability to provide safe and reliable service to its customers.

UGI Gas designed the proposed rates for each customer class in order to recover its total required revenue. In allocating the revenue increase to the residential and non-residential customer classes, UGI Gas was guided by detailed studies of each rate class’s

cost of service. UGI Gas also considered and balanced other principles of rate design consistent with the Commission's approach to ratemaking.

Along with its rate increase, UGI Gas has filed all of the supporting data required by the Commission's regulations, as well as the written statements of ten witnesses and numerous exhibits prepared by those witnesses. The data, testimony, and exhibits submitted by UGI Gas comply with the Commission's filing requirements. The proposed distribution revenue increase is the minimum increase necessary for UGI Gas to continue providing safe and reliable service to the public within its service territory.

**SECTION 53.52 - FILING REQUIREMENTS**

**UGI UTILITIES, INC. – GAS DIVISION**

**Proposed Changes to UGI Utilities, Inc. – Gas Division, Supplement No. 6 to Original Tariff Nos. 7 and 7S**

Information furnished with the filing of rate changes under  
52 Pa. Code, Section 53.52

**(a) Applicable to changes in terms and conditions of service.**

**(a)(1) The specific reason for each change.**

The Company has provided a Statement of Reasons describing the necessity for the changes proposed in this filing.

**(a)(2) The total number of customers served by the utility.**

654,416 customers as of September 30, 2019.

**(a)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.**

R/RT	598,337
N/NT	69,452
DS	1,510

**(a)(4) The effect of the change on the utility’s customers.**

The specific effect by class is shown in UGI Gas Exhibit E.

**(a)(5) The effect, whether direct or indirect, of the proposed change on the utility’s revenue and expenses.**

The Company’s proposal will change revenue and expenses, as shown on UGI Gas Exhibit A (Fully Projected), Schedule A-1. Individual adjustments to revenues and expenses are described in testimony and exhibits supporting the filing.

**(a)(6) The effect of the change on the service rendered by the utility.**

The filing will allow the Company to continue to provide safe and reliable service to its customers while maintaining high levels of customer satisfaction.



- (a)(7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of the tariff change seeking a general rate increase as defined in 66 Pa.C.S. Section 1308 (relating to voluntary changes in rates).**

The Company has provided a Statement of Reasons describing the numerous factors considered in its determination to make the filing. Please also see the Direct Testimony of Christopher R. Brown (UGI Gas Statement No. 1) for a summary of those factors.

- (a)(8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of the tariff change seeking a general rate increase as defined in 66 Pa.C.S. Section 1308.**

Not applicable.

- (a)(9) Customer polls taken and other documents, which indicate customer acceptance and desire for the proposed change.**

The Company has not undertaken any polls.

- (a)(10) Plans the utility has for introducing or implementing the change with respect to its customers.**

The Company will notify customers of the proposed changes by a bill insert using the form of notices specified by the Commission at 52 Pa. Code 53.45. A copy of the notice will be provided together with an affidavit of compliance with the notice requirements.

- (a)(11) F.C.C. or FERC or Commission orders or rulings applicable to the filings.**

No F.C.C., FERC or Commission orders or rulings apply to this filing.

- (b) Applicable to changes in rates.**

- (b)(1) Specific reason for each change.**

The Company has provided a Statement of Reasons describing the necessity of this filing

- (b)(2) Utility's operating income statement ending not more than 120 days prior to filing date – historic year.**

Please refer to UGI Gas Exhibit A (Historic), Schedule B-2. For future test year and fully projected future test year operating income statements, please refer to UGI Gas

Exhibit A (Future), Schedule B-2, and UGI Gas Exhibit A (Fully Projected), Schedule B-2.

**(b)(3) Number of customers, by tariff subdivision, whose bills will be increased.**

<u>Tariff Rate</u>	<u>Customers</u>
R/RT	598,337
N/NT	69,452
DS (former North rate district)	423

**(b)(4) Total increases, in dollars, by tariff subdivision, projected to an annual basis.**

Please refer to UGI Gas Exhibit E.

**(b)(5) Number of customers, by tariff subdivision, whose bills will be decreased.**

<u>Tariff Rate</u>	<u>Customers</u>
DS (former South & Central rate districts)	1,087

**(b)(6) Total decreases, in dollars, by tariff subdivision, projected to an annual basis.**

Please refer to UGI Gas Exhibit E.

**(c) Applicable to changes where increase for any tariff subdivision exceeds 3% of utility's operating revenue OR bills of more than 5% of customers will increase.**

**(c)(1) Rate of return for historic year and anticipated for future year.**

Please refer to UGI Gas Exhibit A (Historic), Schedule A-1, UGI Gas Exhibit A (Future), Schedule A-1, and UGI Gas Exhibit A (Fully Projected), Schedule A-1.

**(c)(2) Detailed balance sheet at the end of the historic year.**

For the end of the historic year balance sheet, please refer to UGI Gas Exhibit A (Historic), Schedule B-1.

**(c)(3) Summary, by detailed plant accounts, of book value of property of utility at end of historic year.**

Please refer to UGI Gas Exhibit A (Historic), Schedule C-2, for the original cost book value of the property of the utility for the historic year.

**(c)(4) Respective amount of the depreciation reserve applicable to each detailed plant account.**

Please refer to UGI Gas Exhibit A (Historic), Schedule C-3, for the historic year depreciation reserve as of year-end, UGI Gas Exhibit A (Future), Schedule C-3, for the future test year depreciation reserve as of year-end, and UGI Gas Exhibit A (Fully Projected), Schedule C-3, for the fully projected future test year depreciation reserve as of year-end.

**(c)(5) Statement of operating income, setting forth the operating revenues and expenses by detailed accounts – historic year.**

Please refer to UGI Gas Exhibit A (Historic), Schedule B-2, for the historic year operating revenue and expenses.

**(c)(6) Description of any major changes in the operating or financial condition of the utility occurring between the date of the balance sheet at end of the historic year and filing date.**

None.

**SECTION 53.62 - FILING REQUIREMENTS**

**UGI UTILITIES, INC. – GAS DIVISION**

**Proposed Supplement No. 6 to UGI Gas Tariff Nos. 7 and 7S**

Information furnished pursuant to 52 Pa. Code, Section 53.62

§ 53.62 Additional information to be filed by gas utilities with gross annual intrastate operating revenue in excess of \$40 Million seeking a change in base rates.

In addition to information otherwise required to be filed by a jurisdictional natural gas distributor with gross intrastate annual operating revenues in excess of \$40 Million seeking a change in its base rates, each gas utility shall also file updates to the information required by § 53.64(c) (relating to filing requirements for natural gas distributors with gross intrastate annual operating revenues in excess of \$40 Million). In the case of a gas utility purchasing gas as defined at § 53.61(a) (relating to purpose) from an affiliated interest, it shall also file updates to the information required at § 53.65 (relating to special provisions relating to natural gas distributors with gross intrastate annual operating revenues in excess of \$40 Million with affiliated interests). These updates shall be made at the time the base rate case under 66 Pa.C.S. § 1308 (relating to voluntary changes in rates) is originally filed. Deficiencies in filing will be treated as set forth at § 53.51(c) (relating to general).

RESPONSE:

Please see the response to III-E-30.

**SECTION 53.53 - VALUATION**

UGI Utilities, Inc. - Gas Division  
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UGI GAS 2020 BASE RATE CASE  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2020

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I-A-1

Request:

Provide a corporate history (include the dates of original incorporation, subsequent mergers and/or acquisitions). Indicate all counties and cities and other governmental subdivisions to which service is provided (including service areas outside the state), and the total population in the area served.

Response:

UGI Utilities, Inc. began its modern corporate existence as part of a consolidation of a number of predecessor natural gas and electric public utilities into The United Gas Improvement Company, as approved by the Commission on June 16, 1952 at Docket No. A.78264. In 1968, The United Gas Improvement Company changed its name to UGI Corporation. In 1971, UGI Corporation's gas operations were consolidated into a gas division ("UGI Gas") located in Reading, Pennsylvania. In January 2019, UGI Gas relocated its headquarters to Denver, Pennsylvania. UGI Corporation's electric operations ("UGI Electric") operates in a separate electric division headquartered in northeastern Pennsylvania. In 1992, as part of a further corporate restructuring, UGI Corporation changed its name to UGI Utilities, and became a wholly-owned subsidiary of a new holding company which adopted the name UGI Corporation.

UGI Utilities, Inc. increased its gas operations in 2006 and 2008 with the incorporation of two subsidiary gas utilities – UGI Penn Natural Gas, Inc. ("UGI PNG") and UGI Central Penn Gas, Inc. ("UGI CPG"), respectively. UGI PNG began its operations following the close, on August 24, 2006, of UGI Corporation's purchase of the natural gas distribution assets from the former PG Energy Division of Southern Union Company, as authorized by a Commission Order entered on August 18, 2006, at Docket No. A-120011F200. UGI CPG, formerly PPL Gas Utilities Corporation ("PPL Gas"), was acquired by UGI Utilities effective October 1, 2008, as authorized by a Commission Order entered on August 21, 2008, at Docket Nos. A-2008-2034045 et al. Prior to that acquisition, PPL Gas itself was the result of several mergers and acquisitions authorized by the Commission. See, e.g., Joint application of PPL Gas Utilities Corp., North Penn Gas Company, and PFG Gas, Inc., Docket Nos. A-125127, et al. (Order entered July 12, 2004); Application of Allied Gas Company et al., Docket No. A-120650F002 (order approving merger and restructuring entered January 27, 1995).

In accordance with authority granted in a Commission Opinion and Order entered on September 20, 2018 at Docket Nos. A-2018-3000381 et seq., UGI PNG and UGI CPG merged into UGI Gas effective October 1, 2018. The former service territories of UGI

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I-A-1 (Continued)

PNG, UGI Gas and UGI CPG were organized into the North, South and Central Rate Districts of UGI Gas, respectively. By a Commission Opinion and Order entered on October 4, 2019 at Docket Nos. R-2018-3006814 et seq., the Commission approved UGI Gas's proposal to eliminate the Rate District structure and move most rate classes to uniform distribution rates for a single UGI Gas service territory encompassing the aggregate service territory of the former North, South, and Central Rate Districts.

The list of communities served by UGI Gas is set forth in its tariff provided in this rate filing and which is available on the Commission's website at: [http://www.puc.state.pa.us/utility\\_industry.aspx](http://www.puc.state.pa.us/utility_industry.aspx). UGI Gas provides natural gas distribution service to approximately 650,000 residential, commercial and industrial natural gas customers located in 46 of Pennsylvania's total 67 counties and spanning more than 700 municipalities. The populations for each of the municipalities served, based on U.S. census data, is available at the Penn State Pennsylvania State Data Center website at: <https://pasdc.hbg.psu.edu/Data/Census2010/tabid/1489/Default.aspx>. UGI Gas also provides natural gas service to approximately 500 customers in one Maryland County under authority granted by the Maryland Public Service Commission.

UGI Electric can trace its origins to the 1925 acquisition by UGI of the American Gas Co., which owned the Luzerne County Gas and Electric Corporation. In 1953, as authorized by a Certificate of Public Convenience issued by the Commission on June 16, 1952, at Docket No. A.78264, all of UGI's Pennsylvania public utility subsidiaries, including the Luzerne County Gas and Electric Company, were merged into UGI. In 1967, UGI acquired the Harney's Lake Light Company, whose 113 square mile service territory, along with the electric service territory of the former Luzerne County Gas and Electric Corporation, comprise UGI Electric's current service territory. UGI Electric provides electric distribution service to approximately 60,000 residential, commercial, and industrial electric customers in Luzerne and Wyoming Counties and 35 municipalities.

Prepared by or under the supervision of: Christopher R. Brown



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I-A-2

Request:

Provide a schedule showing the measures of value and the rates of return at the original cost and trended original cost measures of value at the spot, three-year and five-year average price levels. All claims made on this exhibit should be cross-referenced to appropriate exhibits. Provide a schedule similar to the one listed above, reflecting respondent's final claim in its previous rate case.

Response:

The Company's claim is based on original cost measures of value. Since Pennsylvania state law mandates the use of original cost for ratemaking, a trended cost study was not prepared.

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule A-1.

Refer to Attachment I-A-2 for similar schedules from the previous rate case.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division (Combined)**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule A-1**  
**Witness: S. F. Anzaldo**  
Page 1 of 1

**Summary of Measure of Value and Revenue Increase**

Line #	Description	[ 1 ] Function	[ 2 ] Reference Section	[ 3 ] Pro Forma Test Year Ended September 30, 2018 At Present Rates	[ 4 ] Increase	[ 5 ] Proposed Rates
<b><u>RATE BASE</u></b>						
1	Utility Plant		C-2	\$ 3,271,426		\$ 3,271,426
2	Accumulated Depreciation		C-3	(961,630)		(961,630)
3	Net Plant in service	L 1 + L 2		2,309,796	-	2,309,796
4	Working Capital		C-4	42,043		42,043
5	Gas Inventory		C-5	25,736		25,736
6	Accumulated Deferred Income Taxes		C-6	(349,603)		(349,603)
7	Customer Deposits		C-7	(18,920)		(18,920)
8	Materials & Supplies		C-8	13,666		13,666
9	<b>TOTAL RATE BASE</b>	Sum L 3 to L 8		<b>\$ 2,022,718</b>	<b>\$ -</b>	<b>\$ 2,022,718</b>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>						
<u>Operating Revenues</u>						
10	Base Customer Charges		D-5	\$ 523,056	\$ 13,629	\$ 536,685
11	Gas Cost Revenue		D-5	314,278		314,278
12	Other Operating Revenues		D-5	7,119		7,119
13	<b>Total Revenues</b>	Sum L 10 to L 12		<b>844,453</b>	<b>13,629</b>	<b>858,082</b>
14	Operating Expenses		D	(631,956)	(184)	(632,139)
15	<b>OIBIT</b>	L 13 + L 14		<b>212,497</b>	<b>13,445</b>	<b>225,943</b>
16	Pro Forma Income Tax at Present Rates		D-33	(50,310)		(54,618)
17	Pro Forma Income Tax on Revenue Increase		D-33		(4,308)	(54,618)
18	<b>NET OPERATING INCOME</b>	Sum L 15 to L 17		<b>\$ 162,187</b>	<b>\$ 9,137</b>	<b>\$ 171,325</b>
19	<b>RATE OF RETURN</b>	L 18 / L 9		<b>8.0183%</b>		<b>8.4700%</b>
<b><u>REVENUE INCREASE REQUIRED</u></b>						
20	Rate of Return at Present Rates	L 19, Col 3		8.0183%		
21	Rate of Return Required		B-7	8.4700%		
22	Change in ROR	L 21 - L 20		0.4517%		
23	Change in Operating Income	L 22 * L 9		\$ 9,137		
24	Gross Revenue Conversion Factor		D-35	1.491613		
25	Change in Revenues	L 23 * L 24		\$ 13,629		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4			2.61%	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4			1.61%	

**UGI Utilities, Inc. - Gas Division (Combined)**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2019**  
**( \$ in Thousands )**

**Schedule A-1**  
**Witness: S. F. Anzaldo**  
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**Summary of Measure of Value and Revenue Increase**

Line #	Description	[ 1 ] Function	[ 2 ] Reference Section	[ 3 ] Pro Forma Test Year Ended September 30, 2019 At Present Rates	[ 4 ] Increase	[ 5 ] Proposed Rates
<b><u>RATE BASE</u></b>						
1	Utility Plant		C-2	\$ 3,618,081		\$ 3,618,081
2	Accumulated Depreciation		C-3	(998,248)		(998,248)
3	Net Plant in service	L 1 + L 2		2,619,833	-	2,619,833
4	Working Capital		C-4	38,774		38,774
5	Gas Inventory		C-5	25,736		25,736
6	Accumulated Deferred Income Taxes		C-6	(569,641)		(569,641)
7	Customer Deposits		C-7	(18,920)		(18,920)
8	Materials & Supplies		C-8	13,666		13,666
9	<b>TOTAL RATE BASE</b>	Sum L 3 to L 8		<b>\$ 2,109,448</b>	<b>\$ -</b>	<b>\$ 2,109,448</b>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>						
<u>Operating Revenues</u>						
10	Base Customer Charges		D-5	\$ 522,256	\$ 33,342	\$ 555,598
11	Gas Cost Revenue		D-5	262,483		262,483
12	Other Operating Revenues		D-5	5,880		5,880
13	Total Revenues	Sum L 10 to L 12		790,619	33,342	823,961
14	Operating Expenses		D	(604,644)	(449)	(605,093)
15	OIBIT	L 13 + L 14		185,975	32,893	218,868
16	Pro Forma Income Tax at Present Rates		D-33	(33,015)		(42,518)
17	Pro Forma Income Tax on Revenue Increase		D-33		(9,503)	(42,518)
18	<b>NET OPERATING INCOME</b>	Sum L 15 to L 17		<b>\$ 152,961</b>	<b>\$ 23,390</b>	<b>\$ 176,350</b>
19	<b>RATE OF RETURN</b>	L 18 / L 9		<b>7.2512%</b>		<b>8.3600%</b>
<b><u>REVENUE INCREASE REQUIRED</u></b>						
20	Rate of Return at Present Rates	L 19, Col 3		7.2512%		
21	Rate of Return Required		B-7	8.3600%		
22	Change in ROR	L 21 - L 20		1.1088%		
23	Change in Operating Income	L 22 * L 9		\$ 23,389		
24	Gross Revenue Conversion Factor		D-35	1.425529		
25	Change in Revenues	L 23 * L 24		\$ 33,342		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4			6.38%	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4			4.22%	

**UGI Utilities, Inc. - Gas Division (Combined)**  
**Before the Pennsylvania Public Utility Commission**  
**Fully Projected Future Period - 12 Months Ended September 30, 2020**  
**( \$ in Thousands )**

**Schedule A-1**  
**Witness: S. F. Anzaldo**  
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**Summary of Measure of Value and Revenue Increase**

Line #	Description	[ 1 ] Function	[ 2 ] Reference Section	[ 3 ] Pro Forma Test Year Ended September 30, 2020 At Present Rates	[ 4 ] Increase	[ 5 ] Proposed Rates
<b><u>RATE BASE</u></b>						
1	Utility Plant		C-2	\$ 3,950,991		\$ 3,950,991
2	Accumulated Depreciation		C-3	(1,072,875)		(1,072,875)
3	Net Plant in service	L 1 + L 2		2,878,116	-	2,878,116
4	Working Capital		C-4	39,756		39,756
5	Gas Inventory		C-5	25,736		25,736
6	Accumulated Deferred Income Taxes		C-6	(574,782)		(574,782)
7	Customer Deposits		C-7	(18,920)		(18,920)
8	Materials & Supplies		C-8	13,666		13,666
9	<b>TOTAL RATE BASE</b>	Sum L 3 to L 8		<b>\$ 2,363,572</b>	<b>\$ -</b>	<b>\$ 2,363,572</b>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>						
<u>Operating Revenues</u>						
10	Base Customer Charges		D-5	\$ 528,119	\$ 71,090	\$ 599,209
11	Gas Cost Revenue		D-5	266,711		266,711
12	Other Operating Revenues		D-5	5,880		5,880
13	<b>Total Revenues</b>	Sum L 10 to L 12		<b>800,710</b>	<b>71,090</b>	<b>871,800</b>
14	Operating Expenses		D	(630,335)	(958)	(631,293)
15	<b>OIBIT</b>	L 13 + L 14		<b>170,375</b>	<b>70,132</b>	<b>240,507</b>
16	Pro Forma Income Tax at Present Rates		D-33	(23,832)		(44,094)
17	Pro Forma Income Tax on Revenue Increase		D-33		(20,262)	(44,094)
18	<b>NET OPERATING INCOME</b>	Sum L 15 to L 17		<b>\$ 146,543</b>	<b>\$ 49,870</b>	<b>\$ 196,413</b>
19	<b>RATE OF RETURN</b>	L 18 / L 9		<b>6.2001%</b>		<b>8.3100%</b>
<b><u>REVENUE INCREASE REQUIRED</u></b>						
20	Rate of Return at Present Rates	L 19, Col 3		6.2001%		
21	Rate of Return Required		B-7	8.3100%		
22	Change in ROR	L 21 - L 20		2.1099%		
23	Change in Operating Income	L 22 * L 9		\$ 49,869		
24	Gross Revenue Conversion Factor		D-35	1.425529		
25	Change in Revenues	L 23 * L 24		\$ 71,090		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4			13.46%	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4			8.88%	

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I-A-3

Request:

Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of all factors which were considered in arriving at estimates of service life and dispersion by account. Provide dates of all field inspections and facilities visited.

Response:

The depreciation methods used in calculating annual and accrued depreciation and the factors considered in service life estimation are discussed in Exhibit C (Future) in "Part II. Methods Used in the Determination of Annual and Accrued Depreciation" and Part III. Service Life Considerations. There have been no changes in the survivor curve estimates nor the method of depreciation. These are the same survivor curve estimates and methods of depreciation as the prior year's gas base rate case filing.

Field trips and facilities visited are presented in Exhibit C (Future) in Part III in the section titled "Field Trips," beginning on page III-2.

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
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I-A-4

Request:

Set forth, in exhibit form, charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized.

- a. If any utility plant was excluded from the measures of value because it was deemed not to be “used and useful” in the public service, supply a detailed description of each item of property.
- b. Provide the surviving original cost at test year end by vintage by account and include applicable depreciation reserves and annuities.
  - (i) These calculations should be provided for plant in service as well as other categories of plant, including, but not limited, to contributions in aid of construction, customers’ advances for construction, and anticipated retirements associated with any construction work in progress claims (if applicable).

Response:

Charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis was utilized is presented in Exhibit C (Future) in Part VI of the report.

- a. No utility plant recorded in Account 101, Gas Plant in Service, was excluded from the measures of value because it was deemed not to be “used and useful” in the public service. However, gas plant owned by former UGI Central Penn Gas Company (UGI-CPG) that serve approximately 500 Maryland customers in Frederick County were excluded from this filing. The depreciation reserve and depreciation associated with Maryland gas plant also were excluded from this filing.
- b. The surviving original cost at the end of the historical year September 30, 2019, by vintage by account and the applicable depreciation reserve for gas plant are presented in Exhibit C (Historic). The tabulations are presented in Part III of the report in the section titled “Depreciation Calculations.”

UGI Utilities, Inc. - Gas Division  
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I-A-4 (Continued)

The surviving original cost at the end of the future test year September 30, 2020, by vintage by account and the applicable depreciation reserve for gas plant are presented in Exhibit C (Future). The tabulations are presented in Part VII of the report in the section titled “Depreciation Calculations.”

The surviving original cost at the end of the fully projected test year September 30, 2021, by vintage by account and the applicable depreciation reserve for gas plant are presented in Exhibit C (Fully Projected). The tabulations are presented in Part III of the report in the section titled “Depreciation Calculations.”

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
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Responses to Section 53.53 - I-A - Valuation - All Utilities  
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I-A-5

Request:

Provide a comparison of respondent's calculated depreciation reserve v. book reserve by account at the end of the test year.

Response:

Comparisons of the calculated accrued depreciation v. the book reserve are set forth in Attachment I-A-5.

Prepared by or under the supervision of: John F. Wiedmayer



**UGI UTILITIES, INC. - GAS DIVISION**  
**COMPARISON OF CALCULATED ACCRUED DEPRECIATION**  
**AND BOOK RESERVE AS OF SEPTEMBER 30, 2019**

<b>ACCOUNT</b>	<b>CALCULATED ACCRUED DEPRECIATION</b>	<b>BOOK RESERVE</b>
(1)	(2)	(3)
<b><u>GAS PLANT</u></b>		
<b>PRODUCTION PLANT</b>		
305 MANUFACTURED GAS PLANT SITE REMEDIATION	-	(475,607)
325.2 PRODUCING LEASEHOLDS	151,864	162,004
325.4 RIGHTS-OF-WAY	22,748	29,639
328 FIELD MEASURING AND REGULATING STATION STRUCTURES	1,263	1,263
329 OTHER STRUCTURES	44,784	44,783
330 PRODUCING GAS WELLS - WELL CONSTRUCTION	18,208	13,212
331 PRODUCING GAS WELLS - WELL EQUIPMENT	24,442	24,441
332 FIELD LINES	414,247	722,701
334 FIELD MEASURING AND REGULATING STATION EQUIPMENT	46,441	67,350
335 DRILLING AND CLEANING EQUIPMENT	44,423	49,421
337 OTHER EQUIPMENT	11,062	11,062
<b>TOTAL PRODUCTION PLANT</b>	<b>779,482</b>	<b>650,269</b>
<b>STORAGE PLANT</b>		
352.01 WELL CONSTRUCTION	-	(51,904)
<b>TOTAL STORAGE PLANT</b>	<b>-</b>	<b>(51,904)</b>
<b>TRANSMISSION PLANT</b>		
365.2 RIGHTS-OF-WAY	494,163	500,454
366 STRUCTURES AND IMPROVEMENTS	125,387	138,075
367 MAINS	17,170,314	20,503,971
369 MEASURING AND REGULATING STATION EQUIPMENT	3,041,816	3,672,729
370 COMMUNICATION EQUIPMENT	1,423,228	1,772,220
371 OTHER EQUIPMENT	108,658	125,558
371.1 TESTING EQUIPMENT	131,338	136,034
<b>TOTAL TRANSMISSION PLANT</b>	<b>22,494,904</b>	<b>26,849,041</b>
<b>DISTRIBUTION PLANT</b>		
374.2 RIGHTS-OF-WAY	1,058,993	1,244,898
375 STRUCTURES AND IMPROVEMENTS	2,498,460	2,988,879
376.1 MAINS - PRIMARILY STEEL	159,018,185	166,316,456
376.2 MAINS - CAST IRON	2,294,462	2,411,528
376.3 MAINS - PLASTIC	224,394,475	237,901,350
376.5 MAINS - PRIMARILY WROUGHT IRON	258,110	271,656
378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	20,980,593	20,438,186
379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	6,595,553	6,620,141
380 SERVICES	322,119,022	330,099,440
381 METERS	47,589,816	47,750,286
381.1 METERS - ERTS	15,957,809	16,774,494
382 METER INSTALLATIONS	29,501,011	29,884,420
383 HOUSE REGULATORS	4,711,949	2,668,180
384 HOUSE REGULATOR INSTALLATIONS	6,756,891	8,116,307
385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	12,992,905	15,073,384
386 OTHER PROPERTY ON CUSTOMERS PREMISES	132,341	147,976
386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	538,248	616,216
386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	21,979	24,203
386.3 OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STATION	-	1,941
387 OTHER EQUIPMENT	2,256,927	2,610,261
387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE	1,451,352	1,455,482
<b>TOTAL DISTRIBUTION PLANT</b>	<b>861,129,081</b>	<b>893,415,684</b>

UGI UTILITIES, INC. - GAS DIVISION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION  
AND BOOK RESERVE AS OF SEPTEMBER 30, 2019

ACCOUNT (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
<b>GENERAL PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	32,437,153	33,487,928
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	63,932	62,519
391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,163,991	1,196,203
391.2 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	99,089	126,974
391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	546,294	705,073
391.4 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	4,351,938	4,321,880
392.1 TRANSPORTATION EQUIPMENT - SEDANS AND SUV'S	212,103	231,407
392.2 TRANSPORTATION EQUIPMENT - SMALL PICK-UPS AND CARGO VANS	1,466,891	1,533,949
392.3 TRANSPORTATION EQUIPMENT - LARGE PICK-UPS AND UTILITY VEHICLES	515,779	502,163
392.4 TRANSPORTATION EQUIPMENT - LARGE TRUCKS AND DUMP TRUCKS	582,148	599,449
392.5 TRANSPORTATION EQUIPMENT - TRAILERS	564,249	570,292
393 STORES EQUIPMENT	6,536	6,484
394 TOOLS, SHOP AND GARAGE EQUIPMENT	10,708,792	9,838,567
395 LABORATORY EQUIPMENT	49,545	45,825
396 POWER OPERATED EQUIPMENT	955,563	702,159
397 COMMUNICATION EQUIPMENT	1,459,414	1,377,985
398 MISCELLANEOUS EQUIPMENT	981,188	1,113,656
399 OTHER TANGIBLE PROPERTY	16,032	16,032
<b>TOTAL GENERAL PLANT</b>	<b>56,180,637</b>	<b>56,438,545</b>
<b>TOTAL DEPRECIABLE GAS PLANT</b>	<b>940,584,104</b>	<b>977,301,635</b>
<b>OTHER UTILITY PLANT*</b>		
<b>COMMON PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	534,827	534,827
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	163,321	173,949
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	433,625	307,391
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	79,697	135,589
392.1 TRANSPORTATION EQUIPMENT - CARS	61,915	69,240
<b>TOTAL COMMON PLANT</b>	<b>1,273,385</b>	<b>1,220,996</b>
<b>INFORMATION SERVICES (IS)</b>		
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	33,574	33,339
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	7,375,958	7,009,103
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	0	0
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	16,048,174	15,597,961
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	22,888,345	20,455,105
<b>TOTAL INFORMATION SERVICES</b>	<b>46,346,051</b>	<b>43,095,508</b>
<b>TOTAL OTHER UTILITY PLANT</b>	<b>47,619,436</b>	<b>44,316,504</b>

\* AMOUNTS SHOWN FOR OTHER UTILITY PLANT ARE PRIOR TO ALLOCATION

\*\* ACCOUNT 392.6 CAPITAL LEASES ARE EXCLUDED.

**UGI UTILITIES, INC. - GAS DIVISION**  
**COMPARISON OF CALCULATED ACCRUED DEPRECIATION**  
**AND BOOK RESERVE AS OF SEPTEMBER 30, 2020**

<b>ACCOUNT</b>	<b>CALCULATED ACCRUED DEPRECIATION</b>	<b>BOOK RESERVE</b>
(1)	(2)	(3)
<b><u>GAS PLANT</u></b>		
<b>PRODUCTION PLANT</b>		
305 MANUFACTURED GAS PLANT SITE REMEDIATION	-	(224,596)
325.2 PRODUCING LEASEHOLDS	152,416	162,037
325.4 RIGHTS-OF-WAY	22,954	29,660
328 FIELD MEASURING AND REGULATING STATION STRUCTURES	1,263	1,263
329 OTHER STRUCTURES	44,784	44,783
330 PRODUCING GAS WELLS - WELL CONSTRUCTION	18,208	18,119
331 PRODUCING GAS WELLS - WELL EQUIPMENT	24,442	24,441
332 FIELD LINES	418,439	723,752
334 FIELD MEASURING AND REGULATING STATION EQUIPMENT	47,434	78,967
335 DRILLING AND CLEANING EQUIPMENT	44,851	49,441
337 OTHER EQUIPMENT	11,062	11,062
<b>TOTAL PRODUCTION PLANT</b>	<b>785,853</b>	<b>918,929</b>
<b>STORAGE PLANT</b>		
352.01 WELL CONSTRUCTION	-	(35,934)
<b>TOTAL STORAGE PLANT</b>	<b>-</b>	<b>(35,934)</b>
<b>TRANSMISSION PLANT</b>		
365.2 RIGHTS-OF-WAY	504,565	512,608
366 STRUCTURES AND IMPROVEMENTS	131,685	145,965
367 MAINS	17,642,942	20,962,336
369 MEASURING AND REGULATING STATION EQUIPMENT	3,137,625	3,772,103
370 COMMUNICATION EQUIPMENT	1,527,606	1,898,767
371 OTHER EQUIPMENT	110,535	126,922
371.1 TESTING EQUIPMENT	136,964	141,599
<b>TOTAL TRANSMISSION PLANT</b>	<b>23,191,922</b>	<b>27,560,300</b>
<b>DISTRIBUTION PLANT</b>		
374.2 RIGHTS-OF-WAY	1,102,939	1,288,385
375 STRUCTURES AND IMPROVEMENTS	2,577,342	3,083,355
376.1 MAINS - PRIMARILY STEEL	165,304,214	172,302,326
376.2 MAINS - CAST IRON	2,029,579	1,987,622
376.3 MAINS - PLASTIC	241,702,475	254,148,300
376.5 MAINS - PRIMARILY WROUGHT IRON	247,819	260,764
378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	22,820,270	21,782,134
379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	7,014,839	7,134,636
380 SERVICES	343,472,095	354,900,153
381 METERS	50,082,857	50,640,794
381.1 METERS - ERTS	16,614,098	17,691,394
382 METER INSTALLATIONS	31,310,687	32,193,047
383 HOUSE REGULATORS	4,877,401	4,139,470
384 HOUSE REGULATOR INSTALLATIONS	7,048,329	8,316,043
385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,676,502	15,825,083
386 OTHER PROPERTY ON CUSTOMERS PREMISES	138,732	155,546
386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	552,747	632,325
386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	22,264	24,331
386.3 OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STATION	-	2,459
387 OTHER EQUIPMENT	2,363,207	2,718,268
387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE	1,456,469	1,459,954
<b>TOTAL DISTRIBUTION PLANT</b>	<b>914,414,865</b>	<b>950,686,389</b>

UGI UTILITIES, INC. - GAS DIVISION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION  
AND BOOK RESERVE AS OF SEPTEMBER 30, 2020

ACCOUNT (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
<b>GENERAL PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	35,354,835	35,868,087
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	78,052	77,734
391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,486,262	1,508,252
391.2 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	99,746	120,901
391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	615,093	674,026
391.4 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	-	-
392.1 TRANSPORTATION EQUIPMENT - SEDANS AND SUV'S	423,291	461,183
392.2 TRANSPORTATION EQUIPMENT - SMALL PICK-UPS AND CARGO VANS	2,015,587	2,097,044
392.3 TRANSPORTATION EQUIPMENT - LARGE PICK-UPS AND UTILITY VEHICLES	787,864	783,530
392.4 TRANSPORTATION EQUIPMENT - LARGE TRUCKS AND DUMP TRUCKS	833,573	886,797
392.5 TRANSPORTATION EQUIPMENT - TRAILERS	428,307	467,210
393 STORES EQUIPMENT	7,571	7,542
394 TOOLS, SHOP AND GARAGE EQUIPMENT	11,011,335	10,330,419
395 LABORATORY EQUIPMENT	71,434	67,933
396 POWER OPERATED EQUIPMENT	1,395,288	1,237,150
397 COMMUNICATION EQUIPMENT	378,973	274,054
398 MISCELLANEOUS EQUIPMENT	1,244,121	1,329,145
<b>TOTAL GENERAL PLANT</b>	<b>56,231,332</b>	<b>56,191,007</b>
<b>TOTAL DEPRECIABLE GAS PLANT</b>	<b>994,623,972</b>	<b>1,035,320,691</b>
<b>OTHER UTILITY PLANT*</b>		
<b>COMMON PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	1,399,891	1,621,451
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	487,714	378,788
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	96,674	130,072
392.1 TRANSPORTATION EQUIPMENT - CARS	63,758	70,307
<b>TOTAL COMMON PLANT</b>	<b>2,048,037</b>	<b>2,200,618</b>
<b>INFORMATION SERVICES (IS)</b>		
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	35,605	35,446
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	10,160,607	9,856,098
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	-	-
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	7,062,683	6,836,820
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	31,943,309	30,006,607
<b>TOTAL INFORMATION SERVICES</b>	<b>49,202,204</b>	<b>46,734,971</b>
<b>TOTAL OTHER UTILITY PLANT</b>	<b>51,250,241</b>	<b>48,935,589</b>

\* AMOUNTS SHOWN FOR OTHER UTILITY PLANT ARE PRIOR TO ALLOCATION

\*\* ACCOUNT 392.6 CAPITAL LEASES ARE EXCLUDED.

**UGI UTILITIES, INC. - GAS DIVISION**  
**COMPARISON OF CALCULATED ACCRUED DEPRECIATION**  
**AND BOOK RESERVE AS OF SEPTEMBER 30, 2021**

ACCOUNT (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
<b><u>GAS PLANT</u></b>		
<b>PRODUCTION PLANT</b>		
305 MANUFACTURED GAS PLANT SITE REMEDIATION	-	(14,821)
325.2 PRODUCING LEASEHOLDS	152,969	162,070
325.4 RIGHTS-OF-WAY	23,166	29,681
328 FIELD MEASURING AND REGULATING STATION STRUCTURES	1,263	1,263
329 OTHER STRUCTURES	44,784	44,783
330 PRODUCING GAS WELLS - WELL CONSTRUCTION	18,208	18,210
331 PRODUCING GAS WELLS - WELL EQUIPMENT	24,442	24,441
332 FIELD LINES	422,567	724,803
334 FIELD MEASURING AND REGULATING STATION EQUIPMENT	48,373	79,835
335 DRILLING AND CLEANING EQUIPMENT	45,279	49,461
337 OTHER EQUIPMENT	11,062	11,062
<b>TOTAL PRODUCTION PLANT</b>	<b>792,113</b>	<b>1,130,788</b>
<b>STORAGE PLANT</b>		
352.01 WELL CONSTRUCTION	-	(19,964)
<b>TOTAL STORAGE PLANT</b>	<b>-</b>	<b>(19,964)</b>
<b>TRANSMISSION PLANT</b>		
365.2 RIGHTS-OF-WAY	514,665	524,589
366 STRUCTURES AND IMPROVEMENTS	137,434	152,465
367 MAINS	18,116,409	21,416,849
369 MEASURING AND REGULATING STATION EQUIPMENT	3,232,282	3,869,009
370 COMMUNICATION EQUIPMENT	1,627,017	2,017,296
371 OTHER EQUIPMENT	112,355	128,216
371.1 TESTING EQUIPMENT	142,490	147,017
<b>TOTAL TRANSMISSION PLANT</b>	<b>23,882,652</b>	<b>28,255,441</b>
<b>DISTRIBUTION PLANT</b>		
374.2 RIGHTS-OF-WAY	1,146,175	1,331,872
375 STRUCTURES AND IMPROVEMENTS	2,654,074	3,175,277
376.1 MAINS - PRIMARILY STEEL	172,349,612	178,973,692
376.2 MAINS - CAST IRON	1,764,648	1,607,538
376.3 MAINS - PLASTIC	261,397,231	272,754,820
376.5 MAINS - PRIMARILY WROUGHT IRON	237,444	249,701
378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	24,978,180	22,757,386
379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE	7,425,752	7,624,620
380 SERVICES	364,258,221	375,032,798
381 METERS	52,673,842	53,567,652
381.1 METERS - ERTS	17,326,873	18,587,662
382 METER INSTALLATIONS	33,290,594	34,632,496
383 HOUSE REGULATORS	5,040,240	5,383,231
384 HOUSE REGULATOR INSTALLATIONS	7,357,629	8,538,172
385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	14,350,908	16,561,456
386 OTHER PROPERTY ON CUSTOMERS PREMISES	144,971	162,947
386.1 OTHER PROPERTY ON CUSTOMERS PREMISES - FARM TAPS	566,726	648,053
386.2 OTHER PROPERTY ON CUSTOMERS PREMISES - GAS LIGHTS	22,545	24,435
386.3 OTHER PROPERTY ON CUSTOMER PREMISES - CNG REFUELING STATION	-	2,459
387 OTHER EQUIPMENT	2,465,974	2,822,326
387.1 OTHER EQUIPMENT - GRAPHIC DATA BASE	1,461,505	1,464,426
<b>TOTAL DISTRIBUTION PLANT</b>	<b>970,913,144</b>	<b>1,005,903,019</b>

UGI UTILITIES, INC. - GAS DIVISION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION  
AND BOOK RESERVE AS OF SEPTEMBER 30, 2021

ACCOUNT (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
<b>GENERAL PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	39,165,744	39,334,613
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	85,127	85,127
391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,877,255	1,891,024
391.2 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	133,099	150,664
391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT	691,096	699,201
391.4 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	-	-
392.1 TRANSPORTATION EQUIPMENT - SEDANS AND SUV'S	749,288	791,523
392.2 TRANSPORTATION EQUIPMENT - SMALL PICK-UPS AND CARGO VANS	3,080,418	3,185,999
392.3 TRANSPORTATION EQUIPMENT - LARGE PICK-UPS AND UTILITY VEHICLES	1,336,969	1,277,563
392.4 TRANSPORTATION EQUIPMENT - LARGE TRUCKS AND DUMP TRUCKS	1,060,822	1,088,599
392.5 TRANSPORTATION EQUIPMENT - TRAILERS	453,846	492,049
393 STORES EQUIPMENT	5,436	5,346
394 TOOLS, SHOP AND GARAGE EQUIPMENT	12,029,724	11,502,644
395 LABORATORY EQUIPMENT	93,323	90,041
396 POWER OPERATED EQUIPMENT	1,713,592	1,607,992
397 COMMUNICATION EQUIPMENT	462,155	374,065
398 MISCELLANEOUS EQUIPMENT	1,756,438	1,813,601
<b>TOTAL GENERAL PLANT</b>	<b>64,694,332</b>	<b>64,390,051</b>
<b>TOTAL DEPRECIABLE GAS PLANT</b>	<b>1,060,282,241</b>	<b>1,099,659,335</b>
<b>OTHER UTILITY PLANT*</b>		
<b>COMMON PLANT</b>		
390.1 STRUCTURES AND IMPROVEMENTS	2,192,729	2,551,321
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	515,814	423,817
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	108,250	122,703
392.1 TRANSPORTATION EQUIPMENT - CARS	65,227	70,952
<b>TOTAL COMMON PLANT</b>	<b>2,882,020</b>	<b>3,168,793</b>
<b>INFORMATION SERVICES (IS)</b>		
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	33,772	33,590
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	11,356,274	10,967,724
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	1,078,423	-
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	11,096,744	10,856,600
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	41,749,222	39,102,010
<b>TOTAL INFORMATION SERVICES</b>	<b>65,314,435</b>	<b>60,959,924</b>
<b>TOTAL OTHER UTILITY PLANT</b>	<b>68,196,455</b>	<b>64,128,717</b>

\* AMOUNTS SHOWN FOR OTHER UTILITY PLANT ARE PRIOR TO ALLOCATION

\*\* ACCOUNT 392.6 CAPITAL LEASES ARE EXCLUDED.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
UGI GAS 2020 BASE RATE CASE  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2020

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I-A-6

Request:

Supply a schedule by account and depreciable group showing the survivor curve and annual accrual rate estimated to be appropriate:

- a. For the purposes of this filing.
- b. For the purposes of the most recent rate increase filing prior to the current proceedings.
  - (i) Supply a comprehensive statement of any changes made in method of depreciation and in the selection of average service lives and dispersion.

Response:

- a. Refer to Table 1 in Exhibit C (Historic), Table 1 in Exhibit C (Future) and Table 1 in Exhibit C (Fully Projected) for schedules showing the estimated survivor curves and accrual rates by account and depreciable group.
- b. Refer to Attachment I-A-6 for the survivor curves and annual accrual rates estimated to be appropriate in the most recent prior rate filing. UGI's most recent prior base rate case was filed in January 2019 at Docket No. R-2018-3006814.
  - (i) The depreciation methods and procedures used in this filing are the same as those used in the previous filings.

The survivor curve estimates for the consolidated UGI gas company are based on a service life study as described in Part II of Exhibit C (Future). The service life study includes company data through fiscal year-end, i.e., September 30, 2017. The service lives and survivor curves were used to calculate depreciation rates as of September 30, 2019, September 30, 2020 and September 30, 2021. The charts and tables supporting the updated service life study are presented in Part IV of Exhibit C (Future).

The previous rate filing for UGI Gas was submitted in January 2019 using a fully projected future test year ending September 30, 2020. The service life study in the 2019 filing was based on data through September 30, 2017 which is the same as the current 2020 base rate case filing. The company updates its service life study every five years and submits a report to the Pennsylvania Public Utility

UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
UGI GAS 2020 BASE RATE CASE  
Responses to Section 53.53 - I-A - Valuation - All Utilities  
Delivered on January 28, 2020

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I-A-6 (Continued)

Commission (PA PUC) in accordance with 52 Pa. Code Chapter 73.5 and 73.6. Additionally, UGI submits Annual Depreciation Reports for each company each year in accordance with 52 Pa. Code Chapter 73.3 and 73.4.

The purpose of the regulations set forth in 52 Pa. Code Chapter 73 is to establish uniform and industry-wide reporting requirements designed to improve the Commission's ability to monitor on a regular basis the depreciation and capital planning of utilities subject to Commission jurisdiction.

Prepared by or under the supervision of: John F. Wiedmayer



**UGI UTILITIES, INC. - GAS DIVISION - (DOCKET NO. R-2018-3006814)**  
**TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND**  
**CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2020**

ACCOUNT (1)	PROBABLE RETIREMENT YEAR (2)	SURVIVOR CURVE (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL	
						RATE (7)	AMOUNT (8)
<b>GAS PLANT</b>							
<b>PRODUCTION PLANT</b>							
305		FULLY ACCRUED *	0	(240,717)	240,717	-	0
325.2		55 - S0.5	163,100	162,036	1,064	0.02	36
325.4		60 - R1	30,277	29,659	618	0.07	21
328		FULLY ACCRUED	1,263	1,263	0	-	0
329		FULLY ACCRUED	44,785	44,783	2	-	0
330		FULLY ACCRUED *	18,209	(1,602)	19,811	-	0
331		FULLY ACCRUED *	24,441	74,381	(49,940)	-	0
332		47 - L0	750,689	723,752	26,937	0.14	1,039
334		24 - O3	89,725	78,122	11,603	0.82	736
335		30 - S0.5	49,604	49,446	158	0.04	21
337		FULLY ACCRUED	11,062	11,062	0	-	0
<b>TOTAL PRODUCTION PLANT</b>			<b>1,183,155</b>	<b>932,185</b>	<b>250,970</b>	<b>0.16</b>	<b>1,853</b>
<b>STORAGE PLANT</b>							
352.01		FULLY ACCRUED *	0	(262,934)	262,934	-	0
<b>TOTAL STORAGE PLANT</b>			<b>0</b>	<b>(262,934)</b>	<b>262,934</b>	<b>-</b>	<b>0</b>
<b>TRANSMISSION PLANT</b>							
365.2		70 - R4	868,160	512,783	355,377	1.42	12,347
366		30 - R1	150,662	139,193	11,469	0.82	1,237
367		70 - R3	38,518,031	20,966,187	17,551,844	1.20	462,699
369		49 - R2	6,148,406	3,771,845	2,376,561	1.59	97,798
370		23 - R0.5	3,486,136	1,887,960	1,598,176	3.42	119,305
371		35 - R2.5	140,637	126,950	13,687	0.97	1,368
371.1		20 - R3	210,011	140,780	69,231	2.65	5,572
<b>TOTAL TRANSMISSION PLANT</b>			<b>49,522,043</b>	<b>27,545,698</b>	<b>21,976,345</b>	<b>1.41</b>	<b>700,326</b>
<b>DISTRIBUTION PLANT</b>							
374.2		75 - R3	3,236,278	1,282,105	1,954,173	1.30	42,062
375		50 - S0.5	5,299,278	3,083,647	2,215,631	1.59	84,096
376.1		73 - R2.5	566,786,278	171,293,019	395,493,259	1.51	8,555,399
376.2		65 - R1	2,087,538	371,824	1,715,714	13.49	281,546
376.3	09-2027	67 - R3	1,322,335,147	256,745,340	1,065,589,807	1.64	21,679,484
376.5	09-2041	70 - R1	278,985	221,535	57,450	1.98	5,523
378		47 - S0	128,305,240	19,012,244	109,292,996	3.06	3,929,863
379		45 - R2	20,457,246	7,396,546	13,060,700	2.33	475,943
380		46 - S1	1,110,615,592	350,636,661	759,978,931	2.45	27,193,438
381		35 - R2	126,407,114	49,532,325	76,874,789	3.10	3,914,888
381.1		17 - S3	20,780,450	17,631,820	3,148,630	3.53	733,908
382		46 - S1	91,675,308	32,385,827	59,289,481	2.38	2,185,857
383		46 - S1	12,439,021	3,577,883	8,861,138	2.84	353,480
384		46 - S1	17,682,023	8,404,342	9,277,681	1.98	350,518
385		45 - R2	33,098,849	15,825,179	17,273,670	1.99	659,138
386		46 - S1	337,967	155,377	182,590	2.19	7,403
386.1		45 - R2	951,957	631,815	320,142	1.64	15,572
386.2		25 - R3	24,705	24,253	452	0.51	126
386.3			0	2,589	(2,589)	-	0
387		35 - R2.5	4,067,198	2,694,904	1,372,294	1.98	80,335
387.1		25 - SQ	1,490,664	1,459,954	30,710	0.30	4,448
<b>TOTAL DISTRIBUTION PLANT</b>			<b>3,468,356,838</b>	<b>942,369,189</b>	<b>2,525,987,649</b>	<b>2.03</b>	<b>70,553,027</b>

**UGI UTILITIES, INC. - GAS DIVISION - (DOCKET NO. R-2018-3006814)**  
**TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND**  
**CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2020**

ACCOUNT (1)	PROBABLE RETIREMENT YEAR	SURVIVOR CURVE	ORIGINAL COST	BOOK RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL		
	(2)	(3)	(4)	(5)	(6)	RATE (7)	AMOUNT (8)	
<b>GENERAL PLANT</b>								
390.1	STRUCTURES AND IMPROVEMENTS		VARIOUS**	118,469,091	35,195,642	83,273,449	3.92	4,638,862
390.2	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY		SQUARE	85,127	77,707	7,420	8.72	7,420
391.1	OFFICE FURNITURE AND EQUIPMENT - FURNITURE		20 - SQ	5,847,700	1,263,514	4,584,186	5.01	293,054
391.2	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT		10 - SQ	130,716	80,279	50,437	7.01	9,158
391.3	OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT		5 - SQ	477,479	438,565	38,914	6.07	28,969
391.4	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE			0	(23,760)	23,760	-	0
392.1	TRANSPORTATION EQUIPMENT - SEDANS AND SUV'S		8 - L2.5	888,137	108,029	780,108	16.26	144,453
392.2	TRANSPORTATION EQUIPMENT - SMALL PICK-UPS AND CARGO VANS		10 - L2.5	9,718,167	94,455	9,623,712	13.93	1,354,035
392.3	TRANSPORTATION EQUIPMENT - LARGE PICK-UPS AND UTILITY VEHICLES		12 - L3	3,989,430	224,108	3,765,322	10.04	400,647
392.4	TRANSPORTATION EQUIPMENT - LARGE TRUCKS AND DUMP TRUCKS		12 - L3	3,343,679	98,793	3,244,886	10.60	354,424
392.5	TRANSPORTATION EQUIPMENT - TRAILERS		15 - L2	2,330,053	795,031	1,535,022	6.86	159,940
392.6	TRANSPORTATION EQUIPMENT - CAPITAL LEASES			7,528,474	5,125,519	2,402,955		1,955,287
393	STORES EQUIPMENT		20 - SQ	20,723	7,602	13,121	4.56	946
394	TOOLS, SHOP AND GARAGE EQUIPMENT		20 - SQ	27,654,224	10,017,919	17,636,305	5.67	1,567,234
395	LABORATORY EQUIPMENT		20 - SQ	430,463	67,262	363,201	5.05	21,719
396	POWER OPERATED EQUIPMENT		15 - L2	3,367,083	181,545	3,185,538	9.56	321,765
397	COMMUNICATION EQUIPMENT		10 - SQ	883,004	285,833	597,171	11.79	104,148
398	MISCELLANEOUS EQUIPMENT		15 - SQ	11,015,400	1,962,058	9,053,342	6.45	710,947
399	OTHER TANGIBLE PROPERTY			0	0	0	-	0
<b>TOTAL GENERAL PLANT</b>				<b>196,178,950</b>	<b>56,000,101</b>	<b>140,178,849</b>	<b>6.15</b>	<b>12,073,008</b>
<b>TOTAL DEPRECIABLE GAS PLANT</b>				<b>3,715,240,986</b>	<b>1,026,584,239</b>	<b>2,688,656,747</b>	<b>2.24</b>	<b>83,328,214</b>
<b>NONDEPRECIABLE PLANT</b>								
301	ORGANIZATION			166,477				
302	FRANCHISES AND CONSENTS			193,597				
303	MISCELLANEOUS INTANGIBLE PLANT			289,868				
304.1	LAND AND LAND RIGHTS - LAND			375,198				
304.2	LAND AND LAND RIGHTS - LAND RIGHTS			6,454				
325.1	PRODUCING LANDS			13,029				
325.5	OTHER LAND			1,134				
365.1	LAND			47,323				
374.1	LAND AND LAND RIGHTS - LAND			849,347				
374.2	LAND AND LAND RIGHTS - LAND RIGHTS			6,350,735				
389.1	LAND AND LAND RIGHTS - LAND			3,335,876				
389.2	LAND AND LAND RIGHTS - LAND RIGHTS			1,313				
<b>TOTAL NONDEPRECIABLE PLANT</b>				<b>11,630,351</b>				
<b>TOTAL GAS PLANT</b>				<b>3,726,871,337</b>				

**UGI UTILITIES, INC. - GAS DIVISION - (DOCKET NO. R-2018-3006814)**  
**TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND**  
**CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT SEPTEMBER 30, 2020**

ACCOUNT (1)	PROBABLE RETIREMENT YEAR (2)	SURVIVOR CURVE (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL	
						RATE (7)	AMOUNT (8)
<b>OTHER UTILITY PLANT</b>							
<b>COMMON PLANT</b>							
301 ORGANIZATION (NONDEPRECIABLE)			138,964				
389.1 LAND AND LAND RIGHTS - LAND (NONDEPRECIABLE)			6,947,108				
390.1 STRUCTURES AND IMPROVEMENTS	01-2069	70 - R1	31,275,000	1,709,179	29,565,821	3.10	970,963
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY				(16,137)	16,137		
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE		20 - SQ	2,765,391	523,160	2,242,231	5.44	150,477
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT		5 - SQ	2,032,397	901,526	1,130,871	15.90	323,106
392.1 TRANSPORTATION EQUIPMENT - CARS		7 - L2.5	71,637	69,892	1,745	1.18	843
<b>TOTAL COMMON PLANT</b>			<b>43,230,497</b>	<b>3,187,620</b>	<b>32,956,805</b>	<b>3.35</b>	<b>1,445,389</b>
<b>TOTAL COMMON PLANT ALLOCATED TO ALL GAS DIVISIONS - 91.24%</b>			<b>39,443,506</b>	<b>2,908,385</b>	<b>30,069,788</b>		<b>1,318,773</b>
<b>INFORMATION SERVICES (IS)</b>							
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE		20 - SQ	40,606	35,408	5,198	5.00	2,031
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT		5 - SQ	9,044,476	6,203,777	2,840,699	18.64	1,685,977
391.2 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 5 YEARS		5 - SQ	8,400,000	2,520,000	5,880,000	20.00	1,680,000
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS		10 - SQ	33,466,335	7,872,647	25,593,688	10.12	3,385,653
391.4 OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS		15 - SQ	150,613,447	30,817,424	119,796,023	6.78	10,214,614
<b>TOTAL INFORMATION SERVICES</b>			<b>201,564,864</b>	<b>47,449,256</b>	<b>154,115,608</b>	<b>8.42</b>	<b>16,968,275</b>
<b>TOTAL INFORMATION SERVICES ALLOCATED TO ALL GAS DIVISIONS - 91.72%</b>			<b>184,875,292</b>	<b>43,520,458</b>	<b>141,354,836</b>		<b>15,563,302</b>
<b>READING SERVICE CENTER</b>							
390.1 STRUCTURES AND IMPROVEMENTS	06-2030	80 - R1.5	2,013,971	1,399,314	614,657	3.21	64,722
<b>LESS READING SERVICE CENTER ALLOCATED TO ELECTRIC DIVISION - 9.88%</b>			<b>198,980</b>	<b>138,252</b>	<b>60,728</b>		<b>6,394</b>
<b>TOTAL OTHER UTILITY PLANT ALLOCATED TO ALL GAS DIVISIONS</b>			<b>224,119,818</b>	<b>46,290,591</b>	<b>171,363,896</b>		<b>16,875,681</b>
<b>TOTAL PLANT IN SERVICE</b>			<b>3,950,991,155</b>	<b>1,072,874,830</b>	<b>2,860,020,643</b>		<b>100,203,895</b>
<b>AMORTIZATION OF NEGATIVE NET SALVAGE</b>							<b>8,877,672</b>
<b>GRAND TOTAL</b>			<b>3,950,991,155</b>	<b>1,072,874,830</b>	<b>2,860,020,643</b>		<b>109,081,567</b>

\* ACCOUNTS 305, 330, 331 AND 352.01 HAVE NO REMAINING DEPRECIATION ACCRUALS. THE FUTURE ACCRUALS SHOWN ARE RELATED TO THE AMORTIZATION OF NEGATIVE NET SALVAGE.

\*\* SURVIVOR CURVES FOR ACCOUNT 390.1 ARE INTERIM SURVIVOR CURVES. INDIVIDUAL BUILDINGS ARE LIFE SPANNED.

\*\*\* CAPITAL LEASE AMOUNTS SHOWN IN ACCOUNT 392.6 ARE CALCULATED IN THE COMPANY'S CAPITAL LEASE AMORTIZATION SCHEDULES.

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I-A-7

Request:

Provide a table, showing the cumulative depreciated original cost by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:

- a. Year installed.
- b. Original cost--the total surviving cost associated with each installation year from all plant accounts.
- c. Calculated depreciation reserve--the calculated depreciation reserve associated with each installation year from all plant accounts.
- d. Depreciated original cost--(Column B minus Column C).
- e. Total--cumulation year by year of the figures from Column D.
- f. Column E divided by the total of the figure in Column D.

Response:

The information is provided in Exhibit C (Fully Projected) in Part III for the fully projected test year ended September 30, 2021; in Exhibit C (Future) in Part V for the future test year ended September 30, 2020; and in Exhibit C (Historic) in Part III for the historic test year ended September 30, 2019. The information is set forth in the section titled "Cumulative Depreciated Original Cost."

Prepared by or under the supervision of: John F. Wiedmayer

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I-A-8

Request:

Provide a description of the trending methodology which was utilized. Identify all indexes which were used (include all backup workpapers) and the reasons particular indexes were chosen. If indexes were spliced, indicate which years were utilized in any splices. If indexes were composited, show all supporting calculations. Include any analysis made to “test” the applicability of any indexes.

- a. Supply a comprehensive statement of any changes made in the selection of trend factors or in the methodology used in the current rate filing compared to the most recent previous rate filing.

Response:

Trended original cost is omitted in accordance with 52 Pa. Code Section 53.51(c).

Prepared by or under the supervision of: John F. Wiedmayer

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I-A-9

Request:

Provide an exhibit indicating the spot trended original cost at test year end by vintage by account and include applicable depreciation reserves. Include totals by account for all other trended measures of value.

Response:

Trended original cost is omitted in accordance with 52 Pa. Code Section 53.51(c).

Prepared by or under the supervision of: John F. Wiedmayer

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I-A-10

Request:

Supply an exhibit indicating the percentages of undepreciated original cost which were trended with the following indexes:

- a. Boeckh
- b. Handy-Whitman
- c. Indexes developed from suppliers' prices.
- d. Indexes developed from company records and company price histories.
- e. Construction equipment.
- f. Government statistical releases.

Response:

Trended original cost is omitted in accordance with 52 Pa. Code Section 53.51(c).

Prepared by or under the supervision of: John F. Wiedmayer

UGI Utilities, Inc. - Gas Division  
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I-A-11

Request:

Provide a table, showing the cumulative trended depreciated original cost (at the spot price level) by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:

- a. Year installed.
- b. Trended original cost (at the spot price level)--the total surviving cost associated with each installation year from all plant accounts.
- c. Trended calculated depreciation reserve--the calculated depreciation reserve associated with each installation year from all plant accounts.
- d. Depreciated trended original cost--(Column B minus Column C).
- e. Total--cumulation year by year of the figures from Column D.
- f. Column E divided by the total of the figures in Column D.

Response:

Trended original cost is omitted in accordance with 52 Pa. Code Section 53.51(c).

Prepared by or under the supervision of: John F. Wiedmayer



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I-A-12

Request:

If a claim is made for construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

[These exhibits should be updated at the conclusion of these proceedings.]

Response:

No claim is being made for construction work in progress.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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I-A-13

Request:

If a claim is made for non-revenue producing construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

[These exhibits should be updated at the conclusion of these proceedings.]

Response:

No claim is being made for non-revenue producing construction work in progress.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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I-A-14

Request:

If a claim is made for plant held for future use, supply the following:

- a. A brief description of the plant or land site and its cost.
- b. Expected date of use for each item claimed.
- c. Explanation as to why it is necessary to acquire each item in advance of its date of use.
- d. Date when each item was acquired.
- e. Date when each item was placed in plant held for future use.

Response:

No claim is being made for plant held for future use.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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I-A-15

Request:

If materials and supplies comprise part of the cash working capital claim, attach an exhibit showing the actual book balances for materials and supplies by month for the thirteen months prior to the end of the test year. Explain any abrupt changes in monthly balances.

[Explain method of determining claim if other than that described above.]

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule C-8.

Prepared by or under the supervision of: Vivian K. Ressler

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I-A-16

Request:

If fuel stocks comprise part of the cash working capital claim, provide an exhibit showing the actual book balances (quantity and price) for the fuel inventories by type of fuel for the thirteen months prior to the end of the test year by location, station, etc.

[Explain the method of determining claim if other than that described above.]

Response:

No claim is being made for fuel stocks.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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I-A-17

Request:

Regardless of whether a claim for net negative or positive salvage is made, attach an exhibit showing gross salvage, cost of removal, and net salvage for the test year and four previous years by account.

Response:

The information related to the historic test year is presented in Part IV of Exhibit C (Historic) in the section titled “Experienced Net Salvage.” The information related to the future test year is set forth in Part VIII of Exhibit C (Future) in the section titled “Experienced and Estimated Net Salvage.” The information related to the fully projected test year is set forth in Part IV of Exhibit C (Fully Projected) in the section titled “Experienced and Estimated Net Salvage.”

Prepared by or under the supervision of: John F. Wiedmayer

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I-A-18

Request:

Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not previously mentioned, in the measures of value.

Response:

All measures of value have been fully disclosed in UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedules A-1 and C-1 through C-8, as well as the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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I-C-1

Request:

Provide, with respect to the scope of operations of the utility, a description of all property, including an explanation of the system's operation, and all plans for any significant future expansion, modification, or other alteration of facilities.

This description should include, but not be limited to the following:

- a. If respondent has various gas service areas, indicate if they are integrated, such that the gas supply is available to all customers.
- b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company's service area.
- c. Explain how respondent obtains its gas supply, as follows:
  - (i) Explain how respondent stores or manufactures gas; if applicable.
  - (ii) State whether the company has peak shaving facilities.
  - (iii) Provide details of coal-gasification programs, if any.
  - (iv) Describe the potential for emergency purchases of gas.
  - (v) Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).
  - (vi) Provide the amount of gas in MCF supplied from company-owned wells during the test year.
- d. Provide plans for future gas supply, as follows:
  - (i) Supply details of anticipated gas supply from respondent's near-term development of gas wells, if any.
  - (ii) Provide gas supply agreements and well development ventures and identify the parties thereto.
- e. Indicate any anticipated curtailments and explain the reasons for the curtailments.



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I-C-1 (Continued)

- f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility.

Response:

- a. UGI's gas system consists of approximately 12,000 miles of distribution main and approximately 300 miles of transmission lines served primarily from 84 city gate stations or interconnections with interstate pipelines and one significant gathering system. The distribution system served approximately 655,000 customers as of September 30, 2019. Ninety percent of the customers are residential.

UGI Gas distributes natural gas to areas across Pennsylvania lying within the Counties of Adams, Armstrong, Bedford, Berks, Blair, Bradford, Bucks, Carbon, Centre, Chester, Clarion, Clearfield, Clinton, Columbia, Cumberland, Dauphin, Forest, Franklin, Fulton, Huntingdon, Jefferson, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, McKean, Mifflin, Monroe, Montour, Montgomery, Northampton, Northumberland, Pike, Potter, Schuylkill, Snyder, Susquehanna, Tioga, Union, Vernango, Wayne, Wyoming, and York.

UGI Gas distribution systems are fed directly by eight interstate pipelines, Tennessee Gas Pipeline Company ("Tennessee"), Columbia Gas Transmission ("Columbia"), Transcontinental Gas Pipe Line Company, LLC. ("Transco"), Texas Eastern Transmission, LP ("Texas Eastern"), Sunbury Pipeline, LLC ("Sunbury"), UGI Mt. Bethel Pipeline Company, LLC ("Mt. Bethel"), Dominion Energy Transmission, Inc. ("Dominion") and UGI Storage Company ("UGI Storage"). Some distribution systems are fed by multiple pipelines and others are isolated feeds.

- b. UGI Gas pursues the addition of new and expanded load in the residential, commercial, and industrial market areas. UGI Gas follows its tariff guidelines in obtaining these additions.

UGI Gas' tariff guidelines define the rate schedule the customer can utilize, the investment UGI Gas makes to obtain the customer and all other aspects of the Company's business.

Beyond the tariff provisions, the other controlling factors in obtaining new load would be the availability of interstate pipeline capacity, gas supply and UGI Gas' distribution system.

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I-C-1 (Continued)

All customer additions are administered through the Marketing Department. All new customer requests are in the form of a gas application. Once the application has been reviewed for distribution system adequacy, credit and cost, an approval letter is sent to the customer. If a new meter, service or main is required, the work is also scheduled at the time of approval.

- c.
  - (i) UGI Gas does not manufacture gas. UGI Gas has no gas storage facilities.
  - (ii) UGI Gas has no peak shaving facilities.
  - (iii) UGI Gas has no coal gasification programs.
  - (iv) UGI Gas does not anticipate the purchase of emergency gas.
  - (v) Please see Attachment III-E-36 which provides the purchases made from various producers from October 2018 through September 2019. The producer names have been replaced with alphabetic letters for confidentiality reasons. The purchases are typically made under the provision of a standard GISB or NAESB contract. Most contracts have special provisions adding language that may not have been contemplated when the GISB or NAESB contracts were first deployed.
  - (vi) There was no production from UGI-owned wells during the test year.
- d.
  - (i) UGI Gas does not anticipate any development of company-owned gas wells.
  - (ii) UGI Gas does not have well development ventures. UGI Gas' gas supply arrangements are detailed in its annual Purchased Gas Cost filings, the most recent of which was docketed at R-2019-3009647.
- e. UGI Gas does not anticipate curtailments for the system.
- f. UGI Gas monitors FERC activity and evaluates pending impacts to rate payers. The FERC proceedings in which UGI Gas intervened are provided in the 1307(f) Purchased Gas Cost filings for 2019 in Book 1, Section 3 at Docket No. R-2019-3009647.

Prepared by or under the supervision of: Kelly A. Beaver

UGI Utilities, Inc. - Gas Division  
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I-C-2

Request:

Provide an overall system map, including and labeling all measuring and regulating stations, storage facilities, production facilities, transmission and distribution mains, by size, and all interconnections with other utilities and pipelines.

Response:

In light of the security concerns reflected in the Commission's Workplace Security Survey at Docket No. M-00021590, UGI Gas has not included system maps in this filing.

Prepared by or under the supervision of: Kelly A. Beaver

**SECTION 53.53 – RATE OF RETURN**

UGI Utilities, Inc. - Gas Division  
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II-A-1

Request:

Provide capitalization and capitalization ratios for the last five-year period and projected through the next two years. (With short-term debt and without short-term debt.) (Company, Parent and System (consolidated)).

- a. Provide year-end interest coverages before and after taxes for the last three years and at latest date. (Indenture and SEC Bases.) (Company, Parent and System (consolidated)).
- b. Provide year-end preferred stock dividend coverages for last three years and at latest date (Charter and SEC bases).

Response:

Please refer to Attachment II-A-1 for the requested capitalization and interest coverage ratios. UGI Utilities, Inc. has not issued preferred stock.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc.  
CAPITALIZATION RATIOS (Millions)

Consolidated - UGI Corporation - With Short-Term Debt

	9/30/2015		9/30/2016		9/30/2017		9/30/2018		9/30/2019		9/30/2020		9/30/2021	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Budget	%	Budget	%
Common Equity	\$2,685.2	36.2	\$2,844.1	37.0	\$3,163.3	38.2	\$3,681.4	42.4	\$3,817.5	36.7				
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Minority Interests	880.4	11.9	750.9	9.8	577.6	7.0	418.6	4.8	9.7	0.1				
Short-Term Debt	189.9	2.6	291.7	3.8	366.9	4.4	424.9	4.9	796.3	7.7				
Long-Term Debt	3,667.4	49.4	3,795.5	49.4	4,172.1	50.4	4,165.3	47.9	5,779.9	55.6				
Total Capitalization	\$7,422.9	100.1	\$7,682.2	100.0	\$8,279.9	100.0	\$8,690.2	100.0	\$10,403.4	100.0				

Consolidated - UGI Corporation - Without Short-Term Debt

	9/30/2015		9/30/2016		9/30/2017		9/30/2018		9/30/2019		9/30/2020		9/30/2021	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Budget	%	Budget	%
Common Equity	\$2,685.2	37.1	\$2,844.1	38.5	\$3,163.3	40.0	\$3,681.4	44.5	\$3,817.5	39.7				
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
Minority Interests	880.4	12.2	750.9	10.2	577.6	7.3	418.6	5.1	9.7	0.1				
Long-Term Debt	3,667.4	50.7	3,795.5	51.4	4,172.1	52.7	4,165.3	50.4	5,779.9	60.2				
Total Capitalization	\$7,233.0	100.0	\$7,390.5	100.1	\$7,913.0	100.0	\$8,265.3	100.0	\$9,607.1	100.0	\$0.0	0.0	\$0.0	0.0

Company Only - UGI Utilities, Inc. - With Short-Term Debt

	9/30/2015		9/30/2016		9/30/2017		9/30/2018		9/30/2019		9/30/2020		9/30/2021	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Budget	%	Budget	%
Common Equity	\$ 904.3	56.9	\$ 956.4	55.8	\$ 1,014.7	57.5	\$ 1,113.6	55.9	\$ 1,228.3	55.1	\$ 1,330.6	54.2	\$ 1,444.7	53.2
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-Term Debt	63.6	4.0	85.2	5.0	0.0	0.0	47.3	2.4	26.1	1.2	0.0	0.0	5.5	0.2
Long-Term Debt	622.0	39.1	671.4	39.2	751.1	42.5	831.2	41.7	974.5	43.7	1,122.8	45.8	1,266.6	46.6
Total Capitalization	\$ 1,589.9	100.0	\$ 1,713.0	100.0	\$ 1,765.8	100.0	\$ 1,992.1	100.0	\$ 2,228.9	100.0	\$ 2,453.4	100.0	\$ 2,716.7	100.0

Company Only - UGI Utilities, Inc. - Without Short-Term Debt

	9/30/2015		9/30/2016		9/30/2017		9/30/2018		9/30/2019		9/30/2020		9/30/2021	
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%	Budget	%	Budget	%
Common Equity	\$ 904.3	59.2	\$ 956.4	58.8	\$ 1,014.7	57.5	\$ 1,113.6	57.3	\$ 1,228.3	55.8	\$ 1,330.6	54.2	\$ 1,444.7	53.3
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Debt	622.0	40.8	671.4	41.2	751.1	42.5	831.2	42.7	974.5	44.2	1,122.8	45.8	1,266.6	46.7
Total Capitalization	\$ 1,526.3	100.0	\$ 1,627.8	100.0	\$ 1,765.8	100.0	\$ 1,944.8	100.0	\$ 2,202.8	100.0	\$ 2,453.4	100.0	\$ 2,711.3	100.0

**UGI Utilities, Inc.**  
**INTEREST COVERAGE RATIO**

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	<u>9/30/2016</u>	<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2019</u>
Pre-tax interest coverage	4.10	4.14	4.71	2.55
Post-tax interest coverage	3.45	3.60	4.61	2.43

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	<u>9/30/2016</u>	<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2019</u>
Pre-tax interest coverage	5.34	5.68	5.54	4.55
Post-tax interest coverage	3.99	4.27	4.71	3.93

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UGI Utilities, Inc. - Gas Division  
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II-A-2

Request:

Provide latest quarterly financial report (Company and Parent).

Response:

Please refer to the SEC website for a copy of UGI Utilities, Inc.'s latest quarterly financial report as of June 30, 2019. This can be found at <https://www.sec.gov/ix?doc=/Archives/edgar/data/100548/000010054819000020/ugiutilitiesq363020191.htm>

Since that time, UGI Utilities, Inc. has terminated its securities registration with the SEC due to a change in its corporate reporting structure.

Please refer to II-A-3 for the latest quarterly financial report of UGI Corporation as of September 30, 2019.

Prepared by or under the supervision of: Vivian K. Ressler



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II-A-3

Request:

Provide latest Stockholder's Report (Company and Parent).

Response:

UGI Utilities, Inc. does not produce an annual Stockholder's Report.

Please refer to the SEC website for a copy of UGI Corporation's latest Stockholder's Report on form 10-K. This can be found at <https://www.sec.gov/ix?doc=/Archives/edgar/data/884614/000088461419000059/ugi-9302019x10k.htm>

Prepared by or under the supervision of: Vivian K. Ressler

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II-A-4

Request:

Provide latest Prospectus (Company and Parent).

Response:

Please see the following link for the Prospectus Supplement from UGI Utilities Senior Notes Offering dated 9/24/08 for the latest UGI Utilities Prospectus:

<https://www.sec.gov/Archives/edgar/data/100548/000119312508201953/d424b2.htm>

See the response to II-A-19 for information regarding a UGI Corporation prospectus issued in 2019.

Prepared by or under the supervision of: Vivian K. Ressler

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II-A-5

Request:

Supply projected capital requirements and sources of Company, Parent and System (consolidated) for each of future three years.

Response:

See Attachment II-A-5 for projected capital requirements for Fiscal Years ending September 30, 2020, and September 30, 2021. The sources of funds will be from both internally generated funds and outside financing as needed.

The projection for Fiscal Year 2022 is confidential and will be made available to parties upon request and the entry of an acceptable Protective Order.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION  
PROJECTED CAPITAL EXPENDITURES  
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2021  
(millions of dollars)**

	<b>2020</b>	<b>2021</b>
Consolidated UGI Utilities, Inc. (including Electric Division)	\$ 412.4	\$ 419.8
UGI Utilities, Inc. - Gas Division	\$ 394.1	\$ 398.9

UGI Utilities, Inc. - Gas Division  
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II-A-6

Request:

Provide a schedule of debt and preferred stock of Company, Parent and System (consolidated) as of test year-end and latest date, detailing for each issue (if applicable):

- a. Date of issue
- b. Date of maturity
- c. Amount issued
- d. Amount outstanding
- e. Amount retired
- f. Amount reacquired
- g. Gain on reacquisition
- h. Coupon rate
- i. Discount or premium at issuance
- j. Issuance expenses
- k. Net proceeds
- l. Sinking Fund requirements
- m. Effective interest rate
- n. Dividend rate
- o. Effective cost rate
- p. Total average weighted effective Cost Rate

Response:

Please refer to pages 12 through 14 of UGI Gas Exhibit B for this data.

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

UGI Utilities, Inc. - Gas Division  
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II-A-7

Request:

Supply financial data of Company and/or Parent for last five years:

- a. Earnings-price ratio (average)
- b. Earnings-book value ratio (per share basis) (avg. book value)
- c. Dividend yield (average)
- d. Earnings per share (dollars)
- e. Dividends per share (dollars)
- f. Average book value per share yearly
- g. Average yearly market price per share (monthly high-low basis)
- h. Pre-tax funded debt interest coverage
- i. Post-tax funded debt interest coverage
- j. Market price-book value ratio

Response:

Please refer to Attachment II-A-7 for the requested financial data of UGI Corporation. UGI Utilities, Inc. has no publicly traded shares outstanding.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Corporation**  
**Select Financial Data**  
**For the Year Ended September 30,**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Income Statement Data (millions) :</u></b>					
Revenues	\$ 6,691.1	\$ 5,685.7	\$ 6,120.7	\$ 7,651.2	\$ 7,320.4
Operating Income	\$ 834.9	\$ 988.0	\$ 1,004.2	\$ 1,064.1	\$ 617.1
Net Income attributable to UGI Corporation	\$ 281.0	\$ 364.7	\$ 436.6	\$ 718.7	\$ 256.2
<b><u>Common Stock data:</u></b>					
Market price at year end	\$ 36.67	\$ 46.29	\$ 47.86	\$ 53.06	\$ 50.27
Average yearly market price per share	\$ 35.65	\$ 40.25	\$ 47.87	\$ 49.43	\$ 52.68
Book value per share (at year end)	\$ 20.55	\$ 20.71	\$ 18.18	\$ 21.14	\$ 18.24
Earnings per share (diluted)	\$ 1.60	\$ 2.08	\$ 2.46	\$ 4.06	\$ 1.41
Dividends declared per share	\$ 0.89	\$ 0.93	\$ 0.98	\$ 1.02	\$ 1.15
Dividend rate per share (at year end)	\$ 0.88	\$ 0.92	\$ 0.97	\$ 1.02	\$ 0.95
<b><u>Ratios:</u></b>					
Earnings-price ratio	22.9	22.3	19.5	13.1	35.7
Earnings-book value ratio	12.8	10.0	7.4	5.2	12.9
Dividend yield - average	2.5%	2.3%	2.0%	2.1%	2.2%
Pre-tax funded debt interest coverage	3.4	4.1	4.1	4.7	2.6
Post-tax funded debt interest coverage	3.0	3.4	3.6	4.6	2.4
Market price / Book value ratio	1.8	2.2	2.6	2.5	2.8

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II-A-8

Request:

State amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases:

- a. Actual test year
- b. Annualized test year-end
- c. Proposed test year-end

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule D-33. All external debt is held at the UGI Utilities, Inc. level. For ratemaking purposes, interest expense is synchronized to the Measure of Value funded at the claimed capital structure and cost of debt.

Prepared by or under the supervision of: Nicole M. McKinney



UGI Utilities, Inc. - Gas Division  
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II-A-9

Request:

State amount of debt interest utilized for income tax calculations which has been allocated from the debt interest of an affiliate, and details of the allocation, under each of the following rate case bases:

- a. Actual test year
- b. Annualized test year-end
- c. Proposed test year-end

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule D-33. All external debt is held at the UGI Utilities, Inc. level. For ratemaking purposes, interest expense is synchronized to the Measure of Value funded at the claimed capital structure and cost of debt.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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II-A-10

Request:

Under Section 1552 of the Internal Revenue Code and Regulations 1.1552-1 thereunder, if applicable, Parent Company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government. (If this interrogatory is not applicable, so state.)

- a. State what option has been chosen by the group.
- b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return.
- c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
- d. Provide annual income tax return for group, and if income tax return shows net operating loss, provide details of amount of net operating loss allocated to the income tax returns of each of the members of the consolidated group.

Response:

- a. UGI Corporation has elected to allocate the tax liability of the consolidated group to the members in accordance with Regulation 1.1502-33 (d)(2)(ii). Further, the group elects to use 100 percent as the percentage specified in Regulation 1.1502-33(d)(2)(ii)(b). This method of allocation is to be applied in conjunction with the basic allocation method provided in Regulation 1.1552-1(a)(2). UGI Corporation also elected to reflect currently the investment adjustment in earnings and profits pursuant to Regulation 1.1502-33(c)(4)(iii).
- b. & c. See Attachment II-A-10.

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II-A-10 (Continued)

- d. See SDR-RR-55 for copies of certain pages of the 9/30/18 UGI Consolidated Federal Income Tax Return.

The tax results for the year ended 9/30/18 do not show a net operating loss.

Prepared by or under the supervision of: Nicole M. McKinney

**UGI Utilities, Inc. - Gas Division**  
**Allocation of UGI Corporation Consolidated Federal Income Tax Liability**  
**For the Year Ended September 30, 2018**  
**In Thousands**

<u>Name of Company</u>	(a)	(b)	(c)	(d)	(e)
	<b>Federal Taxable Income</b>	<b>Federal Income Tax @ 24.53% Allocated</b>	<b>IRC 965 Tax</b>	<b>General Business Credit</b>	<b>Col (b) + Col (c) - Col (d) = Net Federal Income Tax Liability</b>
AmeriGas Inc	(26)	(6)			(6)
AmeriGas Propane Inc.	61,224	15,018			15,018
Amerigas Technology Group Inc.	0	0			0
Ashtola Production Company	(1)	(0)			(0)
Eastfield International Holdings Inc	0	0			0
Energy Service Funding	4,782	1,173			1,173
EuroGas Holdings Inc.	0	0			0
Four Flags Drilling Company	0	0			0
Hellertown Pipeline	0	0			0
Homestead Holding	(155)	(38)			(38)
Newberry Holding	2,660	652			652
UGI Asset Management	(0)	(0)			(0)
UGI Black Sea Enterprises	0	0			0
UGI Central Penn Gas	17,499	4,292			4,292
UGI China Inc	0	0			0
UGI Corporation	27,142	6,657	2,881		9,538
UGI Development Company	1,259	309		751	(442)
UGI Energy Ventures, Inc.	0	0			0
UGI Ethanol Development Company	0	0			0
UGI Enterprises Inc	0	0			0
UGI Europe Inc	5,218	1,280			1,280
UGI Hunlock Dev	(90)	(22)			(22)
UGI HVAC Enterprises	(893)	(219)			(219)
UGI International China. Inc	0	0			0
UGI International (Romania)	0	0			0
UGI LNG	4,792	1,175			1,175
UGI Penn HVAC Services	(16)	(4)			(4)
UGI Penn Natural Gas, Inc.	(76,855)	(18,852)			(18,852)
UGI Petroleum Products of DE	0	0			0
UGI Properties, Inc.	(99)	(24)			(24)
UGI Romania, Inc.	0	0			0
UGI Storage Company	5,903	1,448			1,448
UGI Utilities, Inc.	(31,366)	(7,694)			(7,694)
UGID Holding Company	(7)	(2)			(2)
United Valley Insurance Eliminations	(239) 0	(59) 0			(59) 0
<b>Total Taxable</b>	<b>20,732</b>	<b>5,085</b>	<b>2,881</b>	<b>751</b>	<b>7,215</b>

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II-A-11

Request:

Provide AFUDC charged by company at test year-end and latest date, and explain method by which rate was calculated.

Response:

AFUDC totaling \$3,689,748 was recorded during the historic test year. The calculated rate for the historic test year of 3.26% was based on average construction work in process compared to short-term borrowings on a monthly basis and on an aggregated annual basis. UGI Gas is currently using the short-term debt rate for AFUDC because the average short-term borrowing balances exceeded the average construction work in process balance. The projected short-term debt rate for the future test year and fully projected test year ending September 30, 2020 and September 30, 2021 is 2.51% and 2.17%, respectively.

Prepared by or under the supervision of: Vivian K. Ressler

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II-A-12

Request:

Set forth provisions of Company's and Parent's charter and indentures (if applicable) which describe coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts.

Response:

UGI Gas entered into an unsecured revolving credit agreement in June 2019 ("2019 Revolving Credit Agreement") with a group of banks that provides for a loan commitment of up to \$350 million. UGI Gas may request a \$150 million increase in the amount of loan commitments under the 2019 Revolving Credit Agreement to a maximum aggregate of \$500 million. Concurrently with entering into this Agreement in June 2019, UGI Gas terminated its previously existing Agreement dated March 27, 2015. Under the 2019 Revolving Credit Agreement, UGI Gas may borrow at various prevailing interest rates, including LIBOR and the banks' prime rate, plus a margin. The margin on such borrowings ranges from 0.0% to 1.75% and is based on the credit ratings of certain indebtedness of UGI Gas. In a Final Order entered on August 29, 2019 at Docket No. S-2019-3011182, the Commission approved the registration of the 2019 Revolving Credit Agreement as a securities certificate, permitting the incurrence of up to \$500 million of indebtedness through and until June 26, 2024.

UGI Gas has \$175 million of a 4.98% Senior Note due March 2044, \$100 million of a 2.95% Senior Note due June 2026, \$200 million of a 4.12% Senior Note due September 2046, \$100 million of a 4.12% Senior Note due October 2046, and \$150 million of a 4.55% Senior Note due February 2049 ("Senior Notes"). The \$175 million Note was approved by the Commission in a Final Order entered on August 15, 2013 at Docket No. S-2013-2370504. The \$100, \$200, and \$100 million Notes were approved by the Commission in a Final Order entered on March 17, 2016 at Docket No. S-2016-2528293. The \$150 million Note was approved by the Commission in a Final Order entered on July 12, 2018 at Docket No. S-2018-3001928. The Senior Notes are unsecured and rank equally with UGI Gas' existing outstanding senior debt. UGI Gas has a \$125 million Medium Term Note, with principal payments of \$1,562,500 due quarterly and the remaining principal due October 2022. Under this Note, UGI Gas may borrow at various prevailing market interest rates, plus an applicable margin. The Note was approved by the Commission in a Final Order entered on April 19, 2018 at Docket No. S-2018-3000209.

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II-A-12 (Continued)

The Revolving Credit Agreement, the Medium Term Note and the Senior Notes require UGI Gas not to exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined, of 0.65 to 1.00. The Senior Notes require that Consolidated Priority Debt not exceed 10% of Consolidated Total Assets.

Please refer to UGI Gas Exhibit B for a description of all other Notes which do not have defined coverage requirements, limits on types of capital outstanding, or restrictions on dividend payouts.

Prepared by or under the supervision of: Vivian K. Ressler

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II-A-13

Request:

Attach copies of the summaries of the projected 2 year's Company's budgets (revenue, expense and capital).

Response:

Please see Attachment II-A-13 for the Company's 2020 and 2021 operating budget and plan. For capital budgets, please refer to the response to II-A-5.

Prepared by or under the supervision of: Stephen F. Anzaldo



**UGI Utilities, Inc. - Gas Division**  
**Projected Company Budget**  
**Twelve Months Ending September 30,**  
*(Thousands of Dollars)*

	<u>2020</u>	<u>2021</u>
Operating Revenues:		
Operating Revenues	\$ 909,411	\$ 915,293
Other Operating Revenues	<u>6,297</u>	<u>6,297</u>
 Total Operating Revenues	 915,708	 921,590
 Operating Expenses:		
Gas Production	5,844	5,845
Gas Supply Production	327,262	330,119
Distribution	80,342	82,923
Customer Accounts	44,060	45,334
Customer Service and Information	11,387	11,306
Sales	3,234	2,700
Administrative and General	113,960	117,834
Depreciation and Amortization	96,193	105,716
Taxes, Other than Income Taxes	<u>10,873</u>	<u>11,368</u>
 Total Operating Expenses	 693,155	 713,145
 Operating Income	 <u>\$ 222,553</u>	 <u>\$ 208,445</u>

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II-A-14

Request:

Describe long-term debt reacquisitions by Company and Parent as follows:

- a. Reacquisitions by issue by year.
- b. Total gain on reacquisitions by issue by year.
- c. Accounting of gain for income tax and book purposes.

Response:

UGI Utilities, Inc. has not reacquired any debt.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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II-A-15

Request:

Set forth amount of compensating bank balances required under each of the following rate base bases:

- a. Annualized test year operations.
- b. Operations under proposed rates.

Response:

Not Applicable. UGI Utilities, Inc. has no compensating bank balance requirements.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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II-A-16

Request:

Provide the following information concerning compensating bank balance requirements for actual test year:

- a. Name of each bank.
- b. Address of each bank.
- c. Types of accounts with each bank (checking, savings, escrow, other services, etc.).
- d. Average Daily Balance in each account.
- e. Amount and percentage requirements for compensating bank balance at each bank.
- f. Average daily compensating bank balance at each bank.
- g. Documents from each bank explaining compensating bank balance requirements.
- h. Interest earned on each type of account.

Response:

Not Applicable. UGI Utilities, Inc. has no compensating bank balance requirements.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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II-A-17

Request:

Provide the following information concerning bank notes payable for actual test year:

- a. Line of Credit at each bank.
- b. Average daily balances of notes payable to each bank, by name of bank.
- c. Interest rate charged on each bank note (Prime rate, formula rate or other).
- d. Purpose of each bank note (e.g., construction, fuel storage, working capital, debt retirement).
- e. Prospective future need for this type of financing.

Response:

- a. In June 2019, the Company entered into a five-year \$350 million revolving credit facility with a consortium of banks (“2019 RCF”), replacing its existing \$450 million credit facility dated March 2015 (“2015 RCF”). The 2019 RCF is currently scheduled to expire in June 2024. Please see Attachment II-A-17 for the commitment from each bank.
- b. The 2019 RCF is predominantly used to meet working capital needs and is more heavily utilized in the Fall and Winter months when inventory and receivables balances peak. The borrowings from each bank are pro rata as per their respective commitments. The average daily borrowing under the Company’s 2019 RCF and the 2015 RCF was \$153.6 million for fiscal year 2019.
- c. The interest rates for the majority of borrowings under the Company’s 2019 RCF are under the LIBOR + Applicable Margin formula. The Applicable Margin is based on public credit ratings as specified on Attachment II-A-17. The Company has two public debt ratings (Moody’s and Fitch). When there is a split rating, the Moody’s rating applies unless such ratings differ by two or more levels. If ratings differ by two or more levels, the applicable level will be deemed to be one level below the higher of such levels. Based on current ratings of the Company, the applicable margin is 0.875%.

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II-A-17 (Continued)

- d. The borrowings under the 2019 RCF are for working capital needs, CWIP and general corporate purposes.
- e. The 2019 RCF provides adequate liquidity for working capital needs, CWIP and general corporate purposes and does not mature until June 2024.

Prepared by or under the supervision of: Vivian K. Ressler

UGI UTILITIES, INC. - GAS DIVISION  
Line of Credit Bank Commitments and Applicable Margin  
As of September 30, 2019

**Lender Commitments of the UGI Gas five year, \$350 million revolving credit facility:**

Lender	Commitment
PNC Bank, National Association	\$75,000,000
Citizens Bank, N.A.	\$75,000,000
Credit Suisse AG, Cayman Islands Branch	\$40,000,000
JPMorgan Chase Bank, N.A.	\$40,000,000
Wells Fargo Bank, National Association	\$40,000,000
Bank of America, N.A.	\$40,000,000
The Bank of New York Mellon	\$40,000,000
	\$350,000,000

**Applicable Margin of the UGI Gas five year, \$350 million revolving credit facility:**

Debt Rating	Margin
A/A2/A	0.875%
A-/A3/A-	1.00%
BBB+/Baa1/BBB+	1.125%
BBB/Baa2/BBB	1.25%
BBB-/Baa3/BBB-	1.50%
BB+/Ba1/BB+	1.75%

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II-A-18

Request:

Set forth amount of total cash (all cash accounts) on hand from balance sheets for last 24-calendar months preceding test year-end.

Response:

The average balance sheet cash (measured at the end of each month) for the past 24 calendar months (10/31/17 - 9/30/19) was \$37.4 million.

Please see Attachment II-A-18.

Prepared by or under the supervision of: Vivian K. Ressler



**UGI UTILITIES, INC. - GAS DIVISION**  
**MONTH-END CASH BALANCES**

Fiscal Year 2018		Balance Sheet Cash
October	\$	46,706,572
November	\$	36,018,315
December	\$	39,528,807
January	\$	77,322,628
February	\$	91,678,411
March	\$	102,638,520
April	\$	136,540,761
May	\$	165,918,037
June	\$	21,146,788
July	\$	16,061,592
August	\$	16,395,409
September	\$	8,455,075
Fiscal Year 2019		Balance Sheet Cash
October	\$	4,353,298
November	\$	13,981,065
December	\$	17,970,671
January	\$	5,537,204
February	\$	14,937,811
March	\$	36,559,294
April	\$	20,371,243
May	\$	19,057,363
June	\$	2,728,608
July	\$	145,168
August	\$	2,611,827
September	\$	1,506,273
<b>Two-Year Average</b>	<b>\$</b>	<b>37,423,781</b>

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II-A-19

Request:

Submit details on Company or Parent common stock offerings (past 5 years to present) as follows:

- a. Date of Prospectus
- b. Date of offering
- c. Record date
- d. Offering period--dates and number of days
- e. Amount and number of shares of offering
- f. Offering ratio (if rights offering)
- g. Per cent subscribed
- h. Offering price
- i. Gross proceeds per share
- j. Expenses per share
- k. Net proceeds per share (i-j)
- l. Market price per share
  1. At record date
  2. At offering date
  3. One month after close of offering
- m. Average market price during offering
  1. Price per share
  2. Rights per share--average value of rights
- n. Latest reported earnings per share at time of offering
- o. Latest reported dividends at time of offering

Response:

The Company has not issued stock in the last five years.

The Parent has issued stock related to the below transaction. The below is an excerpt from the UGI Corporation ("UGI") 10-K filed 11/26/2019:

On August 21, 2019, the AmeriGas Merger was completed in accordance with the terms of the Merger Agreement entered into on April 1, 2019. Under the terms of the Merger Agreement, the Partnership was merged with and into Merger Sub, with the Partnership surviving as an indirect wholly owned subsidiary of UGI. Each outstanding Common Unit other than the Common Units owned by UGI was automatically converted at the effective time of the AmeriGas Merger into the right to receive, at the election of each

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II-A-19 (Continued)

holder of such Common Units, one of the following forms of merger consideration (subject to proration designed to ensure the number of shares of UGI Common Stock issued would equal approximately 34.6 million):

- (i) 0.6378 shares of UGI Common Stock (the “Share Multiplier”);
- (ii) \$7.63 in cash, without interest, and 0.500 shares of UGI Common Stock;  
or
- (iii) \$35.325 in cash, without interest.

Pursuant to the terms of the Merger Agreement, effective on August 21, 2019, we issued 34,612,847 shares of UGI Common Stock and paid \$528.9 million in cash to the holders of Common Units other than UGI, for a total implied consideration of \$2,227.7 million. In addition, the incentive distribution rights in the Partnership previously owned by the General Partner were canceled. After-tax transaction costs directly attributable to the transaction that were incurred by UGI totaling \$7.7 million were recorded as a reduction to UGI stockholders’ equity. Transaction costs incurred by the Partnership totaling \$6.3 million are reflected in “Operating and administrative expenses” on the 2019 Consolidated Statement of Income. The tax effects of the AmeriGas Merger resulting from the step-up in tax bases of the underlying assets resulted in the recording of a deferred tax asset in the amount of \$512.3 million. This deferred tax asset is included in “Deferred income taxes” on the September 30, 2019 Consolidated Balance Sheet.

Effective upon completion of the AmeriGas Merger, Common Units are no longer publicly traded.

The details of the transaction described above are as follows:

- a. 7/12/2019
- b. 8/21/2019
- c. 8/21/2019
- d. 40
- e. 34,612,847
- f.-k. Not applicable
- l. 1. \$49.08
- l. 2. \$49.08
- l. 3. \$50.29

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II-A-19 (Continued)

- m. 1. \$49.80
- m. 2. Not applicable
- n. \$1.90 (basic EPS for the 12 months ended June 30, 2019)
- o. \$0.325 per share per quarter

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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II-A-20

Request:

Provide latest available balance sheet and income statement for Company, Parent and System (consolidated).

Response:

Please refer to UGI Gas Exhibit A (Historic), Schedules B-1 and B-2.

Please refer to Attachment II-A-20 for UGI Utilities Inc. balances sheet and income statement.

Also, please see UGI Corporation Report on Form 10-K for the year ended 9/30/19 at <https://www.sec.gov/ix?doc=/Archives/edgar/data/884614/000088461419000059/ugi-9302019x10k.htm> for Parent Company financial statements.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Thousands of dollars)

Attachment II-A-20  
V. K. Ressler  
Page 1 of 2

	September 30,	
	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 984	\$ 10,314
Restricted cash	5,902	1,190
Accounts receivable (less allowances for doubtful accounts of \$8,112 and \$9,760, respectively)	69,341	71,507
Accounts receivable — related parties	1,213	2,273
Accrued utility revenues	14,602	13,977
Inventories	42,812	52,413
Regulatory assets	9,137	7,475
Derivative instruments	1,195	3,004
Other current assets	26,925	70,866
Total current assets	172,111	233,019
Property, plant and equipment	3,938,127	3,616,289
Less accumulated depreciation	(1,129,534)	(1,074,521)
Net property, plant and equipment	2,808,593	2,541,768
Goodwill	182,145	182,145
Regulatory assets	386,495	293,527
Other assets	10,185	16,117
Total assets	\$ 3,559,529	\$ 3,266,576
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 8,374	\$ 9,001
Short-term borrowings	166,000	189,500
Accounts payable — trade	78,694	87,861
Accounts payable — related parties	3,773	9,585
Employee compensation and benefits accrued	20,502	19,081
Interest accrued	9,817	15,716
Customer deposits and advances	38,608	36,363
Derivative instruments	3,500	—
Regulatory liabilities	39,819	40,131
Other current liabilities	33,091	43,096
Total current liabilities	402,178	450,334
Long-term debt	970,819	828,995
Deferred income taxes	426,977	400,939
Pension and other postretirement benefit obligations	176,617	81,590
Regulatory liabilities	318,966	350,044
Other noncurrent liabilities	70,114	61,386
Total liabilities	2,365,671	2,173,288
Commitments and contingencies (Note 12)		
Common stockholder's equity:		
Common Stock	60,259	60,259
Additional paid-in capital	473,580	473,580
Retained earnings	694,481	579,778
Accumulated other comprehensive loss	(34,462)	(20,329)
Total common stockholder's equity	1,193,858	1,093,288
Total liabilities and stockholder's equity	\$ 3,559,529	\$ 3,266,576

**UGI UTILITIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Thousands of dollars)

Attachment II-A-20  
V. K. Ressler  
Page 2 of 2

	Year Ended September 30,	
	2019	2018
Revenues	\$ 1,048,620	\$ 1,092,381
Costs and expenses:		
Cost of sales — gas and purchased power (excluding depreciation shown below)	481,284	522,911
Operating and administrative expenses	235,266	232,880
Operating and administrative expenses — related parties	13,734	14,234
Depreciation	92,772	84,644
Other operating expense (income), net	1,352	(2,264)
	824,408	852,405
Operating income	224,212	239,976
Pension and other postretirement plans non-service income (expense)	1,506	(2,454)
Interest expense	(49,602)	(42,890)
Income before income taxes	176,116	194,632
Income tax expense	(42,938)	(45,711)
Net income	\$ 133,178	\$ 148,921

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II-A-21

Request:

Provide Original Cost, Trended Original Cost and Fair Value rate base claims.

Response:

The Company's claim is based on original cost measure of value. As Pennsylvania law requires use of original cost measure of value for ratemaking, trended original cost and fair value rate base claims were not prepared.

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule C-1.

Prepared by or under the supervision of: Vivian K. Ressler



UGI Utilities, Inc. - Gas Division  
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II-A-22

Request:

- a. Provide Operating Income claims under:
  - (i) Present rates
  - (ii) Pro forma present rates (annualized & normalized)
  - (iii) Proposed rates (annualized & normalized)
  
- b. Provide Rate of Return on Original Cost and Fair Value claims under:
  - (i) Present rates
  - (ii) Pro forma present rates
  - (iii) Proposed rates

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedules A-1, D-1, and D-2.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
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II-A-23

Request:

List details and sources of “Other Property and Investment,” “Temporary Cash Investments” and “Working Funds” on test year-end balance sheet.

Response:

Please refer to the responses to III-A-2 and III-A-3.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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II-A-24

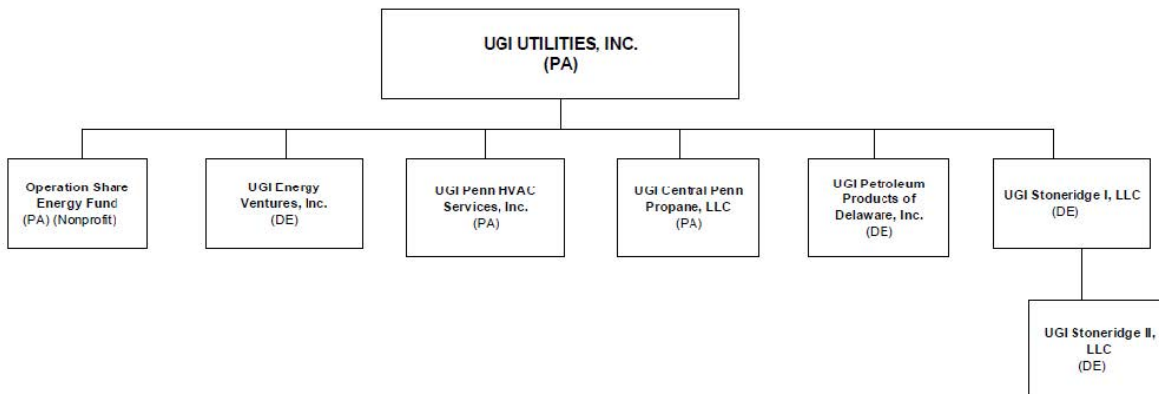
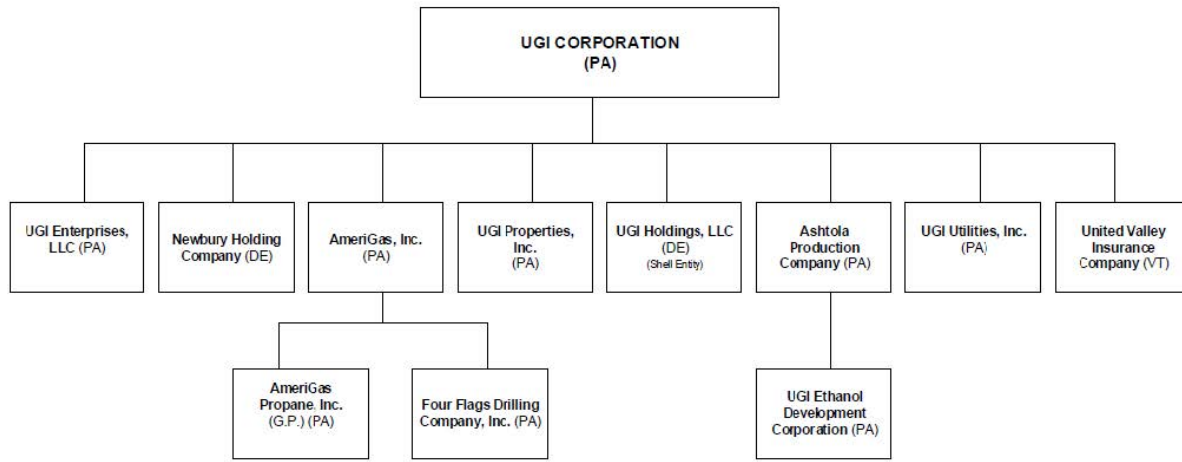
Request:

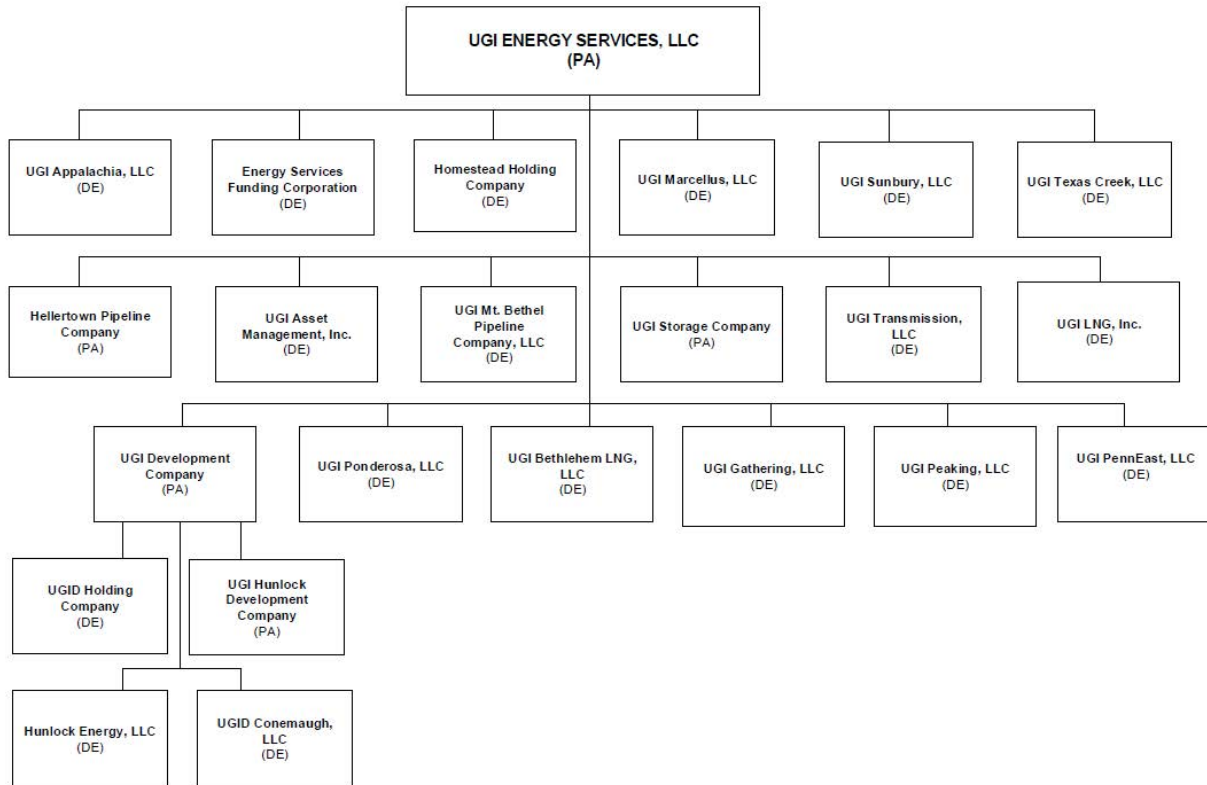
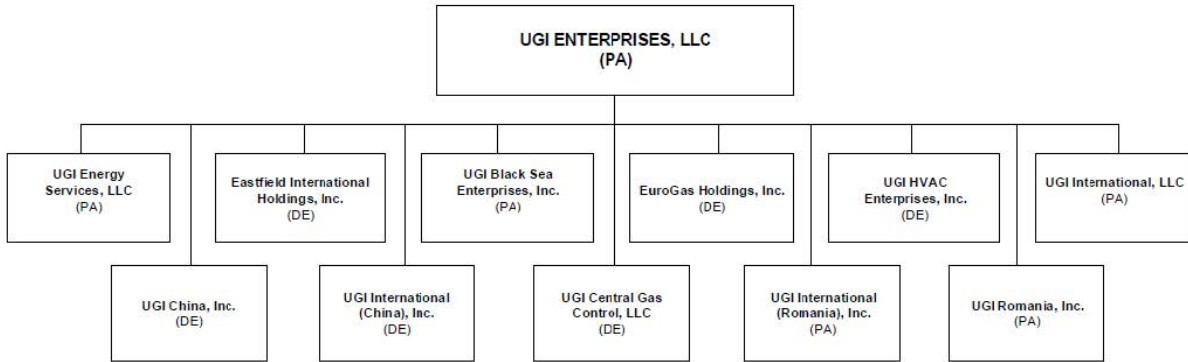
Attach chart explaining Company's corporate relationship to its affiliates (System Structure).

Response:

Please see Attachment II-A-24.

Prepared by or under the supervision of: Vivian K. Ressler





UGI Utilities, Inc. - Gas Division  
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II-A-25

Request:

If the utility plans to make a formal claim for a specific allowable rate of return, provide the following data in statement or exhibit form:

- a. Claimed capitalization and capitalization ratios with supporting data.
- b. Claimed cost of long-term debt with supporting data.
- c. Claimed cost of short-term debt with supporting data.
- d. Claimed cost of total debt with supporting data.
- e. Claimed cost of preferred stock with supporting data.
- f. Claimed cost of common equity with supporting data.

Response:

- a. Please see the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 7, Exhibit B, Schedule 1.
- b. Please see the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 7, Exhibit B, Schedule 1.
- c. No claim is being made for short-term debt requested in subparagraph.
- d. Please see the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 7, Exhibit B, Schedule 1.
- e. This subparagraph is not applicable as the Company does not have preferred stock.
- f. Please see the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 7, Exhibit B, Schedule 1.

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

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II-A-26

Request:

Provide the following income tax data:

- a. Consolidated income tax adjustments, if applicable.
- b. Interest for tax purposes (basis).

Response:

Please see Attachment II-A-26 for a calculation of a consolidated tax adjustment.

A consolidated tax adjustment has not been flowed through as a ratemaking deduction in the calculation of UGI Gas' federal income tax expense. This adjustment has only been included to demonstrate that UGI Gas has fulfilled the requirements of Section 1301.1(b) of Act 40. Please see the Direct Testimony of Stephen F. Anzaldo, UGI Gas Statement No. 2, for a discussion on how the Company has satisfied these requirements.

Prepared by or under the supervision of: Nicole M. McKinney

**UGI Utilities, Inc. - Gas Division**  
**Calculation of Consolidated Tax Adjustment**  
**In Thousands (000)**

	<u>Taxable Income</u> <u>2016</u>	<u>Taxable Income</u> <u>2017</u>	<u>Taxable Income</u> <u>2018</u>	<u>Average</u>	
<u>Tax Loss Entities</u>					
Ashtola Production Company	(1)	(1)	(1)	(1)	
Hellertown Pipeline	(2)	0	0	(1)	
Homestead Holding	(126)	(199)	(155)	(160)	
UGI Hunlock Dev	0	0	(90)	(30)	
UGI HVAC Enterprises	(350)	(541)	(893)	(594)	
UGI LNG	(706)	0	0	(235)	
UGID Holding Company	(8)	(8)	(7)	(8)	
United Valley Insurance	(3,295)	0	(239)	(1,178)	
UGI Corporation	(11,488)	(8,138)	0	(6,542)	
AmeriGas Inc	(20)	(32)	(26)	(26)	
UGI China Inc	0	0	0	0	
UGI International China, Inc	(252)	(199)	0	(150)	
UGI Penn HVAC Services	(170)	(226)	(16)	(137)	
UGI Properties, Inc.	0	0	(99)	(33)	
UGI Enterprises Inc	0	(18,583)	0	(6,194)	
Subtotal Taxable Loss	(16,417)	(27,926)	(1,525)	(15,289)	
<u>Tax Positive Entities</u>					
					<u>% of</u> <u>Total</u>
AmeriGas Propane Inc.	50,168	50,831	61,224	54,075	29.9%
AmeriGas Inc.	0	0	0	0	0.0%
Amerigas Technology Group Inc.	0	0	0	0	0.0%
Energy Service Funding	2,576	3,730	4,782	3,696	2.0%
Newberry Holding	640	1,450	2,660	1,583	0.9%
Petrolane Incorporated	16,801	0	0	5,600	3.1%
UGI China, Inc.	0	967	0	322	0.2%
UGI Corporation	0	0	27,142	9,047	5.0%
UGI Development Company	4,323	259	1,259	1,947	1.1%
UGI Enterprises, Inc.	89,121	0	0	29,707	16.4%
UGI Europe, Inc.	86,109	101,813	5,218	64,380	35.6%
UGI LNG	0	4,941	4,792	3,244	1.8%
UGI Penn HVAC Services	0	0	0	0	0.0%
UGI Properties, Inc.	28	347	0	125	0.1%
UGI Storage Company	6,703	5,646	5,903	6,084	3.4%
UGI Utilities, Inc. <sup>2</sup>	0	0	0	0	0.0%
UGI International Enterprises, Inc.	0	0	0	0	0.0%
United Valley Insurance	0	2,415	0	805	0.4%
Eliminations	313	213	0	175	0.1%
Subtotal Taxable Income	256,783	172,611	112,979	180,791	100.0%
<b>Total Taxable Income</b>	<b>240,366</b>	<b>144,685</b>	<b>111,454</b>	<b>165,502</b>	
<b>Tax Savings Applicable to UGI Utilities, Inc.</b>				<b>0</b>	

**Notes:**

1. Single-member limited liability companies, i.e. disregarded entities, have been combined with their tax-regarded parent company.

2. As of October 1, 2018, UGI Penn Natural Gas, Inc. (f/ka/ "PNG") and UGI Central Penn Gas Inc. (f/k/a "CPG") merged into UGI Utilities, Inc. - Gas Division. As such, the Company's consolidated taxable income is reflected above.



<u>Tax Loss Entities</u>	<b>Taxable Income 2016</b>	<b>Adjustments</b>	<b>Adjusted Taxable Income</b>
UGI Corporation	(20,139)	8,652 (1)	(11,488)
AmeriGas Inc	(20)		(20)
Amerigas Technology Group Inc.	-		0
Ashtola Production Company	(1)		(1)
Eastfield International Holdings Inc	-		0
EuroGas Holdings Inc.	-		0
Four Flags Drilling Company	-		0
Hellertown Pipeline	(2)		(2)
Homestead Holding	(126)		(126)
UGI Asset Management	-		0
UGI Black Sea Enterprises	-		0
UGI China Inc	(3,868)	3,868 (2)	0
UGI Energy Ventures, Inc.	-		0
UGI Ethanol Development Company	-		0
UGI Hunlock Dev	-		0
UGI HVAC Enterprises	(350)		(350)
UGI International China. Inc	(252)		(252)
UGI International (Romania)	-		0
UGI LNG	(706)		(706)
UGI Penn HVAC Services	(170)		(170)
UGI Petroleum Products of DE	(0)		(0)
UGI Romania, Inc.	-		0
UGID Holding Company	(8)		(8)
United Valley Insurance	(3,295)		(3,295)
Total Tax Loss	<u>(28,937)</u>	<u>12,520</u>	<u>(16,417)</u>

**Notes:**

(1) Adjust to remove impact of expense due to above normal exercise of stock options.

(2) Adjust to remove discontinued operations

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II-C-1

Request:

Provide test year monthly balances for “Current Gas Storage” and notes financing such storage.

Response:

Refer to UGI Gas Exhibit A (Historic), Schedule C-5, UGI Gas Exhibit A (Future), Schedule C-5, and UGI Gas Exhibit A (Fully Projected Future), Schedule C-5.

All of our notes can be used to finance gas storage.

Prepared by or under the supervision of: Stephen F. Anzaldo

**SECTION 53.53 – BALANCE SHEET AND  
OPERATING STATEMENT**

UGI Utilities, Inc. - Gas Division  
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III-A-1

Request:

Provide a comparative balance sheet for the test year and the preceding year which corresponds with the test year date.

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule B-1 for a balance sheet for each of the test years. For the preceding year which corresponds with the test year date, please refer to the response to SDR-ROR-2.

Prepared by or under the supervision of: Stephen F. Anzaldo

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III-A-2

Request:

Set forth the major items of Other Physical Property, Investments in Affiliated Companies and Other Investments.

Response:

Please see Attachment III-A-2.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**Other Physical Property, Investments in Affiliated Companies and Other Investments**

	<u><b>09/30/2019 balance</b></u>
Account 121 Non-Utility Property	\$ 238,681
Account 123 Investment in Subsidiaries	\$ 1,078,266
Account 124 Other Investments	\$ 75,487

The balance in Account 123 primarily represents a residual equity investment in UGI Gas' inactive heating, ventilation and air conditioning service business ("HVAC").

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III-A-3

Request:

Supply the amounts and purpose of Special Cash Accounts of all types, such as:

- a. Interest and Dividend Special Deposits.
- b. Working Funds other than general operating cash accounts.
- c. Other special cash accounts and amounts (Temporary cash investments).

Response:

September 30, 2019 balances are:

- a. None.
- b. None.
- c. Please see Attachment III-A-3.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**FERC Account 136 - Temporary Cash Investments**

<u>Investment Account Description</u>	(000's) 9/30/19 Balances
1 Rosenthal Collins Group	\$ 5,188
2 RJ O'Brien	24
Total Temporary Cash Investments	<u>\$ 5,212</u>

Purpose:

- 1 To purchase natural gas futures, and to cover maintenance margin requirements for natural gas futures.
- 2 To purchase natural gas options and gasoline futures, and to cover maintenance margin requirements for gasoline futures.



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III-A-4

Request:

Describe the nature and/or origin and amounts of notes receivable, accounts receivable from associated companies, and any other significant receivables, other than customer accounts, which appear on balance sheet.

Response:

Please see Attachment III-A-4.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**Schedule of Accounts Receivable**

<u>FERC Account Description</u>	(000's) 9/30/19 Balances
Accounts Receivable from Associated Companies – consisting primarily of sales of gas and administrative services provided to UGI Energy Services, Inc.	\$ 3,275
Claims Reimbursements	2,669
Damage Repair and Other Misc. Receivables	1,361
Off System Sales & Delivery Service Fees	342
Employee Merchandise & Tuition Reimbursement	113

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III-A-5

Request:

Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued, and amounts written-off in each of last three years.

Response:

Please see Attachment III-A-5 for the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued, and amounts written-off in each of the last three years.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Schedule of Reserve for Uncollectible Accounts

(\$ in 000's)	<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2019</u>
Account 144 - Accumulated Provision for Uncollectible Accounts	\$ 3,131	\$ 7,746	\$ 7,030
Method <sup>1</sup>	Allowance	Allowance	Allowance
Rate of Accrual	1.02%	1.81%	1.72%
Amounts Accrued - Uncollectible Expense	\$ 7,598	\$ 16,343	\$ 14,400
Amounts Written Off (net of recoveries)	\$ 8,389	\$ 11,728	\$ 15,115

<sup>1</sup> The allowance method recognizes that a percentage of each month's sales will eventually prove to be uncollectible. Consequently, a percentage of each month's sales is charged to uncollectible expense in that month and the reserve is increased. When specific accounts are written off, they are charged to the reserve account, thus decreasing the reserve.

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III-A-6

Request:

Provide a list of prepayments and give an explanation of special prepayments.

Response:

Please see Attachment III-A-6.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**Schedule of Prepayments**

<u>Account 165</u>	(000's)
	<u>9/30/19 Balances</u>
Insurance	\$ 3,873
IS Maintenance & Services	3,147
Miscellaneous	442
Property Taxes	453
Income Taxes	4,790
Total Prepayments	<u>\$ 12,706</u>

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III-A-7

Request:

Explain in detail any other significant (in amount) current assets listed on balance sheet.

Response:

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule B-1.

Prepared by or under the supervision of: Stephen F. Anzaldo

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III-A-8

Request:

Explain in detail, including the amount and purpose, the deferred asset accounts that currently operate to effect or will at a later date effect the operating account supplying:

- a. Origin of these accounts.
- b. Probable changes to this account in the near future.
- c. Amortization of these accounts currently charged to operations or to be charged in the near future.
- d. Method of determining yearly amortization for the following accounts:
  - Temporary Facilities
  - Miscellaneous Deferred Debits
  - Research and Development
  - Property Losses
  - Any other deferred accounts that effect operating results.

Response:

Please see Attachment III-A-8.

Prepared by or under the supervision of: Vivian K. Ressler



**UGI UTILITIES, INC. - GAS DIVISION  
SCHEDULE OF DEFERRED ASSET ACCOUNTS**

<b>Account Description</b>	<b>(000's) 9/30/19 Balances</b>	<b>Footnote</b>
Pension and OPEB Benefit	\$ 152,925	1
Deferred Recoverable Income Taxes	108,449	2
Environmental Costs	59,478	3
Cost of Removal	26,873	4
Debt Issuance Costs	5,283	5
Deferred Fuel Costs	3,924	6
Information Technology Program Costs (UNITE)	3,374	7
Energy Efficiency and Conservation (EEC)	2,095	6
Rate Case	835	8
DSIC Over/Under	720	6
Gas Delivery Enhancement (GDE)	389	6
Postretirement Benefits	358	9
 Total Deferred Assets	 <u>\$ 364,703</u>	

**Footnotes for Amortization Schedule**

- (1) Amortized over the average remaining future service lives of plan participants.
- (2) Amortized over a period of 1-65 years dependent upon the nature of the cost.
- (3) Amortized annually at an amount of \$5,808.
- (4) Amortized over a period of five years.
- (5) Amortized over the term of the debt instruments.
- (6) Recovery of Over/Under collection subject to annual reconciliation.
- (7) Currently not amortizing.
- (8) Amortized over a one year period.
- (9) Amortized through July 2021.

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III-A-9

Request:

Explain the nature of accounts payable to associated companies, and note amounts of significant items.

Response:

Please see Attachment III-A-9.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI UTILITIES, INC. - GAS DIVISION**  
**SCHEDULE OF ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES**

Affiliate Name	Balance in (000's) 9/30/2019	Nature of Payable Activity
UGI Energy Services	11,255	Gas purchase activity
UGI Corporation	92	Administrative services
	<u>\$ 11,347</u>	

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III-A-10

Request:

Provide details of other deferred credits as to their origin and disposition policy (e.g.-- amortization).

Response:

Please see Attachment III-A-10 for a detailed schedule of Deferred Credits.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Schedule of FERC 253 – Other Deferred Credits  
*(in Thousands)*

<b>FERC Account Description</b>	<b>Balance at 9/30/19</b>	<b>Footnote</b>
Deferred Revenue	\$ 7,104	1
Deferred Rent	26	2
Executive Retirement Plan	4,621	3
Executive Supplemental Savings Plan	33	3
Restricted Share Awards	315	4
Short Term Disability & COBRA - Non Current	1,041	5
Long Term Disability - Non Current	98	6
Deferred CIAC	2,998	7
Uncertain Tax Position	695	8
	\$ 16,931	

**Footnotes for Amortization Schedule**

- (1) Amortized over terms of agreements, which extend to various years through 2053.
- (2) Amortized over term of lease agreement.
- (3) Amortized over the average remaining future service lives of plan participants.
- (4) Payout awarded at the end of the performance period.
- (5) The valuation reflects the costs associated with all future disability payments, and will be relieved as disability payments are made.
- (6) Adjusted quarterly based on the present value of the benefit costs to be paid over the disability term for an employee.
- (7) Will be applied to projects as they are placed in service.
- (8) FIN48 liabilities are released when a tax year has been audited and settled or the tax year is closed under the statute of limitations. Generally, the statute of limitations is three years from the due date of the tax return.

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III-A-11

Request:

Supply basis for Injury and Damages reserve and amortization thereof.

Response:

The accrual for injuries and damages expense is designed to maintain the reserve at the proper level with respect to existing and potential claims, taking into account the insurance coverage available to UGI Gas, which currently covers personal injuries and property damage in excess of \$500,000 per claim. Actual disbursements are charged against the reserve as expenditures are made.

Prepared by or under the supervision of: Vivian K. Ressler

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III-A-12

Request:

Provide details of any significant reserves, other than depreciation, bad debt, injury and damages, appearing on balance sheet.

Response:

Please refer to the response to SDR-RR-54 for details of significant reserves appearing on the balance sheet.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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III-A-13

Request:

Provide an analysis of unappropriated retained earnings for the test year and three preceding calendar years.

Response:

Please refer to Attachment III-A-13.

Prepared by or under the supervision of: Vivian K. Ressler



**UGI Utilities, Inc. - Consolidated**  
**Analysis of Unappropriated Retained Earnings**  
**Twelve Months Ended September 30,**  
***(Thousands of Dollars)***

<b>Line No.</b>		<b>Historic 2016</b>	<b>Historic 2017</b>	<b>Historic 2018</b>	<b>HTY 2019</b>	<b>FTY 2020</b>	<b>FPFTY 2021</b>
1	Beginning Balance	\$ 372,143	\$ 422,516	\$ 480,857	\$ 579,778	\$ 694,481	\$ 796,781
2	Adjustments (a)				1,525		
3	Net Income	97,373	116,041	148,921	133,178	152,300	164,100
4	Common Stock Dividends	(47,000)	(57,700)	(50,000)	(20,000)	(50,000)	(50,000)
5	Ending Balance	<u>\$ 422,516</u>	<u>\$ 480,857</u>	<u>\$ 579,778</u>	<u>\$ 694,481</u>	<u>\$ 796,781</u>	<u>\$ 910,881</u>

- (a) Adjustments include Cumulative effect of change in accounting principle - ASC 606 - (\$3,926) and Reclassification of stranded income tax effects related to TCJA - \$5,451.

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III-A-14

Request:

Provide schedules and data in support of the following working capital items:

- a. Prepayments--List and identify all items
- b. Federal Excise Tax accrued or prepaid
- c. Federal Income Tax accrued or prepaid
- d. Pa. State Income Tax accrued or prepaid
- e. Pa. Gross Receipts Tax accrued or prepaid
- f. Pa. Capital Stock Tax accrued or prepaid
- g. Pa. Public Utility Realty Tax accrued or prepaid
- h. State sales tax accrued or prepaid
- i. Payroll taxes accrued or prepaid
- j. Any adjustment related to the above items for ratemaking purposes.

Response:

Please see UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule C-4, and the response to III-A-6. In addition, please see the Direct Testimony of Stephen F. Anzaldo, UGI Gas Statement No. 2, and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Vivian K. Ressler

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III-A-15

Request:

Supply an exhibit supporting the claim for working capital requirement based on the lead-lag method.

- a. Pro forma expenses and revenues are to be used in lieu of book data for computing lead-lag days.
- b. Respondent must either include sales for resale and related expenses in revenues and in expenses or exclude from revenues and expenses. Explain procedures followed (exclude telephone).

Response:

Please see UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedule C-4 and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Vivian K. Ressler

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III-A-16

Request:

Provide detailed calculations showing the derivation of the tax liability offset against gross cash working capital requirements.

Response:

Refer to UGI Gas Schedule C-4 within Exhibit A (Historic), Exhibit A (Future), Exhibit A (Fully Projected).

Prepared by or under the supervision of: Nicole M. McKinney

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III-A-17

Request:

Prepare a Statement of Income for the various time frames of the rate proceeding including:

- Col. 1--Book recorded statement for the test year.  
2--Adjustments to book record to annualize and normalize under present rates.  
3--Income statement under present rates after adjustment in Col. 2  
4--Adjustment to Col. 3 for revenue increase requested.  
5--Income statement under requested rates.

- a. Expenses may be summarized by the following expense classifications for purposes of this statement:

Operating Expenses (by category)  
Depreciation  
Amortization  
Taxes, Other than Income Taxes  
Total Operating Expense  
Operating Income Before Taxes  
Federal Taxes  
State Taxes  
Deferred Federal  
Deferred State  
Income Tax Credits  
Other Credits  
Other Credits and Charges, etc.  
Total Income Taxes  
Net Utility Operating Income  
Other Income & Deductions  
Other Income  
Detailed listing of Other Income used in Tax Calculation  
Other Income Deduction  
Detailed Listing  
Taxes Applicable to Other Income and Deductions  
Listing Income Before Interest Charges

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III-A-17 (Continued)

Listing of all types of Interest Charges and all amortization of Premiums and/or Discounts and Expenses on Debt issues

Total Interest

Net Income After Interest Charges

(Footnote each adjustment to the above statements with explanation in sufficient clarifying detail.)

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), schedules in Section D, for the Company's presentation of the requested Statements of Income and adjustments to operating revenues and expenses.

Please refer to the Direct Testimony of Stephen F. Anzaldo, UGI Gas Statement No. 2, for explanations of the Statements of Income and adjustments to operating revenues and expenses depicted in the Section D schedules of UGI Gas Exhibit A (Historic), (Future) and (Fully Projected), the underlying sources of budgeted information, and the basis for the adjustments.

Please refer to the Direct Testimony of Paul R. Moul, UGI Gas Statement No. 7, and related UGI Gas Exhibit B, Schedule 6, for the derivation of the weighted average cost of debt used in the Company's debt interest synchronization adjustment, including the treatment of debt issuance expense, premiums and discounts used in calculating the effective cost rate for each series of long-term debt.

Please refer to the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1, for an explanation on the derivation of future test year and fully projected year sales and revenues.

Please refer to the Direct Testimony of Nicole M. McKinney, UGI Gas Statement No. 10, for an explanation of the Company's income tax adjustments.

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III-A-18

Request:

Provide comparative operating statements for the test year and the immediately preceding 12 months showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major variances between the test year and preceding year by detailed account number.

Response:

Please refer to Attachment III-A-18 for the exhibit of comparative operating statements.

Explanations of major variances are shown below in (\$000's):

Revenues from Sales of Gas – Decrease of \$50,134 – Accts 480, 481, 489

The decrease in Revenues from Sales of Gas is due primarily to temperatures which were 5.0% warmer in the most recent year, resulting in lower volume, as well as lower gas purchase rates compared to the prior year.

Other Operating Revenues – Increase of \$12,490 – Accts 487, 488, 493, 495

The increase in other operating revenues is due primarily to a reduction in the negative surcharge associated with the Tax Cuts and Jobs Act.

Cost of Sales – Decrease of \$18,249 – Accts 804, 805, 807, 808, 813

The decrease in Cost of Sales is due primarily to a decrease in the price of gas and lower usage.

Administrative and General – Increase of \$4,386 – Accts 920, 921, 923, 925, 926, 930.1, 930.2, 931, 932, 935

The increase in Administrative and General expense is due primarily to higher contractor and outside services expense and increased IT maintenance expense related to new system implementation.

Depreciation & Amortization – Increase of \$7,556 – Accts 403, 404

The increase in Depreciation & Amortization expense is due to higher capital expenditures resulting in higher additions, as well as a full year of depreciation expense on assets placed in service in fiscal 2018.

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III-A-18 (Continued)

Taxes, Other than Income Taxes – Increase of \$3,456 – Acct 408

The increase in Taxes, Other than Income Taxes is due primarily to a favorable payroll tax adjustment in 2018 related to prior periods and higher property taxes in the most recent year.

Other Income – Decrease of \$3,958 – Accts 415, 416, 419, 421, 426

The decrease in Other Income is due primarily to an adjustment to the recording of off-system sales associated with the Company's application of new revenue recognition guidance and a reduction in management fees.

Interest Expense – Increase of \$4,656 – Accts 427, 428, 431, 432

The increase in Interest Expense is due to higher average long-term debt balance outstanding. The increase in outstanding debt resulted in a direct increase of associated interest expense.

Income Taxes – Decrease of \$1,699 – Accts 409-411

The decrease in Income Taxes expense is due primarily to lower pre-tax income.

Prepared by or under the supervision of: Vivian K. Ressler



UGI UTILITIES, INC. - GAS DIVISION  
STATEMENT OF OPERATIONS  
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2019  
(thousands of dollars)

	<b>12 Months Ended 9/30/2018</b>	<b>12 Months Ended 9/30/2019</b>	<b>Variance</b>
Operating Revenues:			
Revenues from Sales of Gas	\$ 885,568	\$ 835,435	\$ (50,134)
(1) Other Operating Revenues	(11,511)	979	12,490
<b>Total Operating Revenues</b>	<b>874,057</b>	<b>836,413</b>	<b>(37,644)</b>
Operating Expenses:			
Cost of Sales	347,206	328,957	(18,249)
Storage, Transmission, & Other Production	4,189	3,056	(1,133)
Distribution	71,303	70,511	(792)
Customer Accounts	39,278	38,433	(846)
Customer Service and Information	2,874	594	(2,281)
Sales	2,462	1,843	(618)
Administrative and General	93,328	97,714	4,386
Depreciation & Amortization	79,124	86,680	7,556
Taxes, Other than Income Taxes	7,089	10,545	3,456
<b>Total Operating Expenses</b>	<b>646,853</b>	<b>638,332</b>	<b>(8,522)</b>
Operating Income	227,204	198,082	(29,122)
Other Income	1,977	(1,981)	(3,958)
Earnings Before Interest and Taxes	229,181	196,100	(33,080)
Interest Expense	41,415	46,071	4,656
Earnings Before Taxes	187,766	150,029	(37,737)
Income Taxes	42,360	40,661	(1,699)
<b>Net Income</b>	<b>\$ 145,406</b>	<b>\$ 109,368</b>	<b>\$ (36,037)</b>

- (1) Other operating revenues for the 12 months ended 9/30/18 and 9/30/19 includes a surcharge associated with the Tax Cuts and Jobs Act.

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III-A-19

Request:

List extraordinary property losses as a separate item, not included in operating expenses or depreciation and amortization. Sufficient supporting data must be provided.

Response:

None.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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III-A-20

Request:

Supply detailed calculations of amortization of rate case expense, including supporting data for outside services rendered. Provide the items comprising the rate case expense claim (include the actual billings or invoices in support of each kind of rate case expense), the items comprising the actual expenses of prior rate cases and the unamortized balances.

Response:

The Company's rate case expense claim is based on the normalization of projected rate case expenditures. For details, please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), UGI Gas Exhibit A (Fully Projected), Schedule D-10.

Prepared by or under the supervision of: Vivian K. Ressler

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III-A-21

Request:

Submit detailed computation of adjustments to operating expenses for salary, wage and fringe benefit increases (union and non-union merit, progression, promotion and general) granted during the test year and six months subsequent to the test year. Supply data showing for the test year:

- a. Actual payroll expense (regular and overtime separately) by categories of operating expenses, i.e., maintenance, operating transmission, distribution, other.
- b. Date, percentage increase, and annual amount of each general payroll increase during the test year.
- c. Dates and annual amounts of merit increases or management salary adjustments.
- d. Total annual payroll increases in the test year.
- e. Proof that the actual payroll plus the increases equal the payroll expense claimed in the supporting data (by categories of expenses).
- f. Detailed list of employee benefits and cost thereof for union and non-union personnel. Any specific benefits for executives and officers should also be included, and cost thereof.
- g. Support the annualized pension cost figures.
  - (i) State whether these figures include any unfunded pension costs. Explain.
  - (ii) Provide latest actuarial study used for determining pension accrual rates.
- h. Submit a schedule showing any deferred income and consultant fee to corporate officers or employees.

Response:

- a - f. Refer to UGI Gas Exhibit A (Fully Projected), Schedules D-7 and D-14 and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

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III-A-21 (Continued)

- g. Refer to Attachment III-A-21 for the latest actuarial report showing pension accrual rates.
- h. There are no significant deferred income and consultant fees to corporate officers or employees.

Prepared by or under the supervision of: Vivian K. Ressler



October 30, 2019

UGI Utilities, Inc.  
2525 N. 12th Street, Suite 360  
P.O. Box 12677  
Reading, PA 19612-2677

### FISCAL 2020 ASC 715-30 PENSION EXPENSE

We have calculated the fiscal 2020 ASC 715-30 pension expense for the Retirement Income Plan for Employees of UGI Utilities, Inc. (RIP) to be \$9,312,477.

### ASC 715-30 PENSION EXPENSE (INCOME)

The actual fiscal 2020 pension expense (income) for the RIP is allocated amongst the business units as follows:

UGI Utilities*	\$ 8,120,509
Holding Company	815,071
Enterprises	319
UGID	4,178
HVAC	285,562
CPG Propane	2,510
UGI Gas Control	84,328
	<hr/>
	\$9,312,477

\*Includes the total expense for business units that were previously split between Utilities, PNG and CPG Gas

The fiscal 2020 pension expense compares to actual fiscal 2019 pension expense of \$6,073,794. There are multiple factors influencing the change in expense. Primary reasons for the change in expense are as follows:

- The decrease in the discount rate assumption from 4.40% to 3.30% increased fiscal 2020 expense by approximately \$8.9 million
- Expected changes (including cash contributions made to the plan) based on the prior valuation decreased fiscal 2020 expense by approximately \$4.9 million
- The return on the market-related value of plan assets was slightly lower than expected, which increased fiscal 2020 expense by \$0.5 million
- The change in the expected rate of return of assets assumption from 7.30% to 7.20% increased fiscal 2020 expense by approximately \$0.5 million
- The change in the mortality improvement scale assumption from BB-2D to MP-2018 decreased fiscal 2020 expense by approximately \$1.9 million
- The reflection of the January 1, 2019 census data increased fiscal 2020 expense by approximately \$0.1 million

The pension expense is based on the projected benefit obligation (PBO) and fair asset value measured as of September 30, 2019, as reported in UGI's fiscal 2019 year-end financial disclosure. The plan's PBO as of September 30, 2019 was estimated to be \$705,210,671 and the fair value of assets were reported to be \$529,137,172.

The details of the pension expense calculations are shown in the following exhibits:

- Exhibit I contains the expense calculations in total
- Exhibit II contains the expense components by business unit

The PBO was allocated to the various business units based on the codes provided in the 2019 valuation data and confirmed through the data question process. Service cost and interest cost were allocated to each unit based on actual amounts calculated for the respective participants of each unit. The expected return on assets component and the amortization components of pension expense were allocated in proportion to the PBO's of the respective business unit.

The allocation of the projected benefit obligation as of September 30, 2019 between UGI Utilities, Holding Company, UGID, HVAC, UGI Enterprises, and CPG – Propane are shown below:

**9/30/2019 PBO**

■ UGI Utilities:	\$626,568,897
■ Holding Company:	48,601,103
■ Enterprises:	2,761,673
■ UGID:	11,565,325
■ UGI HVAC:	8,224,156
■ CPG Propane:	7,065,821
■ UGI Gas Control:	<u>423,696</u>
■ Total	\$705,210,671

**EMPLOYEE DEMOGRAPHICS**

Census data used for the determination of fiscal 2020 pension cost is as of January 1, 2019. After discussions with UGI, obligations were projected to September 30, 2019 on a no gain/loss basis, and adjusted for changes in key actuarial assumptions. There were 855 active participants as of January 1, 2019. A breakdown of the active participants by business unit is as follows:

■ UGI Utilities:	798
■ Holding Company:	22
■ Enterprises:	0
■ UGID:	0
■ UGI HVAC:	27
■ CPG Propane:	0
■ UGI Gas Control:	8

The number of inactive participants as of January 1, 2019 is 2,762, which includes 813 terminated vested participants and 1,949 participants currently receiving benefits.

**INVESTMENT EXPERIENCE**

The rate of return on the fair value of assets was approximately 2.46% for the period October 1, 2018 to September 30, 2019 compared to the assumed investment return of 7.30% for that period. The market-related value of assets phases in deviations from the assumed return on the equity portion of the portfolio. For the fixed income portion of the portfolio, the market-related value is equal to the fair value. Actual investment return during fiscal 2019 caused the fiscal 2020 pension expense to increase.



**ASSUMPTIONS**

The fiscal 2019 and 2020 ASC 715-30 pension costs were determined using the following assumptions:

<b>ECONOMIC ASSUMPTIONS:</b>	<b>FISCAL 2020</b>	<b>FISCAL 2019</b>																				
■ Discount rate	3.30%	4.40%																				
■ Weighted-average salary increase assumption from age 40 to expected retirement	3.25%	3.25%																				
■ Expected return on assets	7.20%	7.30%																				
■ Mortality	RP-2014 blue collar table with rates decreased by 5.5%, projected using Scale MP-2018 from 2006	RP-2014 blue collar table with rates decreased by 4.3%, projected using Scale BB-2D from 2006																				
■ Cash contributions	2019 target normal cost prior to reflection of interest rate stabilization (\$13,018,550) based on the following schedule:	2018 target normal cost prior to reflection of interest rate stabilization (\$12,933,997) based on the following schedule:																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4a4a8a; color: white;"> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1/15/2020</td> <td style="text-align: right;">3,151,400</td> </tr> <tr> <td>3/15/2020</td> <td style="text-align: right;">3,151,400</td> </tr> <tr> <td>6/15/2020</td> <td style="text-align: right;">3,151,400</td> </tr> <tr> <td>9/15/2020</td> <td style="text-align: right;">3,151,400</td> </tr> </tbody> </table>	Date	Amount	1/15/2020	3,151,400	3/15/2020	3,151,400	6/15/2020	3,151,400	9/15/2020	3,151,400	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4a4a8a; color: white;"> <th>Date</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>12/15/2018*</td> <td style="text-align: right;">1,766,500*</td> </tr> <tr> <td>3/15/2019</td> <td style="text-align: right;">3,233,500</td> </tr> <tr> <td>6/15/2019</td> <td style="text-align: right;">3,233,500</td> </tr> <tr> <td>9/15/2019</td> <td style="text-align: right;">3,233,500</td> </tr> </tbody> </table>	Date	Amount	12/15/2018*	1,766,500*	3/15/2019	3,233,500	6/15/2019	3,233,500	9/15/2019	3,233,500
Date	Amount																					
1/15/2020	3,151,400																					
3/15/2020	3,151,400																					
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Date	Amount																					
12/15/2018*	1,766,500*																					
3/15/2019	3,233,500																					
6/15/2019	3,233,500																					
9/15/2019	3,233,500																					

\* December 2018 contribution adjusted downward due to the \$5 million contribution made in July 2018, leading to contributions of \$11,467,000 during fiscal 2019. Excess amount over the 9/15/2018 amount due was used to lower the December contribution amount.

All other assumptions and methods, as well as their rationale, are unchanged from those documented in the fiscal 2019 actuarial valuation report.

**PLAN PROVISIONS**

All plan provisions are the same as those documented in the fiscal 2019 actuarial valuation report.





October 30, 2019

**PROFESSIONAL QUALIFICATIONS AND RELIANCES**

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. Our objectivity is not impaired by any relationship between UGI Utilities, Inc. and our employer, Willis Towers Watson US LLC.

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, assets and plan sponsor accounting policies and methods provided by UGI. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or information regarding contributions or funding balance elections provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by UGI Utilities, Inc., may produce materially different results that could require that a revised report be issued.

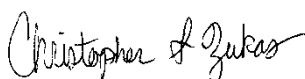
As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the pension cost have been selected by the plan sponsor. ASC 715-30-35 requires that each significant assumption "individually represent a reasonable estimate of a particular future event."

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with UGI Utilities, Inc.'s tax advisors and auditors.

Willis Towers Watson has concurred with these assumptions and methods, with the exception of the expected return on asset assumption. UGI has selected the assumption based on another vendor's work, and review of this assumption is outside the scope of services.

Please call us, if you have any questions or would like to discuss these results further.

Sincerely,



Christopher S. Zukas, FSA  
Director

Direct Dial: 215-246-6104

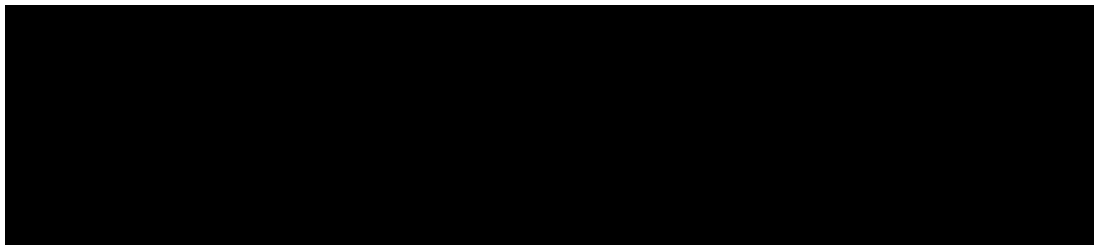


Lori Wolfersberger, FSA  
Associate Director

215-246-4942

Enclosures

cc:



RETIREMENT INCOME PLAN FOR EMPLOYEES OF UGI UTILITIES, INC.

Valuation Results

	As of 9/30/2019	As of 9/30/2018
Fair Value of Assets (FV)	\$529,137,172	\$531,735,671
Projected Benefit Obligation (PBO)	705,210,671	611,191,076
PBO Funded Percentage	75.0%	87.0%

Reconciliation of Funded Status		
Funded Status (FV – PBO)	(176,073,499)	(79,455,405)
AOCI	198,047,415	96,036,115
Market-Related Value of Assets	\$530,780,306	\$499,890,590

Net Periodic Pension Cost (Income)	FYE 2020 (Fiscal Year ending 9/30/20)	FYE 2019 (Fiscal Year ending 9/30/19)
Service Cost	\$8,618,295	\$7,425,702
Interest Cost	23,103,456	26,641,597
Expected Return on Assets	(37,592,294)	(35,845,291)
Amortization		
Prior Service Cost	240,126	246,123
Actuarial Loss (Gain)	14,942,894	7,605,663
<b>Net Pension Cost (Income)</b>	<b>\$9,312,477</b>	<b>\$6,073,794</b>

Assumptions		
Discount Rate	3.30%	4.40%
Average Salary Increases	3.25%	3.25%
Expected Return on Assets	7.20%	7.30%

**Retirement Income Plan for Employees of UGI Utilities, Inc.  
Fiscal 2020 Expense by Business Unit**

Fiscal Year 2020 (Fiscal Year ending September 30, 2020)								
	<u>Utilities, PNG, CPG Gas</u>	<u>CGC</u>	<u>Holding Company</u>	<u>Enterprises</u>	<u>UGID</u>	<u>HVAC</u>	<u>CPG Propane</u>	<u>Total</u>
<b>Net Periodic Pension Cost (Income)</b>								
Service Cost	7,500,028	81,140	768,758	-	-	268,369	-	8,618,295
Interest Cost	20,530,777	16,652	1,590,696	88,076	371,686	278,530	227,039	23,103,456
Expected Return on Assets	(33,400,178)	(22,586)	(2,590,753)	(147,215)	(616,507)	(438,401)	(376,654)	(37,592,294)
<b>Net Amortization</b>	13,489,882	9,122	1,046,370	59,458	248,999	177,064	152,125	<b>15,183,020</b>
Expense	8,120,509	84,328	815,071	319	4,178	285,562	2,510	9,312,477

**Assumptions**

Discount Rate: 3.30%

Expected Return on Assets: 7.20%

Other assumptions and plan provisions used in this estimate are the same as those documented in the 2019 valuation report.

Census data as of January 1, 2019

UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
UGI GAS 2020 BASE RATE CASE  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2020

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III-A-22

Request:

Supply an exhibit showing an analysis, by functional accounts, of the charges by affiliates (Service Corporations, etc.) for services rendered included in the operating expenses of the filing company for the test year and for the 12-month period ended prior to the test year:

- a. Supply a copy of contracts, if applicable.
- b. Explain the nature of the services provided.
- c. Explain basis on which charges are made.
- d. If charges allocated, identify allocation factors used.
- e. Supply the components and amounts comprising the expense in this account.
- f. Provide details of initial source of charge and reason thereof.

Response:

- a. Refer to Attachment III-A-22.1 for listings of applicable gas purchase agreements and asset management agreements and Affiliated Interest Agreements which have been previously authorized by the Commission. Refer to Attachments III-A-22.2(a) - (k) (contained on USB flash drive) for copies of the Affiliated Interest Agreements which have been previously authorized by the Commission.
- b-f. See Attachment III-A-22.3 for a listing of affiliate transactions for the years ended September 30, 2019 and 2018.

UGI Corporation provides administrative services to UGI Utilities, Inc. pursuant to affiliate interest agreements by the Commission. Services provided by UGI Corporation include but are not limited to executive management, finance, pension fund management, internal audit, legal, shareholder relations, insurances, claims and similar types of services.

The allocation of charges for these common administrative services follows the methodology which the Commission has found appropriate during previous reviews including the most recent management efficiency audit.

UGI Utilities, Inc.  
List of Natural Gas Purchase Agreements and Asset Management Agreements

<b>Affiliate Name</b>	<b>Contract Effective Date</b>	<b>Contract Termination Date</b>
<b><i>UGI Energy Services, LLC</i></b>		
Natural Gas Purchase Agreement	5/1/2017	30 days written notice
Peaking Delivery Service (UGI-P-1013) 16,303 MDQ	11/1/2017	10/31/2020
Natural Gas Supply & Delivery Contract (UGI-CO-1004) 10,000 MDQ	11/1/2013	10/31/2020
Peaking Delivery Service (UGI-P-1003) 40,000 MDQ	11/1/2012	3/31/2022
Peaking Delivery Service (UGI-P-1004) 32,700 MDQ	11/1/2012	3/31/2022
Peaking Delivery Service (UGI-P-1005) 6,012 MDQ	11/1/2013	3/31/2022
Peaking Delivery Service (UGI-P-1006) 37,685 MDQ	11/1/2014	3/31/2020
Peaking Delivery Service (UGI-P-1007) 21,697 MDQ	11/1/2014	3/31/2020
Peaking Delivery Service (UGI-P-1008) 25,000 MDQ	11/1/2009	3/31/2023
Peaking Delivery Service (UGI-P-1011) 1,800 MDQ	11/1/2016	3/31/2022
Peaking Delivery Service (UGI-P-1012) 21,316 MDQ	11/1/2016	3/31/2021
Peaking Delivery Service (UGI-P-1010) 106,465 MDQ	11/1/2015	3/31/2025
Peaking Delivery Service (UGI-P-1014) 40,573 MDQ	11/1/2018	3/31/2033
Peaking Delivery Service (PNG-P-1001) 18,500 MDQ	11/1/2007	3/31/2022
Natural Gas Supply & Delivery Contract (PNG-CO-1007) 4,049 MDQ	11/1/2014	10/31/2020
Natural Gas Supply & Delivery Contract (PNG-CO-1005) 40,000 MDQ	8/1/2015	10/31/2020
Peaking Delivery Service (PNG-P-1002) 29,000 MDQ	12/1/2011	2/28/2022
Natural Gas Supply & Delivery Contract (PNG-CO-1006) 51,995 MDQ	11/1/2015	3/31/2022
Natural Gas Supply & Delivery Contract (PNG-CO-1009) 3,481 MDQ	11/1/2015	10/31/2020
Natural Gas Supply & Delivery Contract (PNG-CO-1012) 36,169 MDQ	11/1/2018	10/31/2033
Peaking Delivery Service (PNG-P-1003) 19,176 MDQ	11/1/2016	3/31/2021
Transportation Service Agreement (Carverton Road) 120,000 MDQ	12/26/2013	12/25/2033
Peaking Delivery Service (CPG-P-1001) 10,965 MDQ	11/1/2012	3/31/2022
Peaking Delivery Service (CPG-CO-1001) 15,000 MDQ	11/1/2014	10/31/2021
Peaking Delivery Service (CPG-P-1003) 2,000 MDQ	11/1/2014	3/31/2020
Peaking Delivery Service (CPG-P-1006) 4,750 MDQ	11/1/2015	3/31/2025
Peaking Delivery Service (CPG-P-1007) 5,000 MDQ	11/1/2018	3/31/2033
Peaking Delivery Service (CPG-P-1008) 2,519 MDQ	11/1/2018	3/31/2033
Peaking Delivery Service (CPG-P-1005) 9,117 MDQ	11/1/2014	3/31/2020
Asset Management Agreement on Columbia Pipeline	12/1/2019	10/31/2021
Asset Management Agreement on Columbia Pipeline	11/1/2018	10/31/2021
Asset Management Agreement on Dominion Pipeline	11/1/2019	10/31/2020
<b><i>UGI Storage Company</i></b>		
NNS Firm Delivery Contract 8,792 MDQ	4/1/2011	3/31/2020
FSS Firm Storage Contract 879,200 SCQ	4/1/2011	3/31/2020

UGI Utilities, Inc. – Gas Division  
List of Affiliated Interest Agreements

<b>Attachment #</b>	<b>Affiliate</b>	<b>Effective Dates</b>	<b>Docket #</b>	<b>Details</b>
III-A-22.2(a)	UGI Corporation	May 1992	G-00920296	This Agreement sets forth the terms by which Utilities may provide administrative services to or receive services from Holding Company and its unregulated subsidiaries. These services will be provided on a cost basis.
III-A-22.2(b)	UGI Corporation	July 2003	G-00031008	Arrangement between UGI Utilities, Inc. and UGI Corporation and its subsidiaries under which Utilities would provide pipeline engineering, construction, maintenance and related services to UGI Companies at the higher of market rates or cost.
III-A-22.2(c)	UGI Energy Services, LLC	April 2004	G-00041075	Affiliate Interest Agreement regarding ground to be leased by UGI Energy Services, LLC from UGI Utilities, Inc. and office space to be leased by UGI Utilities, Inc. from UGI Energy Services, LLC.
III-A-22.2(d)	UGI Energy Services, LLC	Aug. 2007	G-00970552	This is an Agreement whereby Utilities would buy gas from or sell gas to GASMAR at prevailing market rates.
III-A-22.2(e)	UGI Energy Services, LLC	March 1999	G-00980646	This Agreement seeks Commission approval whereby Utilities would buy electric generation from Energy Services at below or prevailing market rates, for its own use at facilities throughout its service territories.
III-A-22.2(f)	AmeriGas, Inc.	May 16, 2017 – December 31, 2020	G-2016-2557069	Affiliated Interest Agreement between UGI Utilities, Inc. and AmeriGas, Inc. to support the Gas-Beyond-the-Mains customers.
III-A-22.2(g)	UGI HVAC	Dec. 2005	G-00051142	Affiliate Interest agreement in which UGI HVAC will reimburse UGIU for allocated costs related to use of space at UGIU facilities.

Attachment #	Affiliate	Effective Dates	Docket #	Details
III-A-22.2(h)	UGI HVAC	Feb. 2007	G-00071217	Affiliated Interest Agreement of UGI Utilities, Inc. with UGI HVAC Services, Inc. and UGI HVAC Enterprises (1) natural gas distribution facility installation, maintenance, testing and repair services and associated equipment (hereafter "Natural Gas Operations Services") and (2) heating, air conditioning, ventilating, plumbing, electric contracting and/or related services and associated equipment from the UGI HVAC Companies at market prices.
III-A-22.2(i)	United Valley Insurance Co.	June 1993	G-00930344	Affiliate Interest Agreement for insurance coverage through United Valley Insurance Co. Coverage through the affiliate is not mandatory and may be purchased through other independent companies when costs or coverage are more advantageous.
III-A-22.2(j)	UGI Sunbury, LLC	June 2015	G-2015-2467129	Affiliated Interest Agreement between UGI Utilities, Inc. and UGI Sunbury, LLC regarding the Sunbury Pipeline.
III-A-22.2(k)	UGI Central Gas Control, LLC	June 14, 2017 – September 30, 2020	A-2016-2540640	Application of UGI Utilities, Inc. –Gas Division for Approval of the Transfer of Certain Facilities Used for Gas Control Activities to UGI Central Gas Control, LLC

UGI Utilities, Inc. - Gas Division  
Charges Imposed by Parent, Affiliate and  
Subsidiary Companies  
(*\$s in Thousands*)

	<u>2018</u>		<u>2019</u>
<b><i>UGI Corporation</i></b>			
Allocated Expenses	\$ 12,830	\$	12,451
Invoices paid by UGI Corp	6,391		6,723
Stock Compensation	1,269		1,847
Total	\$ 20,491	\$	21,021
 <b><i>AmeriGas Propane, Inc.</i></b>			
Propane purchases	\$ 592	\$	581
Total	\$ 592	\$	581
 <b><i>UGI Energy Services, LLC</i></b>			
Gas Purchases	\$ 228,390	\$	237,195
Total	\$ 228,390	\$	237,195
 <b><i>UGI HVAC Services, Inc.</i></b>			
General Maintenance and Repairs	\$ 410	\$	565
Total	\$ 410	\$	565



UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
UGI GAS 2020 BASE RATE CASE  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2020

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III-A-23

Request:

Describe costs relative to leasing equipment, computer rentals, and office space, including terms and conditions of the lease. State method for calculating monthly or annual payments.

Response:

Please see Attachment III-A-23.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Costs Relative to Leasing Equipment, Computer Rental and Office Space  
12 Months Ended 9/30/19  
(000's)

	<u>Annual Expenses</u>	<u>Method of Computing Payment</u>	<u>Terms of Lease or Rental Agreement</u>
Building	\$ 640	Monthly payments per lease or rental agreements. Percentage applied from Modified Wisconsin Formula for leases of shared properties.	2009 - 2023
IS/Computer Equipment	770	Monthly payments per lease or rental agreements. Percentage applied from Modified Wisconsin Formula for leases of shared properties.	2012 - 2023
Motor Vehicle	<u>3,919</u>	Monthly payments per lease or rental agreements.	2013 - 2023
Total	<u><u>\$ 5,329</u></u>		

UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
UGI GAS 2020 BASE RATE CASE  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2020

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III-A-24

Request:

Submit detailed calculations (or best estimates) of the cost resulting from major storm damage.

Response:

No major storm damages have been recorded in the last five fiscal years. Accordingly, no damages are included in the future or fully projected future test year claims.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
UGI GAS 2020 BASE RATE CASE  
Responses to Section 53.53 - III-A - Balance Sheet and Operating Statement  
Delivered on January 28, 2020

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III-A-25

Request:

Submit details of expenditures for advertising (National and Institutional and Local media). Provide a schedule of advertising expense by major media categories for the test year and the prior two comparable years with respect to:

- a. Public health and safety
- b. Conservation of energy
- c. Explanation of Billing Practices, Rates, etc.
- d. Provision of factual and objective data programs in educational institutions
- e. Other advertising programs
- f. Total advertising expense

Response:

Please see Attachment III-A-25.

Prepared by or under the supervision of: Vivian K. Ressler

UGI UTILITIES, INC. - GAS DIVISION  
ADVERTISING EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2018 THROUGH 2021  
(in US Dollars)

		FY2018	FY2019	FY2020	FY2021
Public Health & Safety	Print/Digital	\$ 108,263	\$ 146,131	\$ 14,400	\$ 58,541
Public Health & Safety	Radio	\$ -	\$ -	\$ -	\$ -
Public Health & Safety	TV	\$ -	\$ -	\$ -	\$ -
Public Health & Safety	Bill Insert	\$ 2,204	\$ 196,628	\$ -	\$ -
Public Health & Safety	Other*	\$ 2,315	\$ 5,175	\$ 17,100	\$ 29,497
Conservation of Energy	Print/Digital	\$ 1,114,846	\$ 533,344	\$ 1,769,360	\$ 1,520,679
Conservation of Energy	Radio	\$ 2,915	\$ -	\$ -	\$ -
Conservation of Energy	TV	\$ -	\$ -	\$ -	\$ -
Conservation of Energy	Bill Insert	\$ 28,584	\$ 25,853	\$ 64,008	\$ 64,008
Conservation of Energy	Other*	\$ -	\$ -	\$ -	\$ -
Explanation of Bill Practices, Rates, Etc.	Print/Digital	\$ 5,891	\$ 118,424	\$ 16,500	\$ 16,500
Explanation of Bill Practices, Rates, Etc.	Radio	\$ -	\$ -	\$ -	\$ -
Explanation of Bill Practices, Rates, Etc.	TV	\$ -	\$ -	\$ -	\$ -
Explanation of Bill Practices, Rates, Etc.	Bill Insert	\$ -	\$ 118	\$ -	\$ -
Explanation of Bill Practices, Rates, Etc.	Other*	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	Print/Digital	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	Radio	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	TV	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	Bill Insert	\$ -	\$ -	\$ -	\$ -
Data Programs in Educational Institutions	Other*	\$ -	\$ -	\$ -	\$ -
Other Advertising Programs	Print/Digital	\$ 337,434	\$ 203,711	\$ 426,667	\$ 437,918
Other Advertising Programs	Radio	\$ 31,992	\$ 47,766	\$ 7,180	\$ 7,180
Other Advertising Programs	TV	\$ 11,958	\$ 16,332	\$ -	\$ -
Other Advertising Programs	Bill Insert	\$ -	\$ -	\$ -	\$ -
Other Advertising Programs	Other*	\$ 805,308	\$ 868,412	\$ 1,401,924	\$ 1,504,560
<b>SUMMARY BY MEDIA</b>					
Total Advertising Expenses	Print/Digital	\$ 1,566,435	\$ 1,001,610	\$ 2,226,927	\$ 2,033,638
Total Advertising Expenses	Radio	\$ 34,907	\$ 47,766	\$ 7,180	\$ 7,180
Total Advertising Expenses	TV	\$ 11,958	\$ 16,332	\$ -	\$ -
Total Advertising Expenses	Bill Insert	\$ 30,788	\$ 222,599	\$ 64,008	\$ 64,008
Total Advertising Expenses	Other*	\$ 807,623	\$ 873,587	\$ 1,419,023	\$ 1,534,057
<b>SUMMARY BY CATEGORY</b>					
Public Health & Safety	All	\$ 112,783	\$ 347,933	\$ 31,500	\$ 88,039
Conservation of Energy	All	\$ 1,146,346	\$ 559,197	\$ 1,833,368	\$ 1,584,687
Explanation of Bill Practices, Rates, Etc.	All	\$ 5,891	\$ 118,541	\$ 16,500	\$ 16,500
Data Programs in Educational Institutions	All	\$ -	\$ -	\$ -	\$ -
Other Advertising Programs	All	\$ 1,186,692	\$ 1,136,221	\$ 1,835,771	\$ 1,949,658
<b>TOTAL</b>		\$ 2,451,712	\$ 2,161,893	\$ 3,717,139	\$ 3,638,884

\* Other advertising includes other mass media, website and branded giveaways.

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III-A-26

Request:

Provide a list of reports, data, or statements requested by and submitted to the Commission during and subsequent to the test year.

Response:

Please see Attachment III-A-26.

Prepared by or under the supervision of: Christopher R. Brown

## UGI Utilities, Inc. – Gas Division

List of reports, data or statements requested by and submitted to the Commission during and subsequent to the test year.

- Test Year Plant Reporting Obligation in accordance with Final Order Paragraph #8 at Docket No. R-2018-3006814, Entered on October 4, 2019.
- PUC Annual Report
- Universal Service Program Reconciliations
- Section 1307(f) Purchased Gas Cost Filings – Book I & II
- Annual Purchase Gas Cost Compliance Filing
- Annual Gas Rate Comparison Report
- Integrated Resource Planning Report
- Quarterly Purchase Gas Cost Report
- Gas Switching Report/Choice Switching Report
- Annual Report on Unaccounted For Gas
- Residential and Commercial Price-to-Compare Report
- Quarterly Financial and Statistical Report
- P.U.C. Regulatory Assessment on Gross Receipts
- Informal compliant replies
- 52 PA Code 56.231 – Collection Results for Residential and Small Commercial Customers
- Quality of Service – Benchmark and Standards Report - including Metrix/Matrix
- PA Code 58.15 LIURP annual program evaluation report and Spending and Budget report
- 52 PA Code 62.6 - Universal Service Impact Evaluation
- Annual Conservation Plan – Status of Existing Conservation Activities
- 52 PA Code 56.100 (4) and 56.100 (5) – Cold Weather Survey of premises where heat related service is terminated during the year and resurvey of prior year’s account not restored.
- Customer Assistance Program (CAP) Report
- Section 1410.1(4) – Medical Certificates and renewals submitted and accepted by the Company
- Section 1410.1(3) – Accounts Exceeding \$10,000 in Arrearages
- Quarterly Rate of Return Filing
- Annual Depreciation Report
- Public Utility Security Planning & Readiness Self-Certification Form
- Gas Supply and Demand Report
- Payment Agreement Report
- Gas Delivery Enhancement Rider Rate Filing

## UGI Utilities, Inc. – Gas Division

List of reports, data or statements requested by and submitted to the Commission during and subsequent to the test year.

- Annual Statistical Report
- Natural Gas Utility Update Report
- GET Gas Annual Report
- Long Term Infrastructure Improvement Plan
- Annual Asset Optimization Plan
- Annual DOT Reports
- Meter Test Reports
- Major Construction Reports (over \$300K)
- Winter Reliability Data Request
- Annual Diversity Report
- Quality of Service Transaction Survey
- Bi-Annual LIURP Report
- Annual Hardship Fund Report
- State Tax Adjustment Surcharge Filing
- Universal Service Surcharge Filing
- USP Impact Evaluation
- Annual Conservation Plan - IRP - Status of Existing Conservation Activities
- LIHEAP Leveraging
- CAP Collaboratives
- CAP Credit Report
- Distribution System Improvement Charge (DSIC)
- Combined Heat and Power (CHP) Report
- EE&C Annual Rate Filing
- EE&C Annual Over/Under Reconciliation
- Annual Report – Natural and Other Gas Transmission and Gathering Systems
- Transmission Integrity Management Notifications
- Cast Iron and Bare Steel Status Report
- Safety Related Condition Report
- Incident Report – Gas Distribution/Transmission Systems
- Distribution System - Mechanical Fitting Failure Reports
- Supply Regulatory Inventory
- Low-Income Usage Reduction Program Year-end Status Report



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III-A-27

Request:

Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for by the Company and the cost thereof.

Response:

None are being claimed.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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III-A-28

Request:

Submit a schedule showing, by major components, the expenditures associated with Outside Services Employed, Regulatory Commission Expenses and Miscellaneous General Expenses, for the test year and prior two comparable years.

Response:

Please see Attachment III-A-28.1 for account 930.2 - Miscellaneous General Expenses.

Please see Attachment III-A-28.2 for account 923 - Outside Services Employed.

Please see Attachment III-A-28.3 for account 928 - Regulatory Commission Expenses.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Schedule of Account 930.2 - Miscellaneous General Expenses  
For the Fiscal Years Ending September 30, 2017 through 2021

<u>Expenditure Type (in Thousands)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
ASSOCIATION DUES	785	840	791	1,023	1,048
EMPLOYEE BENEFIT SERVICES	213	124	124	223	200
HEADQUARTERS & OFFICES	191	509	504	518	518
EMPLOYEE BUSINESS & OTHER EXPENSES	1,839	2,428	2,890	2,926	2,661
<b>GRAND TOTAL</b>	<b><u>3,029</u></b>	<b><u>3,901</u></b>	<b><u>4,310</u></b>	<b><u>4,689</u></b>	<b><u>4,427</u></b>

UGI Utilities, Inc. - Gas Division  
Schedule of Account 923 - Outside Services Employed  
For the Fiscal Years Ending September 30, 2017 through 2021

<u>Expenditure Type (in Thousands)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
ADVERTISING/PUBLIC RELATIONS	145	178	183	333	242
AUDIT	1,560	859	1,143	965	965
ENVIRONMENTAL	249	280	939	1,495	1,495
IS CONSULTING SERVICES	49	678	851	607	67
LEGAL & OTHER PROFESSIONAL SERVICES	3,068	2,121	2,365	2,578	2,476
CORPORATE ALLOCATIONS	10,971	12,830	12,451	14,024	14,072
MISCELLANEOUS	445	937	3,195	1,060	1,160
GRAND TOTAL	<u>16,487</u>	<u>17,882</u>	<u>21,128</u>	<u>21,063</u>	<u>20,477</u>

UGI Utilities, Inc. - Gas Division  
Schedule of Account 928 - Regulatory Commission Expenses  
For the Fiscal Years Ending September 30, 2017 through 2021

<u>Expenditure Type (in Thousands)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Rate Case Amortization	677	764	232	600	600
GRAND TOTAL	<u>677</u>	<u>764</u>	<u>232</u>	<u>600</u>	<u>600</u>

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III-A-29

Request:

Submit details of information covering research and development expenditures, including major projects within the company and forecasted company programs.

Response:

UGI Gas did not have any research and development expenditures in the last five years and does not claim any expenditures in the historic, future, or fully projected future test years.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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III-A-30

Request:

Provide a detailed schedule of all charitable and civic contributions by recipient and amount for the test year.

Response:

Please see Attachment III-A-30 for a schedule of all charitable and civic contributions made for UGI Gas. No claim is being made for charitable and civic contributions.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division**  
**Schedule of Charitable and Civic Contributions**  
**For The Year Ended September 30, 2019**

<u>Organization Name</u>	<u>2019</u>
AMERICAN RED CROSS	\$ 200,000
READING IS FUNDAMENTAL INC	166,333
UNITED WAY OF BERKS COUNTY	115,000
THE SPARKS FOUNDATION	72,500
UNITED WAY OF WYOMING VALLEY	52,300
THADDEUS STEVENS FOUNDATION	50,000
WILKES UNIVERSITY	37,950
THE SALVATION ARMY	36,000
UNITED WAY OF LACKAWANNA & WAYNE COUNTY	34,200
LEHIGH CARBON COMMUNITY COLLEGE FOUNDATION	30,000
THE PENNSYLVANIA STATE UNIVERSITY	27,500
BRIDGE EDUCATIONAL FOUNDATION	26,111
LANCASTER COUNTY CAREER & TECHNOLOGY FOUNDATION	25,000
PENNSYLVANIA COLLEGE OF TECHNOLOGY FOUNDATION	25,000
THE JANUS SCHOOL	25,000
UNITED WAY OF GREATER LEHIGH VALLEY	20,500
BLUE ROCK REGIONAL FIRE DISTRICT	20,000
DA VINCI DISC CNTR OF SCIENCE & TECHNOLOGY	20,000
READING SALVATION ARMY	16,940
SCRANTON SALVATION ARMY	16,720
HARRISBURG SALVATION ARMY	16,170
JUNIOR ACHIEVEMENT OF NORTH EAST PENNSYLVANIA	15,600
UNITED WAY OF THE CAPITAL REGION	15,500
COMMISSION ON ECONOMIC OPPORTUNITY-PNG	15,400
COMMUNITIES IN SCHOOLS OF THE LEHIGH VALLEY	15,000
FOUNDATION OF THE COLUMBIA MONTOUR	15,000
KIDSPEACE CORP	15,000
LANCASTER SCIENCE FACTORY	15,000
THE CHALLENGE PROGRAM INC	15,000
WORLD AFFAIRS COUNCIL OF PHILADELPHIA	15,000
COMMUNITY ACTION PARTNERSHIP OF LANCASTER	14,630
GIRL SCOUTS IN THE HEART OF PENNSYLVANIA	12,500
BERKS COUNTY CHAMBER FOUNDATION	12,000
ALLENTOWN SALVATION ARMY	11,550
GREATER SUSQUEHANNA VALLEY UNITED WAY	10,650
UNITED WAY OF LANCASTER COUNTY	10,300
CAMP CURTIN YMCA	10,000
COCALICO EDUCATION FOUNDATION	10,000
EPHRATA PUBLIC LIBRARY	10,000
LANCASTER CITY ALLIANCE	10,000
LUZERNE COUNTY COMMUNITY COLLEGE FOUNDATION	10,000
PENNSYLVANIA SPCA	10,000
SKILLSUSA COUNCIL	10,000
SOLANCO EDUCATION FOUNDATION	10,000
SPANISH AMERICAN CIVIC ASSOCIATION	10,000
MISCELLANEOUS CONTRIBUTIONS UNDER \$10,000	351,448
<b>Total</b>	<b><u>1,682,802</u></b>



UGI Utilities, Inc. - Gas Division  
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III-A-31

Request:

Provide a detailed analysis of Special Services--Account 795.

Response:

Gas account 795001 has no activity.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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III-A-32

Request:

Provide a detailed analysis of Miscellaneous General Expense--Account No. 801.

Response:

UGI Gas does not and has not recorded activity to account 801 for the last five fiscal years. UGI Gas does, however, capture Miscellaneous General Expense under account 930.2. For an analysis of that account's activity, please refer to the response to III-A-28.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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III-A-33

Request:

Provide a labor productivity schedule.

Response:

Please see Attachment III-A-33.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
Labor Productivity Schedule  
For Fiscal Years 2019 - 2021

	Actual FY-2019	Estimate FY-2020	Estimate FY-2021
<b>Sales (Mcf)</b>	293,763,099	333,800,837	335,560,651
<b>Number of Employees</b>	1,629	1,791	1,804
<b>Number of Hours Worked</b>	3,388,320	3,725,426	3,752,466
<b>Miles of Main- Total</b>	12,353	12,405	12,458
Miles of Main-Distribution	12,045	12,095	12,145
Miles of Main- Transmission	308	310	313
<b>Number of Customers</b>	654,416	660,922	670,235
<b>Mcf Sales per Employee</b>	180,333	186,377	186,009
Per Hours Worked	87	90	89
<b>Miles of Main per Employee-Total</b>	8	7	7
Miles of Main per Employee-Distribution	7	7	7
Miles of Main per Employee- Transmission	0	0	0
<b>Customers per Employee</b>	402	369	372

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III-A-34

Request:

List and explain all non-recurring abnormal or extraordinary expenses incurred in the test year which will not be present in future years.

Response:

The Company does not have any non-recurring abnormal or extraordinary expenses in its claim.

Prepared by or under the supervision of: Stephen F. Anzaldo

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III-A-35

Request:

List and explain all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years. (e.g.--Non-yearly maintenance programs, etc.)

[Responses shall be submitted and identified as exhibits.]

Response:

For adjustments to operating expenses, please see UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Section D and the Direct Testimony of Stephen F. Anzaldo, UGI Gas Statement No. 2, and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
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III-A-36

Request:

Using the adjusted year's expenses under present rates as a base, give detail necessary for clarification of all expense adjustments. Give clarifying detail for any such adjustments that occur due to changes in accounting procedure, such as charging a particular expense to a different account than was used previously. Explain any extraordinary declines in expense due to such change of account use.

Response:

For adjustments to operating expenses, please see UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Section D and the Direct Testimony of Stephen F. Anzaldo, UGI Gas Statement No. 2, and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Stephen F. Anzaldo

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III-A-37

Request:

Indicate the expenses that are recorded in the test year, which are due to the placement in operating service of major plant additions or the removal of major plant from operating service, and estimate the expense that will be incurred on a full-year's operation.

Response:

For a presentation of the major plant additions, cost of removal and plant retirements, refer to Schedules C-2 and C-3 in the UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected). For a presentation of depreciation expense, please refer to Schedule D-21.

Prepared by or under the supervision of: Vivian K. Ressler



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III-A-38

Request:

Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures.

Response:

New Accounting Standards Adopted Effective October 1, 2019:

**Derivatives and Hedging.** In August 2017, the FASB issued ASU No. 2017-12, "Targeted Improvements to Accounting for Hedging Activities." This ASU amends and simplifies existing guidance to allow companies to more accurately present the economic effects of risk management activities in the financial statements. The amendments in this ASU are effective for the Company for interim and annual periods beginning October 1, 2019 (Fiscal 2020). For cash flow and net investment hedges as of the adoption date, the guidance requires a modified retrospective approach. The amended presentation and disclosure guidance is required prospectively. The Company adopted the new guidance effective October 1, 2019. We do not expect the adoption to have a material impact on the Company's financial statements.

**Leases.** In February 2016, the FASB issued ASU No. 2016-02, "Leases." This ASU, as subsequently updated, amends existing guidance to require entities that lease assets to recognize the assets and liabilities for the rights and obligations created by those leases on the balance sheet. The new guidance also requires additional disclosures about the amount, timing and uncertainty of cash flows from leases. The amendments in this ASU are effective for the Company for interim and annual periods beginning October 1, 2019 (Fiscal 2020). Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements unless an entity chooses the transition option in ASU 2018-11, "Leases: Targeted Improvements" which, among other things, provides entities with a transition option to recognize the cumulative-effect adjustment from the modified retrospective application to the opening balance of retained earnings in the period of adoption.

We adopted this ASU, as updated, effective October 1, 2019, using the transition method which allows the Company to maintain historical presentation for periods before October 1, 2019. The Company elected to apply the following practical expedients:

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III-A-38 (Continued)

- Short-term leases: We have excluded short-term leases (term of 12 months or less) from balance sheet presentation.
- Easements: We did not re-evaluate existing land easements that were not previously accounted for as leases.
- Other: We did not reassess the classification of expired or existing contracts or determine whether they are or contain a lease. We also did not reassess whether initial direct costs qualify for capitalization under this new guidance.

We enhanced controls and processes and implemented a new lease system that will enable the accumulation and presentation of financial information as required by the new standard. We do not expect the adoption to have a material impact on the Company's financial statements.

Accounting Standard Not Yet Adopted:

Credit Losses. In June 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments." This ASU requires entities to estimate lifetime expected credit losses for financial instruments not measured at fair value through net income, including trade and other receivables, net investments in leases, financial receivables, debt securities, and other financial instruments, which may result in earlier recognition of credit losses. Further, the new current expected credit loss model may affect how entities estimate their allowance for loss for receivables that are current with respect to their payment terms. ASU 2016-13 is effective for the Company for interim and annual periods beginning October 1, 2020 (Fiscal 2021). Early adoption is permitted. The Company is in the process of assessing the impact on its financial statements from the adoption of the new guidance and determining the period in which the new guidance will be adopted.

Prepared by or under the supervision of: Vivian K. Ressler

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III-A-39

Request:

Identify the specific witness for all statements and schedules of revenues, expenses, taxes, property, valuation, etc.

Response:

Please see the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1, for a complete list of witnesses and areas of responsibility. The primary witness for each statement and schedule is identified on the specific document.

Prepared by or under the supervision of: Christopher R. Brown

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III-A-40

Request:

Adjustments which are estimated shall be fully supported by basic information reasonably necessary.

Response:

Adjustments are fully supported in UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Sections C and D, as well as the Direct Testimony of UGI Gas Statement Nos. 1 through 10.

Prepared by or under the supervision of: Stephen F. Anzaldo

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III-A-41

Request:

Submit a statement explaining the derivation of the amounts used for projecting future test year level of operations and submit appropriate schedules supporting the projected test year level of operations.

Response:

The schedules shown in UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Section D, reflect this information and are the supporting detail for the Fully Projected Future Test Year for the period ending September 30, 2021. Please see the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1, the Direct Testimony of Stephen F. Anzaldo, UGI Gas Statement No. 2, and the Direct Testimony of Vivian K. Ressler, UGI Gas Statement No. 3.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
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III-A-42

Request:

If a company has separate operating divisions, an income statement must be shown for each division, plus an income statement for company as a whole.

Response:

Please refer to Attachment III-A-42 for the requested information.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
Statement of Operations - by Division  
For Year Ended September 30, 2019  
(thousands of dollars)

	UGI Utilities, Inc. Total	UGI Utilities, Inc. Electric	UGI Utilities, Inc. Gas
Operating Revenues:			
Revenues from Sales of Gas / Electric	\$ 922,127	\$ 86,692	\$ 835,435
(1) Other Operating Revenues	9,783	8,804	979
Total Operating Revenues	931,909	95,496	836,413
Operating Expenses:			
Cost of Sales	381,106	52,149	328,957
Storage, Transmission, & Other Production	4,031	975	3,056
Distribution	79,657	9,146	70,511
Customer Accounts	41,262	2,829	38,433
Customer Service and Information	455	(139)	594
Sales	1,916	72	1,843
Administrative and General	104,273	6,559	97,714
Depreciation & Amortization	92,628	5,948	86,680
Taxes, Other than Income Taxes	15,791	5,246	10,545
Total Operating Expenses	721,119	82,787	638,332
Operating Income	210,791	12,709	198,082
Other Income	2,060	79	1,981
Earnings Before Interest and Taxes	208,731	12,631	196,100
Interest Expense	48,730	2,659	46,071
Earnings Before Taxes	160,001	9,972	150,029
Income Taxes	42,841	2,181	40,661
Net Income	\$ 117,159	\$ 7,791	\$ 109,368

(1) Other operating revenues includes a surcharge associated with the Tax Cuts and Jobs Act.

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III-A-43

Request:

If a company's business extends into different states or jurisdictions, then statements must be shown listing Pennsylvania jurisdictional data, other state data and federal data separately and jointly (Balance sheets and operating accounts).

Response:

Please see Attachment III-A-43.1 for the Balance Sheet by state and Attachment III-A-43.2 for the Operating Statement by state.

Additionally, the Carverton Road gate station connects the Auburn II line to the Transco interstate pipeline. In late December 2013, a FERC 63 certificate was issued to PNG (now the North Rate District).

Amounts for the year ended September 30, 2019 are as follows:

Account No.

146404	UGI ENERGY SERVICES A/R - CARVERTON ROAD	\$86,324
489026	OTHER REVENUE - CARVERTON ROAD (FERC ORDER 63)	\$1,035,888

Prepared by or under the supervision of: Vivian K. Ressler



UGI UTILITIES, INC. - GAS DIVISION  
BALANCE SHEET BY STATE JURISDICTION AT  
SEPTEMBER 30, 2019  
(thousands of dollars)

	<u>Total Company</u>	<u>Pennsylvania Jurisdiction</u>	<u>Maryland Jurisdiction</u>
ASSETS AND OTHER DEBITS			
UTILITY PLANT	\$ 2,841,358	\$ 2,839,994	\$ 1,364
OTHER PROPERTY INVESTMENTS	314	314	0
CURRENT AND ACCRUED ASSETS	137,020	136,954	66
DEFERRED DEBITS	661,326	661,008	317
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 3,640,018</u>	<u>\$ 3,638,271</u>	<u>\$ 1,747</u>
LIABILITIES & OTHER CREDITS			
PROPRIETARY CAPITAL	1,003,772	1,003,291	482
LONG TERM DEBT	972,813	972,346	467
OTHER NON-CURRENT LIABILITIES	200,187	200,091	96
CURRENT & ACCRUED LIABILITIES	415,961	415,762	200
OTHER DEFERRED CREDITS	1,047,285	1,046,782	503
TOTAL LIABILITIES & OTHER CREDITS	<u>\$ 3,640,018</u>	<u>\$ 3,638,271</u>	<u>\$ 1,747</u>

UGI Utilities, Inc. - Gas Division  
Statement of Operations - by Division  
For Year Ended September 30, 2019  
*(thousands of dollars)*

	Total Company	Pennsylvania Jurisdiction	Maryland Jurisdiction
<b>Operating Revenues:</b>			
Revenues from Sales of Gas	\$ 835,435	\$ 834,843	\$ 592
Other Operating Revenues	979	978	0
<b>Total Operating Revenues</b>	<b>836,413</b>	<b>835,821</b>	<b>592</b>
<b>Operating Expenses:</b>			
Cost of Sales	328,957	328,621	336
Storage, Transmission, & Other Production	3,056	3,054	1
Distribution	70,511	70,477	34
Customer Accounts	38,433	38,414	18
Customer Service and Information	594	593	0
Sales	1,843	1,843	1
Administrative and General	97,714	97,667	47
Depreciation & Amortization	86,680	86,638	42
Taxes, Other than Income Taxes	10,545	10,540	5
<b>Total Operating Expenses</b>	<b>638,332</b>	<b>637,847</b>	<b>485</b>
<b>Operating Income</b>	<b>198,082</b>	<b>197,974</b>	<b>108</b>
<b>Other Income</b>	<b>1,981</b>	<b>1,980</b>	<b>1</b>
<b>Earnings Before Interest and Taxes</b>	<b>196,100</b>	<b>195,993</b>	<b>107</b>
<b>Interest Expense</b>	<b>46,071</b>	<b>46,049</b>	<b>22</b>
<b>Earnings Before Taxes</b>	<b>150,029</b>	<b>149,944</b>	<b>85</b>
<b>Income Taxes</b>	<b>40,661</b>	<b>40,641</b>	<b>20</b>
<b>Net Income</b>	<b>\$ 109,368</b>	<b>\$ 109,303</b>	<b>\$ 65</b>

UGI Utilities, Inc. - Gas Division  
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III-A-44

Request:

Ratios, percentages, allocations and averages used in adjustments must be fully supported and identified as to source.

Response:

Ratios, percentages, allocations and averages, where utilized, are detailed in the supporting adjustments to revenue and expenses set forth in UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Section D. Please also refer to the Direct Testimony of UGI Gas Statement Nos. 1 through 10.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
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III-A-45

Request:

Provide an explanation of any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate case.

Response:

There have been no changes to the allocation methodology.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
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III-A-46

Request:

Supply a copy of internal and independent audit reports of the test year and prior calendar year, noting any exceptions and recommendations and disposition thereof.

Response:

Please see Attachment III-A-46 for the list of audit reports for the test year and prior year. The information contained in these reports is deemed confidential. Any party to the proceeding requiring access to these reports will be afforded the opportunity upon request, subject to the provisions of a Confidentiality Agreement to be entered into between such party and the Company pursuant to a Protective Order.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division  
Listing of Audit Reports**

<b>Entity</b>	<b>Audit Report Name</b>	<b>Auditor</b>	<b>Audit Year</b>	<b>Date Issued</b>
UGI Utilities, Inc.	Audited Financial Statements for UGI Utilities, Inc.	Ernst & Young, LLP	FY 2019 & 2018	11/26/2019
UGI Utilities, Inc.	Natural Gas SCADA	Internal Audit	FY 2019	11/4/2019
UGI Utilities, Inc.	Safety Workforce and Facilities	Internal Audit	FY 2019	9/11/2019
UGI Utilities, Inc.	UGI Utilities - ERM Controls Testing - Memo	Internal Audit	FY 2019	9/6/2019
UGI Utilities, Inc.	UGI Utilities Materials & Supplies Audit	Internal Audit	FY 2019	9/4/2019
UGI Utilities, Inc.	Order To Cash Electric Revenue Audit	Internal Audit	FY 2019	9/4/2019
UGI Utilities, Inc.	Business Continuity Plan and Disaster Recovery	Internal Audit	FY 2019	8/26/2019
UGI Utilities, Inc.	Vulnerability Assessment Audit	Internal Audit	FY 2019	7/1/2019
UGI Utilities, Inc.	IT Infrastructure Audit - Utilities	Internal Audit	FY 2019	6/3/2019
UGI Utilities, Inc.	2019 Hedging - Commodity Policy Audit	Internal Audit	FY 2019	3/29/2019
UGI Utilities, Inc.	Utilities 2018 - FERC Gas Transactions AUP	Internal Audit	FY 2019	11/5/2018
UGI Utilities, Inc.	3rd Party Vendor	Internal Audit	FY 2019	10/8/2018
UGI Utilities, Inc.	Safety KRI Validation - Memo	Internal Audit	FY 2018	6/28/2018
UGI Utilities, Inc.	Supply Review	Internal Audit	FY 2018	4/30/2018
UGI Utilities, Inc.	QRadar Cyber Security Monitoring	Internal Audit	FY 2018	4/16/2018
UGI Utilities, Inc.	SOX Efficiency Agreed Upon Procedures Review	Internal Audit	FY 2018	2/13/2018
UGI Utilities, Inc.	Loans to Officers & TE Testing	Internal Audit	FY 2018	11/2/2017
UGI Utilities, Inc.	UGI Utilities - Capital Approval Policy Process Review	Internal Audit	FY 2018	11/1/2017

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III-A-47

Request:

Submit a schedule showing rate of return on facilities allocated to serve wholesale customers.

Response:

There are no facilities allocated for the provision to serve wholesale customers.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
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III-A-48

Request:

Provide a copy of the latest capital stock tax report and the latest capital stock tax settlement.

Response:

Not applicable. The PA Capital Stock tax was eliminated for tax years beginning January 1, 2016. Last filed PA Capital Stock tax return was for tax year ending 9/30/2016.

Effective for all determinations of corporate tax liability after December 31, 2007, Pennsylvania Act 119 replaced the corporate tax settlement process with an assessment and reassessment process, beginning January 1, 2008. Under this new system, the Department is no longer required to settle every tax return. Instead, corporate tax returns are considered accepted as filed unless the return is selected for review or audit. As of the date of this rate case filing, we have neither been selected for review or audit nor received correspondence from the Pennsylvania Department of Revenue indicating a change to capital stock tax.

Prepared by or under the supervision of: Nicole M. McKinney



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III-A-49

Request:

Submit details of calculations for Taxes, Other than Income where a company is assessed taxes for doing business in another state, or on its property located in another state.

Response:

Details of Taxes, Other Than Income where UGI Gas is assessed taxes for doing business in another state, or on its property in another state for the period ended September 30, 2019 are listed below:

1.	Treasurer of Frederick County:	\$28,652
2.	State of Maryland:	\$ 8,800
3.	Public Service Commission of Maryland:	\$ 1,327
4.	Delaware Secretary of State:	\$ 600
	Total:	\$39,379

Prepared by or under the supervision of: Nicole M. McKinney

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III-A-50

Request:

Provide a schedule of federal and Pennsylvania taxes, other than income taxes, calculated on the basis of test year per books, pro forma at present rates, and pro forma at proposed rates, to include the following categories:

- a. social security
- b. unemployment
- c. capital stock
- d. public utility realty
- e. P.U.C. assessment
- f. other property
- g. any other appropriate categories

Response:

Refer to UGI Gas Exhibit A, Schedules D-31 and D-32 for the Historic, Future, and Fully Projected Future test years.

Prepared by or under the supervision of: Nicole M. McKinney

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III-A-51

Request:

Submit a schedule showing for the last five years the income tax refunds, plus interest (net of taxes), received from the federal government due to prior years' claims.

Response:

None.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-52

Request:

Provide detailed computations showing the deferred income taxes derived by using accelerated tax depreciation applicable to post-1969 utility property increases productive capacity, and ADR rates on property. (Separate between state and federal; also, rate used)

- a. State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
- b. Reconcile any difference between the deferred tax balance, as shown as a reduction to measures of value (rate base), and the deferred tax balance as shown on the balance sheet.

Response:

See Schedules D-33 and D-34 in Exhibit A (Historic), Exhibit A (Future), and Exhibit A (Fully Projected) for the computation of federal and state deferred income taxes.

- a. Tax depreciation subject to normalization is based on depreciable property as of the end of the test year. Further, tax depreciation is annualized as of the end of the test year period.
- b. The accumulated deferred tax balance, as shown as a reduction to measures of value, represents the annualized balance based on the plant in service included in the measures of value, and then pro-rated according to the normalization rules under Treasury Regulation 1.167(l)-1(h)(6)(ii). The balance sheet represents the budgeted balance.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-53

Request:

Submit a schedule showing a breakdown of the deferred income taxes by state and federal per books, pro-forma existing rates, and under proposed rates.

Response:

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule D-33.

Prepared by or under the supervision of: Nicole M. McKinney

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III-A-54

Request:

Submit a schedule showing a breakdown of accumulated investment tax credits (3 percent, 4 percent, 7 percent, 10 percent and 11 percent), together with details of methods used to write-off the unamortized balances.

Response:

As of fiscal year ended September 30, 2019, the amount of UGI Gas' accumulated 3% investment tax credit was \$2,312,989.

This investment credit is amortized on a straight-line basis. The annual amortization of the credit is \$318,420.

Prepared by or under the supervision of: Nicole M. McKinney

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III-A-55

Request:

Submit a schedule showing the adjustments for taxable net income per books (including below-the-line items) and pro-forma under existing rates, together with an explanation of any difference between the adjustments. Indicate charitable donations and contributions in the tax calculation for rate making purposes.

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future) and UGI Gas Exhibit A (Fully Projected), Schedules A-1, D-1, D-33 and D-34. For ratemaking purposes, charitable donations and contributions are not being claimed and are excluded from test year data.

Prepared by or under the supervision of: Nicole M. McKinney

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III-A-56

Request:

Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

Response:

Please see Attachment III-A-56.

UGI Gas has established nexus for income tax purposes in other states due to having storage inventory in those states. Because of having nexus with those states, it files tax returns with income allocated to those states. Attachment III-A-56 reflects that allocation of taxable income.

Prepared by or under the supervision of: Nicole M. McKinney



**UGI Utilities, Inc. - Gas Division**  
**Allocation of Income to Other States, Other Operating Divisions, & Non-Utility Operations**  
**Historic Test Year - 9/30/19**  
**In Thousands (000)**

	(1) As Filed	(2) PA	(3) Non-PA
Revenue	956,554	947,342	9,212
Operating Expenses	(311,269)	(308,271)	(2,998)
Depr & Amort	(86,680)	(85,845)	(835)
Taxes Other Than Income	(3,264)	(3,233)	(31)
Total Operating Expenses	<u>(401,213)</u>	<u>(397,349)</u>	<u>(3,864)</u>
Interest Expense	(46,888)	(46,436)	(452)
Book/Tax Depr Adj	<u>(153,229)</u>	<u>(151,753)</u>	<u>(1,476)</u>
Taxable Income	355,224	351,803	3,421

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III-A-57

Request:

Submit detailed calculations showing the derivation of deferred income taxes for amortization of repair allowance if such policy is followed.

[Note: Submit additional schedules if the company has more than one accounting area.]

Response:

Please See Exhibit A, Schedule D-33 (Historic); Exhibit A, Schedule D-33 (Future); and Exhibit A, Schedule D-33 (Fully Projected) for the repairs deferred income tax expense for each of the respective years.

Please see Exhibit A, Schedule C-6 (Historic); Exhibit A, Schedule C-6 (Future); and Exhibit A Schedule C-6 (Fully Projected) for the repairs accumulated deferred income tax balance for each of the respective years.

Also, see the Direct Testimony of Nicole M. McKinney, UGI Gas Statement No. 10 for an explanation of the Company's regulatory treatment of the repairs tax allowance.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-58

Request:

Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits and reserves by accounting areas.

Response:

See UGI Gas Exhibit A, Schedule C-6 (Historic) for deferred taxes relative to plant in service.

The net value of deferred taxes on items other than plant in service at fiscal year ended 9/30/2019 is \$17,459,100.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-59

Request:

Provide details of the Federal Surtax Credit allocated to the Pennsylvania jurisdictional area, if applicable.

Response:

Not applicable.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-60

Request:

Explain the reason for the use of cost of removal of any retired plant figures in the income tax calculations.

Response:

For income tax purposes, the cost of removal is deductible in the year incurred. For book purposes, the cost is amortized over 60 months.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-61

Request:

Submit the corresponding data applicable to Pennsylvania Corporate Income Tax deferral.

- a. Show the amounts of straight line tax depreciation and accelerated tax depreciation, the difference between which gave rise to the normalizing tax charged back to the test year operating statement.
- b. Show normalization for both Federal and State Income Taxes.
- c. Show tax rates used to calculate tax deferral amount.

Response:

- a. & b. Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), UGI Gas Exhibit A (Fully Projected), Schedules D-33 and D-34, which provide details of the deferred income taxes from normalized depreciation separately for Federal and State.
- c. The U.S. gross federal income tax rate is 21%, but net of the federal benefit for state taxes it becomes 18.90%. The state tax rate is 9.99%.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-62

Request:

Provide the accelerated tax depreciation and the book depreciation used to calculate test year deferrals in amounts segregated as follows:

For:

- a. Property installed prior to 1970
- b. Property installed subsequent to 1969 (indicate increasing capacity additions and nonincreasing capacity additions).

Response:

- a. There is no property installed prior to 1970 for tax purposes.
- b. Tax depreciation related to accelerated cost recovery system (ACRS) and modified accelerated cost recovery system (MACRS) is calculated on the full taxable basis and income taxes are normalized on the difference between ACRS/MACRS depreciation and book depreciation. For property installed subsequent to 1969, see Section D, Schedule D-34 within UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected).

Prepared by or under the supervision of: Nicole M. McKinney

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III-A-63

Request:

State whether all tax savings due to accelerated depreciation on property installed prior to 1970 have been passed through to income. (If not, explain).

Response:

UGI Gas has no remaining accelerated depreciation on property installed prior to 1970.

Prepared by or under the supervision of: Nicole M. McKinney



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III-A-64

Request:

Show any income tax loss/gain carryovers from previous years that may effect test year income taxes or future year income taxes. Show loss/gain carryovers by years of origin and amounts remaining by years at the end of the test year.

Response:

Not applicable.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-65

Request:

State whether the company eliminates any tax savings by the payment of actual interest on construction work in progress not in rate base claim.

If response is affirmative:

- a. Set forth amount of construction claimed in this tax savings reduction. Explain the basis for this amount.
- b. Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.
- c. State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.
- d. Provide details of calculation to determine tax saving reduction. State whether state taxes are increased to reflect the construction interest elimination.

Response:

UGI Gas does not eliminate tax savings by the payment of interest on construction work in progress.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-66

Request:

Provide a detailed analysis of Taxes Accrued per books as of the test year date. Also supply the basis for the accrual and the amount of taxes accrued monthly.

Response:

See Attachments III-A-66.1 (Historic), III-A-66.2 (Future), and III-A-66.3 (Fully Projected).

Prepared by or under the supervision of: Nicole M. McKinney

**UGI Utilities, Inc. - Gas Division**  
**Schedule of Taxes Accrued per Books - Historic Test Year**  
**Twelve Months Ended September 30, 2019**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Amount</u>	<u>Basis for Accrual of Tax</u>	<u>Amount of Tax Accrued Monthly</u>
PA Public Utility Realty Tax	(132)	Tax is based on assessed valuation of the company's taxable real property.	Monthly accrual is one twelfth of total estimated tax.
PA Unemployment Tax	242	Tax based on employer's unemployment rate multiplied by a maximum of \$10,000 per employee.	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Use Tax	7	Tax based on taxable purchases on which sales tax has not been charged at the rate of 6%.	Accrual computed monthly by applying the tax rate to applicable purchases.
Federal Unemployment Tax	40	Tax is based on the first \$7,000 earned by an employee at a taxable rate of 6%.	Accrual is computed monthly by applying the tax rate to taxable earnings.
FICA	458	Tax for OASDI is based on the first \$132,900 earned by an employee at a taxable rate of 6.2%. Tax for HI is based on all wages at a taxable rate of 1.45%	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Corporate Net Income Tax	(2,838)	Tax is based on taxable net income as defined by the Pennsylvania Department of Revenue at the current rate of 9.99%. Note, the amount reflected is negative due to cash payments exceeding accrued tax expense.	Accrual is computed monthly by applying the rate to taxable income for the month.
Federal Income Tax	(1,900)	Tax is based on taxable net income as defined by and reported to the IRS. Current rate is 21% of taxable income. Note, the amount reflected is negative due to cash payments exceeding accrued tax expense.	Accrual is computed monthly by applying the rate to taxable income for the month.
	<u>\$ (4,123)</u>		

**UGI Utilities, Inc. - Gas Division**  
**Schedule of Taxes Accrued per Books - Future Test Year**  
**Twelve Months Ended September 30, 2020**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Amount</u>	<u>Basis for Accrual of Tax</u>	<u>Amount of Tax Accrued Monthly</u>
PA Public Utility Realty Tax	0	Tax is based on assessed valuation of the company's taxable real property.	Monthly accrual is one twelfth of total estimated tax.
PA Unemployment Tax	0	Tax based on employer's unemployment rate multiplied by a maximum of \$10,000 per employee.	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Use Tax	7	Tax based on taxable purchases on which sales tax has not been charged at the rate of 6%.	Accrual computed monthly by applying the tax rate to applicable purchases.
Federal Unemployment Tax	0	Tax is based on the first \$7,000 earned by an employee at a taxable rate of 6%.	Accrual is computed monthly by applying the tax rate to taxable earnings.
FICA	0	Tax for OASDI is based on the first \$137,700 earned by an employee at a taxable rate of 6.2%. Tax for HI is based on all wages at a taxable rate of 1.45%	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Corporate Net Income Tax	0	Tax is based on taxable net income as defined by the Pennsylvania Department of Revenue at the current rate of 9.99%	Accrual is computed monthly by applying the rate to taxable income for the month.
Federal Income Tax	0	Tax is based on taxable net income as defined by and reported to the IRS. Current rate is 21% of taxable income.	Accrual is computed monthly by applying the rate to taxable income for the month.
	<u>\$ 7</u>		

**UGI Utilities, Inc. - Gas Division**  
**Schedule of Taxes Accrued per Books - Fully Projected Future Test Year**  
**Twelve Months Ended September 30, 2021**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Amount</u>	<u>Basis for Accrual of Tax</u>	<u>Amount of Tax Accrued Monthly</u>
PA Public Utility Realty Tax	0	Tax is based on assessed valuation of the company's taxable real property.	Monthly accrual is one twelfth of total estimated tax.
PA Unemployment Tax	0	Tax based on employer's unemployment rate multiplied by a maximum of \$10,000 per employee.	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Use Tax	7	Tax based on taxable purchases on which sales tax has not been charged at the rate of 6%.	Accrual computed monthly by applying the tax rate to applicable purchases.
Federal Unemployment Tax	0	Tax is based on the first \$7,000 earned by an employee at a taxable rate of 6%.	Accrual is computed monthly by applying the tax rate to taxable earnings.
FICA	0	Tax for OASDI is based on the first \$137,700 earned by an employee at a taxable rate of 6.2%. Tax for HI is based on all wages at a taxable rate of 1.45%	Accrual is computed monthly by applying the tax rate to taxable earnings.
PA Corporate Net Income Tax	0	Tax is based on taxable net income as defined by the Pennsylvania Department of Revenue at the current rate of 9.99%	Accrual is computed monthly by applying the rate to taxable income for the month.
Federal Income Tax	0	Tax is based on taxable net income as defined by and reported to the IRS. Current rate is 21% of taxable income.	Accrual is computed monthly by applying the rate to taxable income for the month.
	<u>\$ 7</u>		

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III-A-67

Request:

For the test year as recorded on test year operating statement:

- a. Supply the amount of federal income taxes actually paid.
- b. Supply the amount of the federal income tax normalizing charge to tax expense due to excess of accelerated tax depreciation over book depreciation.
- c. Supply the normalizing tax charge to federal income taxes for the 10% Job Development Credit during test year.
- d. Provide the amount of the credit of federal income taxes due to the amortization or normalizing yearly debit to the reserve for the 10% Job Development Credit.
- e. Provide the amount of the credit to federal income taxes for the normalizing of any 3% Investment Tax Credit Reserve that may remain on the utility books.

Response:

- a & b. Refer to UGI Gas Exhibit A, Schedule D-33 for the Historic, Future, and Fully Projected test years.
- c & d. None.
- e. \$318,420.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
UGI GAS 2020 BASE RATE CASE  
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III-A-68

Request:

Provide the debit and credit in the test year to the Deferred Taxes due to Accelerated Depreciation for federal income tax, and provide the debit and credit for the Job Development Credits (whatever account) for test year.

Response:

The debit and credit in the test year to the Deferred Taxes due to Accelerated Depreciation for federal income tax is as follows:

A/C #	Account Description	Debit	Credit
410XXX	Deferred Tax Expense	\$XXX,XXX	
282XXX	Accumulated Deferred Taxes		\$XXX,XXX

UGI Gas has no Job Development Credits.

Prepared by or under the supervision of: Nicole M. McKinney



UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
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III-A-69

Request:

Reconcile all data given in answers to questions on income taxes charged on the test year operating statement with regard to income taxes paid, income taxes charged because of normalization and credits due to yearly write-offs of past years' income tax deferrals, and from normalization of investment tax and development credits. (Both state and federal income taxes.)

Response:

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Section D, Schedules D-33 and D-34. UGI Gas does not have development credits.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-70

Request:

With respect to determination of income taxes, federal and state:

- a. Show income tax results of the annualizing and normalizing adjustments to the test year record before any rate increase.
- b. Show income taxes for the annualized and normalized test year.
- c. Show income tax effect of the rate increase requested.
- d. Show income taxes for the normalized and annualized test year after application of the full rate increase.

[It is imperative that continuity exists between the income tax calculations as recorded for the test year and the final income tax calculation under proposed rates. If the company has more than one accounting area, then additional separate worksheets must be provided in addition to those for total company.]

Response:

Refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Section D, Schedules D-33 and D-34.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-A-71

Request:

In adjusting the test year to an annualized year under present rates, explain any changes that may be due to book or tax depreciation change and to debits and credits to income tax expense due to accelerated depreciation, deferred taxes, job development credits, tax refunds or other items.

(The above refers only the adjustments going from recorded test year to annualized test year.)

Response:

Adjustments relative to the subject matter were made to recorded data to annualize the years' data and are based on property balances at the end of the test year to reflect a full year's expense of deferral. See the Direct Testimony of Nicole M. McKinney, UGI Gas Statement No. 10.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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Responses to Section 53.53 - III-E - Balance Sheet & Operating Statement - Gas Utilities  
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III-E-1

Request:

If Unrecovered Fuel Cost policy is implemented, provide the following:

- a. State manner in which amount of Unrecovered Fuel Cost on balance sheet at the end of the test year was determined, and the month in test year in which such fuel expense was actually incurred. Provide amount of adjustment made on the rate case operating account for test year-end unrecovered fuel cost. (If different than balance sheet amount, explain.)
- b. Provide amount of Unrecovered Fuel Cost that appeared on the balance sheet at the opening date of the test year, and the manner in which it was determined. State whether this amount is in the test year operating account.

Response:

Please see Attachment III-E-1.

Prepared by or under the supervision of: Christopher R. Brown

**UGI Utilities, Inc. - Gas Division**  
**Unrecovered Fuel Costs and Revenues**  
**For the periods ending September 30, 2020 and 2021**  
**U.S. Dollars in Thousands**

<b>Month</b>	<b>Year</b>	<b>Fuel Costs</b>	<b>Revenues</b>	<b>Under (Over) Collection</b>
October	2019	\$ 15,341	\$ 19,950	\$ (4,610)
November	2019	36,105	34,160	1,946
December	2019	47,150	50,615	(3,465)
January	2020	51,077	59,732	(8,655)
February	2020	43,842	49,413	(5,571)
March	2020	37,566	38,593	(1,028)
April	2020	15,075	21,022	(5,947)
May	2020	10,463	10,679	(216)
June	2020	7,974	5,661	2,313
July	2020	7,772	4,777	2,995
August	2020	7,819	4,977	2,842
September	2020	8,769	7,732	1,037
October	2020	13,860	18,961	(5,101)
November	2020	33,429	32,496	933
December	2020	47,150	46,939	211
January	2021	51,077	56,185	(5,108)
February	2021	43,842	46,480	(2,638)
March	2021	37,566	36,318	1,247
April	2021	15,075	19,788	(4,713)
May	2021	10,463	10,050	413
June	2021	7,974	5,317	2,657
July	2021	7,772	4,478	3,293
August	2021	7,819	4,668	3,151
September	2021	8,769	7,271	1,498
Beginning Balance as of 9/30/2019				546
Purchased Fuel Cost Adjustment				<u>(22,514)</u>
Unrecovered Purchased Fuel Cost as of 9/30/2021				<u><u>\$ (21,968)</u></u>

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III-E-2

Request:

Provide details of items and amounts comprising the accounting entries for Deferred Fuel Cost at the beginning and end of the test year.

Response:

Refer to Attachment III-E-1 for an analysis of entries made to the Deferred Fuel Cost Account during the Fully Projected Future Test Year.

Prepared by or under the supervision of: Christopher R. Brown

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III-E-3

Request:

Submit a schedule showing a reconciliation of test year MCF sales and line losses. List all amounts of gas purchased, manufactured and transported.

Response:

The data is provided below for the Historic Year.

Throughput -	293,535,841	Mcf
Company Use Gas -	332,719	Mcf
Line Loss -	1,853,356	Mcf
Total Sendout -	295,721,916	Mcf

Prepared by or under the supervision of: Christopher R. Brown

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III-E-4

Request:

Provide detailed calculations substantiating the adjustment to revenues for annualization of changes in number of customers and annualization of changes in volume sold for all customers for the test year.

- a. Break down changes in number of customers by rate schedules.
- b. If an annualization adjustment for changes in customers and changes in volume sold is not submitted, please explain.

Response:

- a. Please see the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1.
- b. Not applicable.

Prepared by or under the supervision of: Christopher R. Brown



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III-E-5

Request:

Submit a schedule showing the sources of gas supply associated with annualized MCF sales.

Response:

Please see the response to III-E-30.

Prepared by or under the supervision of: Christopher R. Brown

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III-E-6

Request:

Supply, by classification, Operating Revenues--Miscellaneous for test year.

Response:

Please refer to Attachment III-E-6 for a schedule of Operating Revenues – Miscellaneous for the years ended September 30, 2019-2021.

Prepared by or under the supervision of: Stephen F. Anzaldo

**UGI UTILITIES, INC. - GAS DIVISION  
OPERATING REVENUES - MISCELLANEOUS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019, 2020, AND 2021**

<b>Account No.</b>	<b>(000's)</b>		
	<b>Actual 12 Months 09/30/19</b>	<b>Budgeted 12 Months 09/30/20</b>	<b>Budgeted 12 Months 09/30/21</b>
487 Forefeited Discounts	\$ 5,635	\$ 5,018	\$ 5,018
488 Miscellaneous Service Revenues	\$ 1,121	\$ 924	\$ 924
493 Rent from Gas Property	\$ 2,639	\$ 308	\$ 308
495 Other Gas Revenues	\$ 66	\$ 47	\$ 47
Total	<u>\$ 9,461</u>	<u>\$ 6,297</u>	<u>\$ 6,297</u>

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III-E-7

Request:

Provide details of respondent's attempts to recover uncollectible and delinquent accounts.

Response:

UGI Gas refers bad debt placements to a collection agency for continuing collection action. When the service is closed, the customer receives a closing bill. Placements are sent to the collection agency within sixty (60) days after the service is closed. The day after the final bill is due, a Final Bill Reminder is mailed. The reminder states that their balance must be paid to avoid being turned over to a collection agency. Fourteen (14) days later the account is sent to collections.

Prepared by or under the supervision of: Vivian K. Ressler

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III-E-8

Request:

Describe how the net billing and gross billing is determined. For example, if the net billing is based on the rate blocks plus FCA and STA, and the gross billing is determined by a percentage increase (1, 3 or 5 percent), then state whether the percentage increase is being applied to all three items of revenue--rate blocks plus FCA and STA.

Response:

- A. The total net bill is the sum of:
1. Tariff Amount – calculated as the volume of usage priced through the rate schedule tables.
  2. Currently effective surcharges.
  3. Sales Tax – calculated as the product of the current sales tax percentage (6%) and the sum of the above. Sales tax is not applied to residential customers when the purchase of natural gas is solely for the purchaser's own residential use and non-residential customers are exempt from sales tax if the purchaser is entitled to claim an exemption under Chapter 61 of the Pa. Code § 32.25 subsection (d). If a tax exemption certificate is on file for these non-residential customers, the tax base is adjusted in accordance with the exemption certificate.
- B. The gross bill is the sum of:
1. Total net bill as described above.
  2. Late payment charges on any unpaid previous balance, if any, as of the billing date.
  3. Late payment charge for payment made after the due date (see III-E-9 for details on late payment charges applied).
- C. The percentage increase (late payment charge) is applied to the base tariff rate and the State Tax Adjustment Surcharge. The late payment charge is not applied to Sales Tax or to previously applied late payment charges.

Prepared by or under the supervision of: Christopher R. Brown

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III-E-9

Request:

Describe the procedures involved in determining whether forfeited discounts or penalties are applied to customer billing.

Response:

Please refer to UGI Gas Exhibit F, Rules 8.7 and 8.8 of the current tariff for UGI Utilities, Inc. – Gas Division.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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III-E-10

Request:

Provide annualization of revenues as a result of rate changes occurring during the test year, at the level of operations as of end of the test year.

Response:

Please see the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1, for detail on the annualization of revenues.

Prepared by or under the supervision of: Christopher R. Brown

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III-E-11

Request:

Provide a detailed billing analysis supporting present and proposed rates by customer classification and/or tariff rate schedule.

Response:

Please see UGI Gas Exhibit E - Proof of Revenue.

Prepared by or under the supervision of: Stephen F. Anzaldo



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III-E-12

Request:

Provide a schedule showing residential and commercial heating sales by unit (MCF) per month and degree days for the test year and three preceding twelve month periods.

Response:

Please see Attachment III-E-12.

Prepared by or under the supervision of: Christopher R. Brown

**UGI Utilities, Inc. - Gas Division**  
**Residential and Commercial Heating Sales (Mcf's)**

	October	November	December	January	February	March	April	May	June	July	August	September	Total	
<u>Degree Days</u>														
2017-2018		227	684	1,087	1,156	775	905	573	69	29	2	2	61	5,569
2018-2019		370	773	886	1,146	904	826	319	121	25	1	2	29	5,402
2019-2020		381	660	997	1,142	972	786	429	176	33	5	11	95	5,687
2020-2021		381	660	997	1,142	972	786	429	176	33	5	11	95	5,687
<u>Residential</u>														
<u>Heating Sales (Mcf's)</u>														
<u>Rate R &amp; RT</u>														
2017-2018	1,772,403	5,286,938	9,378,592	10,217,079	6,645,600	7,380,275	4,655,797	1,093,712	916,498	684,709	663,370	875,872	49,570,845	
2018-2019	2,782,656	6,599,939	7,480,380	9,872,489	8,379,838	6,828,777	2,738,775	1,530,073	875,565	742,181	698,786	973,595	49,503,053	
2019-2020	2,745,217	5,282,006	8,421,597	9,879,001	7,913,680	6,512,238	3,579,524	1,619,528	883,465	705,268	734,394	1,195,265	49,471,183	
2020-2021	2,669,554	5,444,649	8,342,583	9,995,294	8,072,101	6,916,492	3,597,032	1,597,529	890,869	724,200	723,229	1,184,010	50,157,541	
<u>Commercial</u>														
<u>Heating Sales (Mcf's)</u>														
<u>Rate N, NT &amp; DS</u>														
2017-2018	1,376,141	3,702,275	5,398,299	7,007,308	4,631,039	5,086,378	3,200,655	1,217,383	918,504	739,817	777,495	962,066	35,017,360	
2018-2019	2,003,378	3,970,151	5,219,440	6,705,361	5,398,145	4,911,556	2,182,221	1,261,397	824,386	770,015	818,844	757,376	34,822,269	
2019-2020	1,843,369	3,622,736	5,329,630	6,602,328	5,267,097	4,608,549	2,728,500	1,269,444	927,656	784,908	795,026	1,069,490	34,848,734	
2020-2021	1,845,040	3,717,988	5,358,628	6,710,976	5,384,231	4,800,788	2,754,967	1,277,064	940,106	800,603	800,928	1,077,768	35,469,088	

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III-E-13

Request:

Provide a schedule of present and proposed tariff rates showing dollar change and percent of change by block. Also, provide an explanation of any change in block structure and the reasons therefor.

Response:

Please see UGI Gas Exhibit E – Proof of Revenue and the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1.

Prepared by or under the supervision of: Stephen F. Anzaldo

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III-E-14

Request:

Provide the following statements and schedules. The schedules and statements for the test year portion should be reconciled with the summary operating statement.

a. An operating revenues summary for the test year and the year preceding the test year showing the following (Gas MCF):

(i) For each major classification of customers

- (a) MCF sales
- (b) Dollar Revenues
- (c) Forfeited Discounts (Total if not available by classification)
- (d) Other and Miscellaneous revenues that are to be taken into the utility operating account along with their related costs and expenses.

(ii) A detailed explanation of all annualizing and normalizing adjustments showing method utilized and amounts and rates used in calculation to arrive at adjustment.

(iii) Segregate, from recorded revenues from the test year, the amount of revenues that are contained therein, by appropriate revenue categories, from:

- (a) Fuel Adjustment Surcharge
- (b) State Tax Surcharge
- (c) Any other surcharge being used to collect revenues.
- (d) Provide explanations if any of the surcharges are not applicable to respondent's operations.

[The schedule should also show number of customers and unit of sales (Mcf), and should provide number of customers by service classification at beginning and end of test year.]

b. Provide details of sales for resale, based on periods five years before and projections for five years after the test year, and for the test year. List customers, Mcf sold, revenues received, source of Mcf sold (storage gas, pipeline gas,

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III-E-14 (Continued)

manufactured gas, natural or synthetic), contracted or spot sales, whether sales are to affiliated companies, and any other pertinent information.

Response:

- a. (i)(a) Please see Attachment III-E-19.
- (i)(b)-(d) Please see UGI Gas Exhibit A, Schedule D-5 (Historic), UGI Gas Exhibit A, Schedule D-5 (Future) and UGI Gas Exhibit A, Schedule D-5 (Fully Projected).
- (ii) Please see the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1.
- (iii) Please see UGI Gas Exhibit E, Proof of Revenue.
- b. None.

Prepared by or under the supervision of: Christopher R. Brown

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III-E-15

Request:

State manner in which revenues are being presented for ratemaking purposes:

- a. Accrued Revenues
- b. Billed Revenues
- c. Cash Revenues

Provide details of the method followed.

Response:

Fully Projected Test Year revenues at present and proposed rates are based upon a calculation applying present rates to projected volumes and number of customers and proposed rates to projected volumes and number of customers.

Prepared by or under the supervision of: Christopher R. Brown

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III-E-16

Request:

If revenue accruing entries are made on the books at end of each fiscal period, give entries made accordingly at the end of the test year and at the beginning of the year. State whether they are reversed for ratemaking purposes.

Response:

The amount of unbilled revenue accrued at September 30, 2019 and September 30, 2018 for UGI Gas was \$11,856,545; and \$9,906,088, respectively. The Company annualizes revenue for ratemaking purposes eliminating the impacts of unbilled revenues.

Prepared by or under the supervision of: Vivian K. Ressler

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III-E-17

Request:

State whether any adjustments have been made to expenses in order to present such expenses on a basis comparable to the manner in which revenues are presented in this proceeding (i.e.--accrued, billed or cash).

Response:

No such adjustments have been made to expenses. Expenses are presented on a basis comparable to the manner in which revenues are presented.

Prepared by or under the supervision of: Stephen F. Anzaldo



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III-E-18

Request:

If the utility has a Fuel Adjustment Clause:

- a. State the base fuel cost per MCF chargeable against basic customers' rates during the test year. If there was any change in this basic fuel charge during the test year, give details and explanation thereof.
- b. State the amount in which the fuel adjustment clause cost per MCF exceeds the fuel cost per MCF charged in base rates at the end of the test year.
- c. If fuel cost deferment is used at the end of the test year, give
  - (i) The amount of deferred fuel cost contained in the operating statement that was deferred from the 12-month operating period immediately preceding the test year.
  - (ii) The amount of deferred fuel cost that was removed from the test period and deferred to the period immediately following the test year.
- d. State the amount of Fuel Adjustment Clause revenues credited to the test year operating account.
- e. State the amount of fuel cost charged to the operating expense account in the test year which is the basis of Fuel Adjustment Clause billings to customers in that year. Provide summary details of this charge.
- f. From the recorded test year operating account, remove the Fuel Adjustment Clause Revenues. Also remove from the test year recorded operating account the excess of fuel cost over base rate fuel charges, which is the basis for the Fuel Adjustment charges. Explain any difference between FAC Revenues and excess fuel costs. [The above is intended to limit the operating account to existing customers' base rate revenues and expense deductions relative thereto].

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III-E-18 (Continued)

Response:

The Company does not have a Fuel Adjustment Clause. The Company recovers its purchased gas costs through purchased gas costs rates under Section 1307(f) of the Public Utility Code.

Prepared by or under the supervision of: Christopher R. Brown

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III-E-19

Request:

Provide growth patterns of usage and customer numbers per rate class, using historical and projected data.

Response:

Please see Attachment III-E-19.

Prepared by or under the supervision of: Christopher R. Brown

**UGI Utilities, Inc. - Gas Division**  
**Usage and Customer Growth Patterns for Period Ending September 30**

<u>Number of Customers</u> <u>September Year End</u>	<u>September</u> <u>2017</u>	<u>September</u> <u>2018</u>	<u>September</u> <u>2019</u>	<u>September</u> <u>2020</u>	<u>September</u> <u>2021</u>
Residential	507,332	495,751	504,640	510,663	518,941
Commercial	47,769	47,404	48,175	49,231	50,343
Industrial	698	676	669	626	604
Subtotal-Retail	<u>555,799</u>	<u>543,831</u>	<u>553,484</u>	<u>560,520</u>	<u>569,888</u>
Transportation-Other	79,870	98,194	100,932	100,402	100,347
Total	<u>635,669</u>	<u>642,025</u>	<u>654,416</u>	<u>660,922</u>	<u>670,235</u>
	<u>September</u> <u>2017</u>	<u>September</u> <u>2018</u>	<u>September</u> <u>2019</u>	<u>September</u> <u>2020</u>	<u>September</u> <u>2021</u>
<u>Total Fiscal Year Sales (Mcf's)</u>					
Residential	40,373,901	44,103,093	43,463,105	43,329,549	43,838,425
Commercial	14,725,443	16,739,374	16,320,554	16,443,374	17,038,128
Industrial	759,814	911,682	808,368	742,335	673,716
Subtotal-Retail	<u>55,859,158</u>	<u>61,754,148</u>	<u>60,592,027</u>	<u>60,515,258</u>	<u>61,550,269</u>
Transportation-Other	186,971,519	202,123,871	233,171,072	273,285,579	274,010,382
Total	<u>242,830,677</u>	<u>263,878,020</u>	<u>293,763,099</u>	<u>333,800,837</u>	<u>335,560,651</u>

UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
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III-E-20

Request:

Provide, for test year only, a schedule by tariff rates and by service classifications showing proposed increase and percent of increase.

Response:

Please see UGI Gas Exhibit E - Proof of Revenue and the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
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III-E-21

Request:

If a gas company is affiliated with another utility segment, such as a water or electric segment, explain the effects, if any, upon allocation factors used in the gas rate filing of current or recent rate increases allowed to the other utility segment (or segments) of the company.

Response:

UGI Utilities, Inc. provides services to both the gas and electric divisions. These services are provided at cost.

UGI Gas incurs costs for services provided by UGI Corp., and other affiliated companies, in accordance with affiliated interest arrangements authorized by the Commission. All costs that can be identified as pertaining exclusively to an operating unit are billed directly to that unit. Those costs that cannot be directly associated with the operation of an individual operating unit are allocated to the various companies benefiting from the service by a formula internally referred to as the Modified Wisconsin Formula ("MWF"). The MWF achieves an equitable distribution of common expenses based on the relative activity and size of each operating unit to the total of all operating units.

The proposed rates of UGI Gas are not based on any increase granted to any other affiliated utility segment.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
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III-E-22

Request:

Provide supporting data detailing curtailment adjustments, procedures and policies.

Response:

The Company did not have any curtailment adjustments during the historic test year ending September 30, 2019 and is not claiming any curtailment adjustments in its future test year or fully projected future test year. In addition, the Company follows curtailment procedures and policies as specified in its Gas Tariffs on file with the Commission. Please refer to UGI Gas Exhibit F, Section 21, Gas Emergency Planning, of the Company's current tariff.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
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III-E-23

Request:

Submit a schedule showing fuel cost in excess of base compared to fuel cost recovery for the period two months prior to test year and the test year.

Response:

There are no fuel costs in excess of base compared to fuel cost recovery.

All of the Company's fuel costs are recovered through its annual purchased gas cost filing made pursuant to Section 1307(f) of the Public Utility Code.

Prepared by or under the supervision of: Christopher R. Brown



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III-E-24

Request:

Supply a detailed analysis of Purchased Gas for the test year and the twelve month period prior to the test year.

Response:

Please refer to UGI Gas Docket No. R-2019-3009647 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filing which can be found at URL [http://www.puc.pa.gov/about\\_puc/search\\_results.aspx?advanced=true](http://www.puc.pa.gov/about_puc/search_results.aspx?advanced=true)

Prepared by or under the supervision of: Christopher R. Brown

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III-E-25

Request:

Submit calculations supporting energy cost per MCF and operating ratio used to determine increase in costs other than production to serve additional load.

Response:

The energy cost per Mcf is developed as part of each annual and quarterly 1307(f) filing submitted to the Commission. Please refer to UGI Gas Docket No. R-2019-3009647 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filing which can be found at URL [http://www.puc.pa.gov/about\\_puc/search\\_results.aspx?advanced=true](http://www.puc.pa.gov/about_puc/search_results.aspx?advanced=true)

Prepared by or under the supervision of: Christopher R. Brown

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III-E-26

Request:

Submit detailed calculations for bulk gas transmission service costs under supply and/or interconnection agreements.

Response:

UGI Gas incurs no bulk gas transmission costs under supply and/or interconnection agreements.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
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III-E-27

Request:

Submit a schedule for gas producing units retired or scheduled for retirement subsequent to the test year showing station, units, MCF capacity, hours of operation during test year, net output produced and cents/MCF of maintenance and fuel expenses.

Response:

UGI Gas did not have any gas producing units retired or scheduled for retirement subsequent to the test year.

Prepared by or under the supervision of: Vivian K. Ressler

UGI Utilities, Inc. - Gas Division  
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III-E-28

Request:

Provide a statement explaining the details of firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities, including determination of costs, terms of contract, and other pertinent information.

Response:

UGI Gas does not have any firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
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III-E-29

Request:

Provide intrastate operations percentages by expense categories for two years prior to the test year.

Response:

The majority of the operations of UGI Gas are intrastate. UGI Gas has a small percentage of operations in Maryland under the jurisdiction of the Maryland Public Service Commission. The allocation factor used to assign the costs to the Maryland operation is based on plant assets. Please see Attachment III-E-29.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division**  
**Allocation Factor - UGI Gas**  
**For The Year Ended September 30,**

<b><u>Allocation Factor</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
Total Utility Plant	3,269,955,338	3,632,969,329
Maryland Plant	2,750,063	2,621,039
% Maryland	<u>0.0841%</u>	<u>0.0721%</u>

UGI Utilities, Inc. - Gas Division  
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III-E-30

Request:

Provide a schedule showing suppliers, MCF purchased, cost (small purchases from independent suppliers may be grouped); emergency purchases, listing same information; curtailments during the year; gas put into and taken out of storage; line loss, and any other gas input or output not in the ordinary course of business.

Response:

Please refer to UGI Gas Docket No. R-2019-3009647 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filings which can be found at URL [http://www.puc.pa.gov/about\\_puc/search\\_results.aspx?advanced=true](http://www.puc.pa.gov/about_puc/search_results.aspx?advanced=true)

Prepared by or under the supervision of: Christopher R. Brown



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III-E-31

Request:

Provide a schedule showing the determination of the fuel costs included in the base cost of fuel.

Response:

Please refer to UGI Gas Docket No. R-2019-3009647 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filing which can be found at URL [http://www.puc.pa.gov/about\\_puc/search\\_results.aspx?advanced=true](http://www.puc.pa.gov/about_puc/search_results.aspx?advanced=true)

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
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III-E-32

Request:

Provide a schedule showing the calculation of any deferred fuel costs shown in Account 174. Also, explain the accounting, with supporting detail, for any associated income taxes.

Response:

Please see Attachment III-E-32 which provides the calculation of deferred fuel costs shown in Account 174.

Because the tax treatment for deferred fuel costs differs from the book treatment, deferred taxes are generated on the over or under-collection of deferred fuel costs. Specifically, tax follows a cash basis as it relates to deferred fuel costs. When the Company is in an over-collected position, a deferred tax asset is generated because the Company will recognize as taxable income and pay taxes currently on the cash it collected from customers, even though this is not recognized as book revenue. Vice versa, when the Company is in an under-collected position, a deferred tax liability is generated because the Company recognizes less taxable income because it did not collect adequate cash to cover its fuel costs, but for book purposes revenue is recognized such that no margin is recognized on the purchase of gas.

Prepared by or under the supervision of: Vivian K. Ressler

**UGI Utilities, Inc. - Gas Division**  
**Statement of Total Over/Under Collections From the Present**  
**Gas Cost Rate Adjustment Clause - 12 Months Ending September 30, 2019**

	<b><u>Sales</u></b> <b><u>Mcf</u></b> (1)		<b><u>PGC</u></b> <b><u>Revenue</u></b> (2)		<b><u>Cost of</u></b> <b><u>Fuel</u></b> (3)		<b><u>Over / (Under)</u></b> <b><u>Collections</u></b> (4)
October	1,744,263	\$	8,197,849	\$	14,790,684	\$	(6,592,834)
November	4,652,479	\$	21,826,407	\$	43,621,963	\$	(21,795,556)
December	8,793,625	\$	40,854,392	\$	52,125,579	\$	(11,271,186)
January	10,786,312	\$	50,135,595	\$	55,274,841	\$	(5,139,246)
February	11,024,684	\$	50,964,044	\$	46,431,474	\$	4,532,570
March	10,200,707	\$	48,946,578	\$	43,287,468	\$	5,659,110
April	6,012,547	\$	30,235,536	\$	13,439,214	\$	16,796,322
May	2,701,000	\$	13,367,423	\$	10,875,798	\$	2,491,626
June	1,437,165	\$	7,245,889	\$	9,968,705	\$	(2,722,817)
July	1,100,929	\$	5,654,770	\$	8,878,205	\$	(3,223,435)
August	919,067	\$	4,751,890	\$	7,690,153	\$	(2,938,263)
September	1,010,233	\$	5,131,575	\$	9,222,807	\$	(4,091,233)
	<u>60,383,012</u>	<u>\$</u>	<u>287,311,949</u>	<u>\$</u>	<u>315,606,892</u>	<u>\$</u>	<u>(28,294,943)</u>

UGI Utilities, Inc. - Gas Division  
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III-E-33

Request:

Submit a schedule showing maintenance expenses, gross plant and the relation of maintenance expenses thereto as follows:

- (i) Gas Production Maintenance Expenses per MCF production, per \$1,000 MCF production, and per \$1,000 of Gross Production Plant;
- (ii) Transmission Maintenance Expenses per MMCF mile and per \$1,000 of Gross Transmission Plant;
- (iii) Distribution Maintenance Expenses per customer and per \$1,000 of Gross Distribution Plant;
- (iv) Storage Maintenance Expenses per MMCF of Storage Capacity and \$1,000 of Gross Storage Plant. This schedule shall include three years prior to the test year, the test year and one year's projection beyond the test year.

Response:

Please see Attachment III-E-33.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI UTILITIES, INC. - GAS DIVISION  
FOR THE YEARS ENDED SEPTEMBER 30, 2017 -2021

		<u>12 MONTHS ENDED</u>				
		<u>9/30/17</u>	<u>9/30/18</u>	<u>9/30/19</u>	<u>9/30/20</u>	<u>9/30/21</u>
(i)	Maintenance Exp /MCF Produced	-	-	-	-	-
	Maintenance Exp /\$1,000 MCF	-	-	-	-	-
	Maintenance Exp /\$1,000 GPP	-	-	-	-	-
(ii)	Trans. Main. Exp /MMCF	-	-	-	-	-
	Trans. Main. Exp /Transmission Mile	-	-	-	-	-
	Trans. Main. Exp /\$1,000 GTP	-	-	-	-	-
(iii)	Dist. Main. Exp /Customer	40.69	46.30	45.41	40.29	41.84
	Dist. Main. Exp /\$1,000 GDP	9.58	10.03	9.26	7.86	7.61
(iv)	Storage. Main. Exp /MMCF Capacity	-	-	-	-	-
	Storage. Main. Exp /\$1,000 GSP	-	-	-	-	-

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III-E-34

Request:

Prepare a 3-column schedule of expenses, as described below for the following periods (supply sub-accounts, if significant, to clarify basic accounts):

- a. Column 1--Test Year
- b. Column 2 and 3--The two previous years

Provide the annual recorded expense by accounts. (Identify all accounts used but not specifically listed below.)

Response:

Please see Attachment III-E-34.

Prepared by or under the supervision of: Stephen F. Anzaldo

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12 Months Ended September 30, 2019, 2020 and 2021**  
(Thousands of Dollars)

<u>Title of Account</u>	<u>Acct. No.</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Manufactured Gas Production</b>				
Operation Supervision and Engineering	710.0	\$ -	\$ -	\$ -
<b>Production Labor and Expenses</b>				
Steam Expenses	711.0	-	-	-
Other Power Expenses	712.0	-	-	-
Coke Oven Expenses	713.0	-	-	-
Producer Gas Expenses	714.0	-	-	-
Water Gas Generating Expenses	715.0	-	-	-
Oil Gas Generating Expenses	716.0	-	-	-
Liquefied Petroleum Gas Expenses	717.0	-	-	-
Other Process Production Expenses	718.0	-	-	-
<b>Total Production Labor and Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Gas Fuels</b>				
Fuel Under Coke Ovens	719.0	-	-	-
Producer Gas Fuel	720.0	-	-	-
Water Gas Generator Fuel	721.0	-	-	-
Fuel for Oil Gas	722.0	-	-	-
Fuel for Liquefied Petroleum Gas Process	723.0	-	-	-
Other Gas Fuels	724.0	-	-	-
<b>Total Gas Fuels Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Gas Raw Materials</b>				
Coal Carbonized in Coke Ovens	725.0	-	-	-
Oil for Water Gas	726.0	-	-	-
Oil for Oil Gas	727.0	-	-	-
Liquefied Petroleum Gas Expenses	728.0	-	-	-
Raw Materials for Other Gas Processes	729.0	-	-	-
Residuals Expenses	730.0	-	-	-
Residuals Produced-Credit	731.0	-	-	-
Purification Expenses	732.0	-	-	-
Gas Mixing Expenses	733.0	-	-	-
Duplicate Charges-Credit	734.0	-	-	-
Miscellaneous Production Expenses	735.0	2,953	5,844	5,845
Rents	736.0	-	-	-
<b>Total Gas Raw Materials Expenses</b>		<u>2,953</u>	<u>5,844</u>	<u>5,845</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	740.0	-	-	-
Maintenance of Structures and Improvements	741.0	-	-	-
Maintenance of Production Equipment	742.0	-	-	-
Total Maintenance Expenses		<u>-</u>	<u>-</u>	<u>-</u>
<b>Manufactured Gas Production Expenses</b>		<u>2,953</u>	<u>5,844</u>	<u>5,845</u>
<b>NATURAL GAS PRODUCTION EXPENSES</b>				
<b>Production and Gathering</b>				
<b>Operation</b>				
Operating Supervision and Engineering	750.0	-	-	-
Production Maps and Records	751.0	-	-	-
Gas Wells Expenses	752.0	-	-	-
Field Lines Expenses	753.0	-	-	-
Field Compressor Station Expenses	754.0	-	-	-
Field Compressor Station Fuel and Power	755.0	-	-	-
Field Measuring and Regulating Station Expenses	756.0	-	-	-
Purification Expenses	757.0	-	-	-
Gas Well Royalties	758.0	-	-	-
Other Expenses	759.0	-	-	-
Rents	760.0	-	-	-
<b>Total Production &amp; Gathering Operation Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12 Months Ended September 30, 2019, 2020 and 2021**  
(Thousands of Dollars)

<u>Title of Account</u>	<u>Acct.</u> <u>No.</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	761.0	-	-	-
Maintenance of Structures and Improvements	762.0	-	-	-
Maintenance of Producing Gas Wells	763.0	-	-	-
Maintenance of Field Lines	764.0	-	-	-
Maintenance of Field Compressor Station Equipment	765.0	-	-	-
Maintenance of Field Measuring and Reg. Station Equip.	766.0	-	-	-
Maintenance of Purification Equipment	767.0	-	-	-
Maintenance of Drilling and Cleaning Equipment	768.0	-	-	-
Maintenance of Other Equipment	769.0	-	-	-
<b>Total Production &amp; Gathering Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Products Extraction</b>				
<b>Operation</b>				
Operation Supervision and Engineering	770.0	-	-	-
Operating Labor	771.0	-	-	-
Gas Shrinkage	772.0	-	-	-
Fuel	773.0	-	-	-
Power	774.0	-	-	-
Materials	775.0	-	-	-
Operation Supplies and Expenses	776.0	-	-	-
Gas Processed by Others	777.0	-	-	-
Royalties on Products Extracted	778.0	-	-	-
Marketing Expenses	779.0	-	-	-
Products Purchased for Resale	780.0	-	-	-
Variation in Products Inventory	781.0	-	-	-
Extracted Products Used by the Utility-Credit	782.0	-	-	-
Rents	783.0	-	-	-
<b>Total Products Extraction Operation Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	784.0	-	-	-
Maintenance of Structures and Improvements	785.0	-	-	-
Maintenance of Extraction and Refining Equipment	786.0	-	-	-
Maintenance of Pipe Lines	787.0	-	-	-
Maintenance of Extracted Products Storage Equipment	788.0	-	-	-
Maintenance of Compressor Equipment	789.0	-	-	-
Maintenance of Gas Measuring & Regulating Equipment	790.0	-	-	-
Maintenance of Other Equipment	791.0	-	-	-
<b>Total Products Extraction Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Natural Gas Production Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPLORATION AND DEVELOPMENT EXPENSES</b>				
<b>Operation</b>				
Delay Rentals	795.0	-	-	-
Nonproductive Well Drilling	796.0	-	-	-
Abandoned Leases	797.0	-	-	-
Other Exploration	798.0	-	-	-
<b>Total Exploration and Development Operation Exp.</b>		<u>-</u>	<u>-</u>	<u>-</u>



**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12 Months Ended September 30, 2019, 2020 and 2021**  
(Thousands of Dollars)

<u>Title of Account</u>	<u>Acct. No.</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>OTHER GAS SUPPLY EXPENSES</b>				
<b>Operation</b>				
Natural Gas Well Head Purchases	800.0	-	-	-
Natural Gas Well Head Purchases, Intercompany Trans.	801.0	-	-	-
Natural Gas Gasoline Plant Outlet Purchases	802.0	-	-	-
Natural Gas Transmission Line Purchases	803.0	-	-	-
Natural Gas City Gate Purchases	804.0	346,529	300,855	300,930
Liquefied Natural Gas Purchases	804.1	550	-	-
Other Gas Purchases	805.0	609	743	743
Purchases Gas Cost Adjustments	805.1	(90,765)	(34,713)	(31,931)
Exchange Gas	806.0	-	-	-
Purchased Gas Expenses	807.0	-	-	-
Gas Withdrawn from Storage-Debit	808.1	47,802	33,780	33,780
Gas Delivered to Storage-Credit	808.2	(35,944)	10,942	10,942
Withdrawals of Liquefied Nat. Gas Held for Processing	809.1	-	-	-
Deliveries of Natural Gas for Processing	809.2	-	-	-
Gas Used for Compressor Station Fuel-Credit	810.0	-	-	-
Gas Used for Products Extraction-Credit	811.0	-	-	-
Gas Used for Other Utility Operations-Credit	812.0	(921)	(836)	(836)
Other Gas Supply Expenses	813.0	31,648	16,491	16,491
<b>Gas Supply Operation Expenses</b>		<u>299,508</u>	<u>327,262</u>	<u>330,119</u>
<b>Natural Gas Storage, Terminating &amp; Processing Exp.</b>				
<b>Underground Storage Expenses</b>				
Operation Supervision and Engineering	814.0	-	-	-
Maps and Records	815.0	-	-	-
Wells Expenses	816.0	-	-	-
Lines Expenses	817.0	-	-	-
Compressor Station Expenses	818.0	-	-	-
Compressor Station Fuel and Power	819.0	-	-	-
Measuring and Regulating Station Expenses	820.0	-	-	-
Purification Expenses	821.0	-	-	-
Exploration and Development	822.0	-	-	-
Gas Losses	823.0	-	-	-
Other Expenses	824.0	-	-	-
Storage Well Royalties	825.0	-	-	-
Rents	826.0	-	-	-
<b>Total Underground Storage Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	830.0	-	-	-
Maintenance of Structures and Improvements	831.0	-	-	-
Maintenance of Reservoirs and Wells	832.0	-	-	-
Maintenance of Lines	833.0	-	-	-
Maintenance of Compressor Station Equipment	834.0	-	-	-
Maintenance of Measuring & Regulating Station Equip.	835.0	-	-	-
Maintenance of Purification Equipment	836.0	-	-	-
Maintenance of Other Equipment	837.0	-	-	-
<b>Total Underground Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Storage Expenses</b>				
<b>Operation</b>				
Operating Supervision and Engineering	840.0	-	-	-
Operation Labor and Expenses	841.0	-	-	-
Rents	842.0	-	-	-
Fuel	842.1	-	-	-
Power	842.2	-	-	-
Gas Losses	842.3	-	-	-
<b>Storage Operation Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12 Months Ended September 30, 2019, 2020 and 2021**  
(Thousands of Dollars)

<u>Title of Account</u>	<u>Acct. No.</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	843.1	-	-	-
Maintenance of Structures and Improvements	843.2	-	-	-
Maintenance of Gas Holders	843.3	-	-	-
Maintenance of Purification Equipment	843.4	-	-	-
Maintenance of Liquefaction Equipment	843.5	-	-	-
Maintenance of Vaporizing Equipment	843.6	-	-	-
Maintenance of Compressor Equipment	843.7	-	-	-
Maintenance of Measuring and Regulatory Equipment	843.8	-	-	-
Maintenance of Other Equipment	843.9	-	-	-
<b>Storage Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>LIQUEFIED NATURAL GAS TERMINATING AND PROCESSING EXPENSES</b>				
<b>Operation</b>				
Operation Supervision and Engineering	844.1	-	-	-
LNG Processing Terminal Labor and Expenses	844.2	-	-	-
Liquefaction Processing Labor and Expenses	844.3	-	-	-
LNG Transportation Labor and Expenses	844.4	-	-	-
Measuring and Regulating Labor and Expenses	844.5	-	-	-
Compressor Station Labor and Expenses	844.6	-	-	-
Communication System Expenses	844.7	-	-	-
System Control and Load Dispatching	844.8	-	-	-
Fuel	845.1	-	-	-
Power	845.2	-	-	-
Rents	845.3	-	-	-
Demurrage Charges	845.4	-	-	-
Warfare Receipts-Credit	845.5	-	-	-
Processing Liquefied or Vaporized Gas by Others	845.6	-	-	-
Gas Losses	846.1	-	-	-
Other Expenses	846.2	-	-	-
<b>Total Liq. N.G. Term &amp; Proc. Operation Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	847.1	-	-	-
Maintenance of Structures and Improvements	847.2	-	-	-
Maintenance of LNG Processing Terminal Equipment	847.3	-	-	-
Maintenance of LNG Transportation Equipment	847.4	-	-	-
Maintenance of Measuring and Regulating Equipment	847.5	-	-	-
Maintenance of Compressor Station Equipment	847.6	-	-	-
Maintenance of Communication Equipment	847.7	-	-	-
Maintenance of Other Equipment	847.8	-	-	-
<b>Total Liq. N.G. Term. Proc. Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>TRANSMISSION EXPENSES</b>				
<b>Operation</b>				
Operating Supervision and Engineering	850.0	-	-	-
System Control and Load Dispatching	851.0	-	-	-
Communication System Expenses	852.0	-	-	-
Compressor Station Labor and Expenses	853.0	-	-	-
Gas for Compressor Station Fuel	854.0	-	-	-
Other Fuel and Power for Compressor Stations	855.0	-	-	-
Mains Expenses	856.0	-	-	-
Measuring and Regulating Station Expenses	857.0	-	-	-
Transmission and Compression of gas by Others	858.0	-	-	-
Other Expenses	859.0	-	-	-
Rents	860.0	-	-	-
<b>Total Transmission Operation Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12 Months Ended September 30, 2019, 2020 and 2021**  
(Thousands of Dollars)

<u>Title of Account</u>	<u>Acct.</u> <u>No.</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Maintenance</b>				
Maintenance Supervision and Engineering	861.0	-	-	-
Maintenance of Structures and Improvements	862.0	-	-	-
Maintenance of Mains	863.0	-	-	-
Maintenance of Compressor Station Equipment	864.0	-	-	-
Maintenance of Measuring and Regulating Station Equip.	865.0	-	-	-
Maintenance of Communication Equipment	866.0	-	-	-
Maintenance of Other Equipment	867.0	-	-	-
<b>Total Transmission Maintenance Expenses</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION EXPENSES</b>				
<b>Operations Expense</b>				
Operation Supervision and Engineering	870.0	6,732	12,719	13,175
Distribution Load Dispatching	871.0	1,015	2,084	2,119
Compressor Station Labor and Expenses	872.0	-	-	-
Compressor Station Fuel and Power (Major Only)	873.0	-	-	-
Mains and Services Expenses	874.0	19,675	24,716	24,725
Measuring and Regulating Station Expenses-General	875.0	1,767	2,059	2,082
Measuring and Regulating Station Expenses-Industrial	876.0	378	266	266
Measuring and Regulating Station Expenses-City Gate	877.0	531	1,045	1,062
Meter and House Regulator Expenses	878.0	3,286	3,582	3,650
Customer Installations Expenses	879.0	2,349	2,574	3,068
Other Expenses	880.0	4,697	4,441	4,509
Rents	881.0	438	237	237
<b>Total Distribution Operation Expenses</b>		<u>40,868</u>	<u>53,723</u>	<u>54,893</u>
<b>Maintenance Expense</b>				
Maintenance Supervision and Engineering	885.0	1,890	3,681	3,733
Maintenance of Structures and Improvements	886.0	73	396	400
Maintenance of Mains	887.0	15,152	16,099	17,570
Maintenance of Compressor Station Equipment	888.0	-	59	59
Maintenance of Measuring & Reg. Station Equip.-Genl.	889.0	1,309	1,545	1,565
Maintenance of Measuring & Reg. Station Equip.-Indtrl.	890.0	4,085	311	313
Maintenance of Measuring & Reg. Station Equip.-City G	891.0	1,223	770	774
Maintenance of Services	892.0	4,187	2,069	1,882
Maintenance of Meters & House Regulators	893.0	1,079	1,124	1,137
Maintenance of Other Equipment	894.0	698	565	597
Construction & Maintenance	895.0	-	-	-
<b>Total Distribution Maintenance Expenses</b>		<u>29,696</u>	<u>26,619</u>	<u>28,030</u>
<b>CUSTOMER ACCOUNTS EXPENSES</b>				
<b>Operations</b>				
Supervision	901.0	699	383	430
Meter Reading Expenses	902.0	2,470	2,675	2,712
Customer Records & Collection Expenses	903.0	28,663	28,758	28,584
Uncollectable Accounts	904.0	13,617	10,231	11,577
Miscellaneous Customer Accounts Expenses	905.0	2,021	2,013	2,031
<b>Customer Account Operations Expenses</b>		<u>47,470</u>	<u>44,060</u>	<u>45,334</u>
<b>CUSTOMER SERVICE &amp; INFORM. EXPENSES</b>				
<b>Operations</b>				
Supervision	907.0	194	216	221
Customer Assistance Expenses	908.0	1,187	1,527	1,572
Informational & Instructional Advertising Expenses	909.0	696	1,296	1,143
Miscellaneous Customer Service & Informational Exp.	910.0	5,225	8,348	8,370
<b>Total Cust. Service &amp; Inform. Operations Exp</b>		<u>7,302</u>	<u>11,387</u>	<u>11,306</u>

**UGI Utilities, Inc. - Gas Division**  
**Statement of Operation and Maintenance Expenses**  
**12 Months Ended September 30, 2019, 2020 and 2021**  
(Thousands of Dollars)

<u>Title of Account</u>	<u>Acct.</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>SALES EXPENSES</b>				
<b>Operation</b>				
Supervision	911.0	98	113	114
Demonstrating and Selling Expenses	912.0	1,184	1,948	1,299
Advertising Expenses	913.0	481	968	1,097
(Reserved)	914.0	-	-	-
(Reserved)	915.0	-	-	-
Miscellaneous Sales Expenses	916.0	63	205	190
<b>Total Operation Sales Expenses</b>		<u>1,826</u>	<u>3,234</u>	<u>2,700</u>
 <b>ADMINISTRATIVE AND GENERAL EXPENSES</b>				
<b>Operation</b>				
Administrative and General Salaries	920.0	18,269	21,521	23,014
Office Supplies and Expenses	921.0	20,640	25,414	27,862
Administrative Expenses Transferred-Credit	922.0	-	-	-
Outside Service Employed	923.0	21,104	21,053	20,467
Property Insurance	924.0	-	265	265
Injuries and Damages	925.0	7,380	10,142	9,389
Employee Pensions and Benefits	926.0	17,588	24,839	25,875
Franchise Requirements	927.0	-	-	-
Regulatory Commission Expenses	928.0	371	600	600
Duplicate Charges-Credit	929.0	-	-	-
General Advertising Expenses	930.1	611	866	998
Miscellaneous General Expenses	930.2	4,308	4,687	4,425
Rents	931.0	1,362	254	254
<b>Total A &amp; G Operation Expenses</b>		<u>91,633</u>	<u>109,641</u>	<u>113,149</u>
<b>Maintenance</b>				
Maintenance of General Plant	932.0	6,130	3,113	3,533
Maintenance of General Plant	935.0	49	1,206	1,152
<b>Total A &amp; G Maintenance Expenses</b>		<u>6,179</u>	<u>4,319</u>	<u>4,685</u>
 <b>Total Gas Operation and Maintenance Expenses</b>		 <u>\$ 527,435</u>	 <u>\$ 586,089</u>	 <u>\$ 596,061</u>
 Total Gas Operation Expenses		 \$ 491,560	 \$ 555,151	 \$ 563,346
Total Gas Maintenance Expenses		<u>35,875</u>	<u>30,938</u>	<u>32,715</u>
<b>Total Gas Operation and Maintenance Expenses</b>		<u>\$ 527,435</u>	<u>\$ 586,089</u>	<u>\$ 596,061</u>

UGI Utilities, Inc. - Gas Division  
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III-E-35

Request:

Submit a schedule showing the Gross Receipts Tax Base used in computing Pennsylvania Gross Receipts Tax Adjustment.

Response:

Not applicable. UGI Gas is not subject to the Pennsylvania Gross Receipts Tax.

Prepared by or under the supervision of: Nicole M. McKinney

UGI Utilities, Inc. - Gas Division  
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III-E-36

Request:

State the amount of gas, in mcf, obtained through various suppliers in past years.

Response:

Please see Book I, Attachment 1-A-1 of the 2018 1307(f) Purchased Gas Cost filing for UGI South (UGI-Gas Division) at Docket No. R-2018-3001633, UGI North (PNG) at Docket No. R-2018-3001632, and UGI Central (CPG) at Docket No. R-2018-3001631 which can be found at URL

[http://www.puc.pa.gov/about\\_puc/search\\_results.aspx?advanced=true](http://www.puc.pa.gov/about_puc/search_results.aspx?advanced=true)

Please see Book I, Attachment 1-A-1 of the 2019 1307(f) Purchased Gas Cost filing for UGI South, UGI North, and UGI Central Rate Districts at Docket No. R-2019-3009647 which can be found at URL

[http://www.puc.pa.gov/about\\_puc/search\\_results.aspx?advanced=true](http://www.puc.pa.gov/about_puc/search_results.aspx?advanced=true)

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
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III-E-37

Request:

In determining pro forma expense, exclude cost of gas adjustments applicable to fuel adjustment clause and exclude fuel adjustment clause revenues, so that the operating statement is on the basis of base rates only.

Response:

Please refer to UGI Gas Exhibit A (Historic), UGI Gas Exhibit A (Future), and UGI Gas Exhibit A (Fully Projected), Schedule D-6.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
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III-E-38

Request:

Identify company's policy with respect to replacing customers lost through attrition.

Response:

The Company actively seeks opportunities to add new customers, including new construction and conversion customers, and adds these customers to the extent they meet the requirements of the Company's Tariff.

Prepared by or under the supervision of: Christopher R. Brown



UGI Utilities, Inc. - Gas Division  
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III-E-39

Request:

Identify procedures developed to govern relationship between the respondent and potential customers--i.e., basically expansion, alternate energy requirements, availability of supply, availability of distribution facilities, ownership of metering and related facilities.

Response:

Please refer to UGI Gas Exhibit F, Rule 5, Extension Regulation, of the current tariff for UGI Utilities, Inc. - Gas Division.

Please refer to UGI Gas Exhibit F, Rule 5, Extension Regulation, of the proposed tariff for UGI Utilities, Inc. - Gas Division.

Prepared by or under the supervision of: Christopher R. Brown

**SECTION 53.53 – RATE STRUCTURE**

UGI Utilities, Inc. - Gas Division  
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IV-B-1

Request:

Provide a Cost of Service Study showing the rate of return under the present and proposed tariffs for all customer classifications. The study should include a summary of the allocated measures of value, operating revenues, operating expenses and net return for each of the customer classifications at original cost and at the 5-year trended original cost.

- a. (Reserved)

Response:

Please refer to UGI Gas Exhibit D.

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

UGI Utilities, Inc. - Gas Division  
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IV-B-2

Request:

Provide a statement of testimony describing the complete methodology of the cost of service study.

Response:

Please refer to the Direct Testimony of Paul R. Herbert, UGI Gas Statement No. 8.

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

UGI Utilities, Inc. - Gas Division  
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IV-B-3

Request:

Provide a complete description and back-up calculations for all allocation factors.

Response:

Please refer to UGI Gas Exhibit D.

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

UGI Utilities, Inc. - Gas Division  
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IV-B-4

Request:

Provide an exhibit for each customer classification showing the following data for the test year and the four previous years:

- a. The maximum coincident peak day demand.
- b. The maximum coincident 3-day peak day demand.
- c. The average monthly consumption in MCF during the Primary Heating Season (November-March).
- d. The average monthly consumption in MCF during the Non-heating season (April-October).
- e. The average daily consumption in MCF for each 12-month period.

Response:

Please see Attachments IV-B-4 (a)-(e).

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
Coincident Peak Day Demand

Winter Season	Peak Day Date	Volume (Mdh)
2018-2019	3/6/2019	1,626.5
2017-2018	1/5/2018	1,420.9
2016-2017	12/15/2016	1,407.9
2015-2016	2/13/2016	1,223.4
2014-2015	2/19/2015	1,220.5

UGI Utilities, Inc. - Gas Division  
Coincident 3-Day Peak Demand  
Sendout By Rate Class

	2014-2015			2015-2016			2016-2017			2017-2018			2018-2019		
	FEB 18 (MDTH)	FEB 19 (MDTH)	FEB 20 (MDTH)	FEB 12 (MDTH)	FEB 13 (MDTH)	FEB 14 (MDTH)	JAN 6 (MDTH)	JAN 7 (MDTH)	Jan 8 (MDTH)	JAN 4 (MDTH)	JAN 5 (MDTH)	JAN 6 (MDTH)	MAR 5 (MDTH)	MAR 6 (MDTH)	MAR 7 (MDTH)
RG	4.0	5.6	5.2	4.8	6.1	5.6	3.4	4.0	4.4	3.3	3.8	3.9	2.8	3.1	2.6
RH	374.0	511.0	482.6	373.2	478.3	436.7	337.6	391.6	428.5	414.3	477.5	487.4	358.4	398.5	343.8
CG	4.1	5.7	5.4	5.4	6.9	6.2	4.9	5.7	6.2	5.1	5.9	6.0	5.8	6.4	5.5
CH	142.0	194.4	183.6	142.7	182.4	166.3	136.1	157.8	172.7	158.4	183.1	186.8	136.5	151.7	130.7
IG	1.8	2.4	2.4	1.6	2.0	1.8	1.7	1.8	2.0	1.7	2.2	2.2	1.4	1.6	1.3
IH	10.1	13.9	13.1	7.1	9.1	8.2	6.9	8.1	8.9	6.2	7.2	7.3	5.9	6.6	5.6
PGC FIRM	536.1	733.0	692.2	534.7	684.8	624.8	490.7	569.1	622.6	589.1	679.7	693.6	510.8	567.9	489.6
RT (CHOICE)	31.2	31.0	31.1	26.3	26.3	26.3	25.3	25.2	25.2	43.0	43.0	42.9	36.4	36.0	35.6
NT (CHOICE)	76.4	75.7	75.0	65.2	65.1	65.0	62.7	62.6	62.6	79.9	79.8	79.8	72.7	71.9	71.3
DS	72.4	93.4	85.8	83.4	101.8	95.0	77.2	87.0	97.5	89.6	97.5	100.2	85.2	93.3	80.4
LFD	98.1	103.7	95.5	89.3	86.1	87.7	87.3	81.7	90.5	108.1	106.3	97.3	102.6	105.2	99.8
XD-F/CDS-F	150.0	145.3	152.1	151.2	144.7	145.7	306.6	277.9	240.3	281.9	296.2	285.7	496.7	515.7	505.5
FIRM TRANSPORTATION	428.0	449.1	439.5	415.4	424.0	419.7	559.1	534.4	516.1	602.5	622.9	605.9	793.6	822.2	792.6
INTERRUPTIBLE	110.7	38.5	38.9	156.7	114.7	125.9	219.7	134.8	145.3	133.5	118.4	113.5	232.7	236.5	239.0
TOTAL	1,074.7	1,220.5	1,170.7	1,106.8	1,223.4	1,170.5	1,269.4	1,238.4	1,284.0	1,325.1	1,420.9	1,412.9	1,537.0	1,626.5	1,521.1



UGI Utilities, Inc. - Gas Division  
Average Monthly Consumption in MCF during Primary Heating Season (November-March)

	Residential- Non Htg	Residential-Htg	RT	Commercial- Non Htg	Commercial-AC	Commercial-Htg	Industrial-Non Htg	Industrial-Htg	NT	DS	Large Transp- Other
2015	93,666	7,339,631	664,575	95,262	(157)	2,774,583	38,099	147,715	1,705,201	1,450,669	10,348,978
2016	71,134	5,386,851	666,896	79,932	(120)	1,910,307	22,970	89,335	1,379,946	1,178,701	10,773,854
2017	56,564	6,127,398	610,795	79,748	(20)	2,142,054	23,042	104,525	1,492,102	1,363,001	14,160,748
2018	51,373	6,847,249	943,620	87,121	0	2,442,351	33,691	111,879	1,761,123	1,508,339	14,341,332
2019	52,269	6,800,430	1,041,657	94,622	0	2,547,463	21,162	110,578	1,873,434	1,485,246	16,330,315

UGI Utilities, Inc. - Gas Division  
Average Monthly Consumption in MCF during the Non-Heating Season (April-October)

	Residential- Non Htg	Residential-Htg	RT	Commercial-Non Htg	Commercial-AC	Commercial-Htg	Industrial-Non Htg	Industrial-Htg	NT	DS	Large Transp- Other
2015	38,308	1,386,315	130,570	51,433	939	475,528	18,130	18,900	450,618	403,801	9,951,723
2016	34,123	1,437,007	141,918	49,768	1,003	473,073	10,001	15,989	543,808	451,989	12,297,068
2017	30,984	1,342,939	116,752	57,939	0	463,887	3,936	12,770	431,791	459,961	12,991,440
2018	26,451	1,456,287	216,923	51,095	0	570,574	7,057	21,233	550,230	591,322	14,945,472
2019	23,309	1,276,400	176,025	48,466	0	452,338	6,274	14,383	505,893	513,027	17,626,787

UGI Utilities, Inc. - Gas Division  
Average Daily Consumption in MCF for each 12-Month period

	Residential- Non Htg	Residential- Htg	RT	Commercial- Non Htg	Commercial- AC	Commercial- Htg	Industrial- Non Htg	Industrial-Htg	NT	DS	Large Transp- Other
2015	2,020	125,397	11,390	2,297	17	46,913	773	2,377	31,714	27,489	334,053
2016	1,654	102,081	11,959	2,074	17	35,381	602	1,543	29,514	24,712	375,732
2017	1,352	110,893	10,820	2,147	2	38,354	391	1,691	28,854	27,516	445,168
2018	1,238	119,596	16,430	2,181	0	43,676	600	1,897	33,950	29,985	473,355
2019	1,181	119,543	17,932	2,255	0	44,115	408	1,823	35,731	32,139	556,241

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IV-B-5

Request:

Submit a Bill Frequency Analysis for each rate. The analysis should include the rate schedule and block interval, the number of bills at each interval, the cumulative number of bills at each interval, the Mcf or therms at each interval, the cumulative Mcf or therms at each interval, the accumulation of Mcf or therms passing through each interval, and the revenue at each interval for both the present rate and the proposed rates. The Analysis should show only those revenues collected from the basic tariff.

Response:

Please see Attachment IV-B-5 provided on USB flash drive.

Prepared by or under the supervision of: Christopher R. Brown

UGI Utilities, Inc. - Gas Division  
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IV-B-6

Request:

Supply copies of all present and proposed Gas Tariffs.

Response:

Please see UGI Gas Exhibit F - Current Tariff and UGI Gas Exhibit F – Proposed Supplement No. 6 to UGI Utilities, Inc.-Gas Division-PA P.U.C. Nos. 7 & 7S.

Prepared by or under the supervision of: Stephen F. Anzaldo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2019-3015162  
UGI GAS 2020 BASE RATE CASE  
Responses to Section 53.53 - IV-B - Rate Structure - Gas Utilities  
Delivered on January 28, 2020

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IV-B-7

Request:

Supply a graph of present and proposed base rates on hyperbolic cross section paper.

Response:

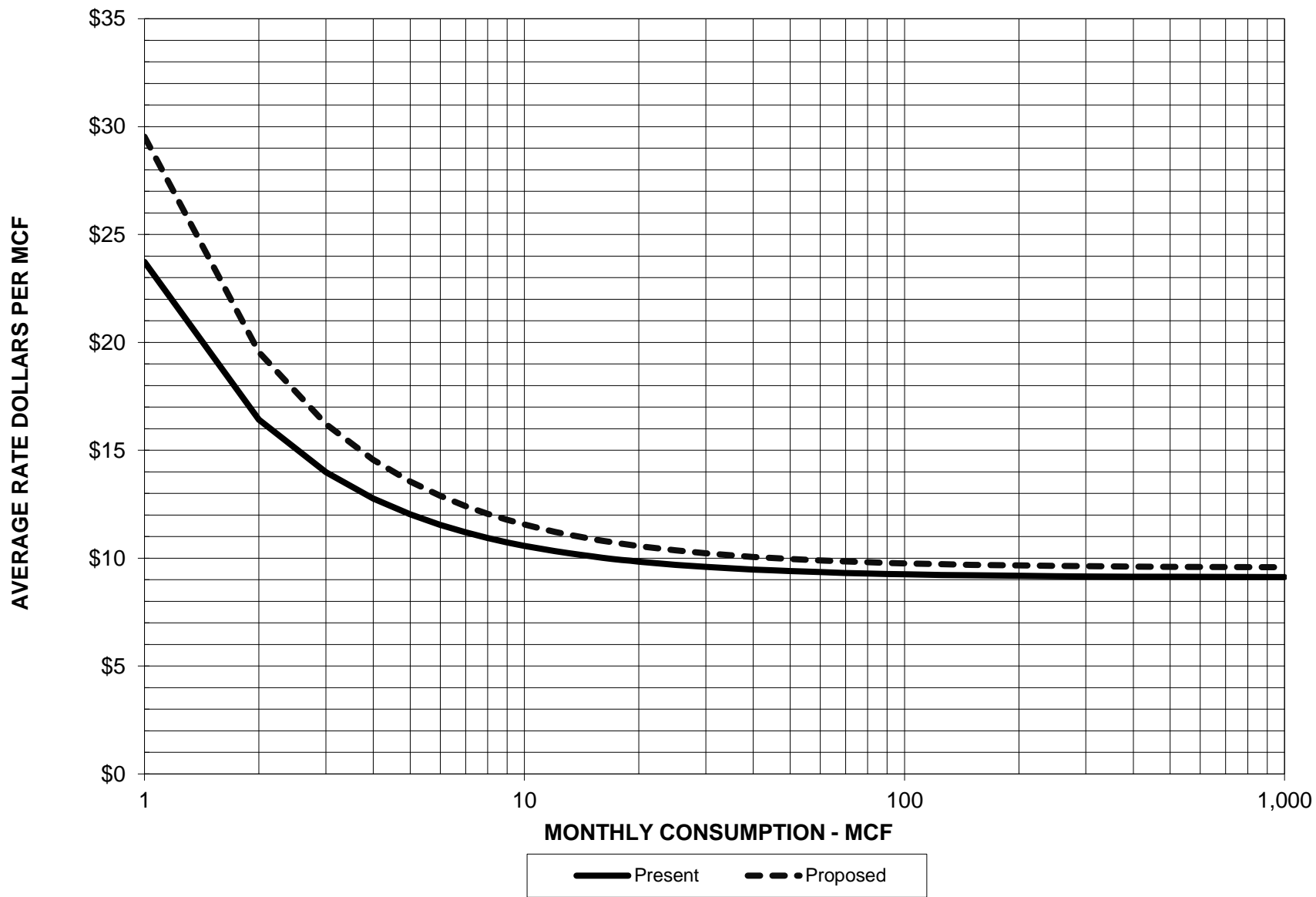
Please see Attachment IV-B-7.

Prepared by or under the supervision of: Christopher R. Brown

**UGI Utilities, Inc. - Gas Division**  
**Residential Service - Rate Schedule R**  
**Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 14.62	\$ 19.97	\$ 5.35	36.6%
1	\$ 23.73	\$ 29.53	\$ 5.80	24.4%
2	\$ 32.84	\$ 39.09	\$ 6.25	19.0%
3	\$ 41.95	\$ 48.65	\$ 6.71	16.0%
4	\$ 51.06	\$ 58.21	\$ 7.16	14.0%
5	\$ 60.16	\$ 67.77	\$ 7.61	12.6%
6	\$ 69.27	\$ 77.33	\$ 8.06	11.6%
7	\$ 78.38	\$ 86.89	\$ 8.51	10.9%
8	\$ 87.49	\$ 96.45	\$ 8.97	10.2%
9	\$ 96.60	\$ 106.01	\$ 9.42	9.7%
10	\$ 105.70	\$ 115.57	\$ 9.87	9.3%
11	\$ 114.81	\$ 125.13	\$ 10.32	9.0%
12	\$ 123.92	\$ 134.69	\$ 10.77	8.7%
13	\$ 133.03	\$ 144.25	\$ 11.23	8.4%
14	\$ 142.14	\$ 153.82	\$ 11.68	8.2%
15	\$ 151.25	\$ 163.38	\$ 12.13	8.0%
16	\$ 160.35	\$ 172.94	\$ 12.58	7.8%
17	\$ 169.46	\$ 182.50	\$ 13.03	7.7%
18	\$ 178.57	\$ 192.06	\$ 13.49	7.6%
19	\$ 187.68	\$ 201.62	\$ 13.94	7.4%
20	\$ 196.79	\$ 211.18	\$ 14.39	7.3%
25	\$ 242.33	\$ 258.98	\$ 16.65	6.9%
30	\$ 287.87	\$ 306.78	\$ 18.91	6.6%
35	\$ 333.41	\$ 354.58	\$ 21.17	6.3%
40	\$ 378.95	\$ 402.38	\$ 23.43	6.2%
45	\$ 424.49	\$ 450.18	\$ 25.69	6.1%
50	\$ 470.03	\$ 497.98	\$ 27.95	5.9%
60	\$ 561.11	\$ 593.58	\$ 32.47	5.8%
70	\$ 652.19	\$ 689.18	\$ 36.99	5.7%
80	\$ 743.27	\$ 784.79	\$ 41.51	5.6%
90	\$ 834.36	\$ 880.39	\$ 46.03	5.5%
100	\$ 925.44	\$ 975.99	\$ 50.55	5.5%
125	\$ 1,153.14	\$ 1,214.99	\$ 61.85	5.4%
150	\$ 1,380.84	\$ 1,454.00	\$ 73.15	5.3%
200	\$ 1,836.25	\$ 1,932.00	\$ 95.75	5.2%
250	\$ 2,291.66	\$ 2,410.01	\$ 118.35	5.2%
300	\$ 2,747.07	\$ 2,888.02	\$ 140.95	5.1%
400	\$ 3,657.88	\$ 3,844.04	\$ 186.15	5.1%
500	\$ 4,568.70	\$ 4,800.05	\$ 231.36	5.1%
1,000	\$ 9,122.77	\$ 9,580.13	\$ 457.36	5.0%

UGI Utilities, Inc.- Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule R



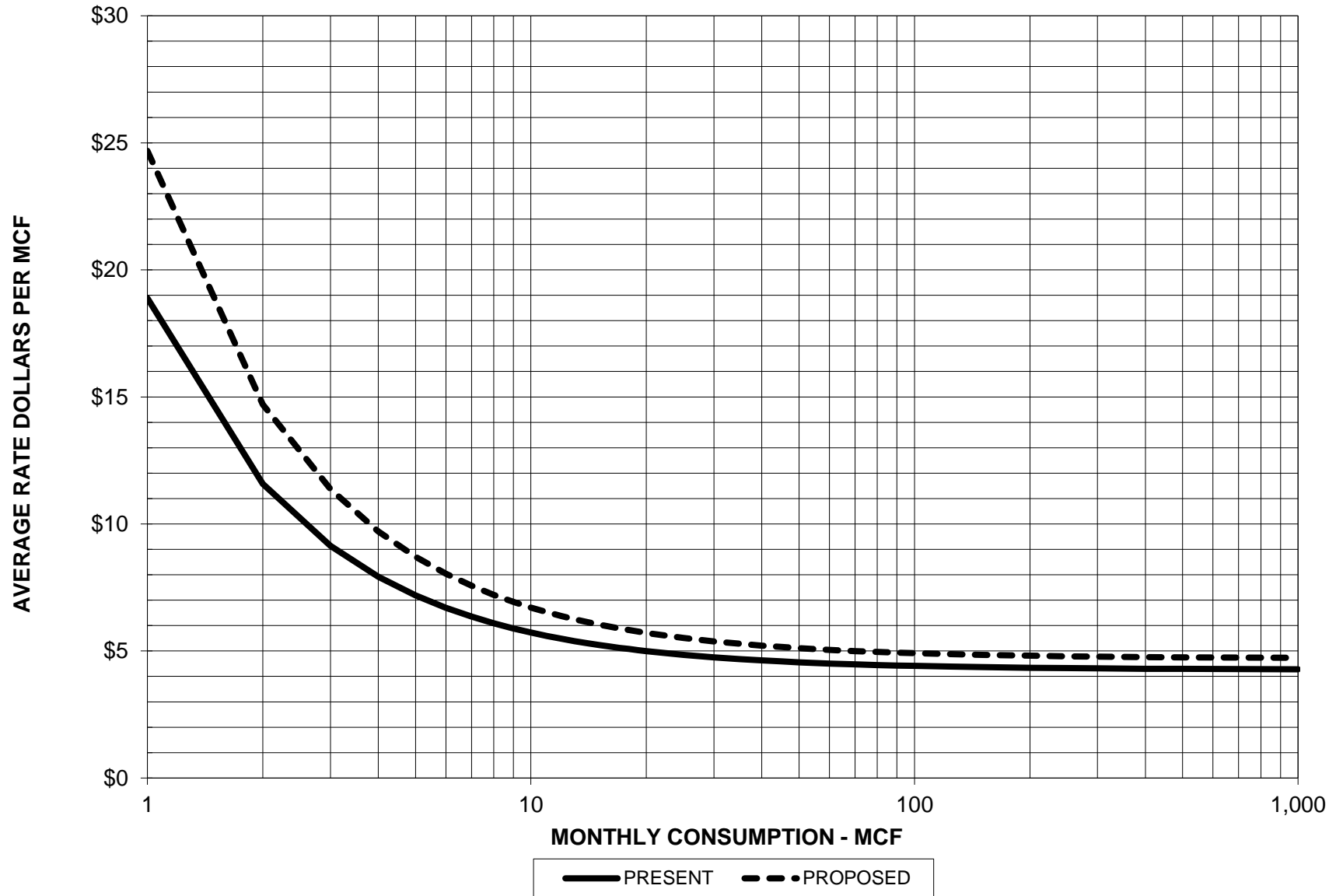


**UGI Utilities, Inc. - Gas Division  
Residential Transportation Service - Rate Schedule RT  
Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 14.62	\$ 19.97	\$ 5.35	36.6%
1	\$ 18.89	\$ 24.69	\$ 5.80	30.7%
2	\$ 23.15	\$ 29.40	\$ 6.25	27.0%
3	\$ 27.42	\$ 34.11	\$ 6.69	24.4%
4	\$ 31.68	\$ 38.82	\$ 7.14	22.5%
5	\$ 35.95	\$ 43.54	\$ 7.59	21.1%
6	\$ 40.21	\$ 48.25	\$ 8.04	20.0%
7	\$ 44.48	\$ 52.96	\$ 8.48	19.1%
8	\$ 48.74	\$ 57.67	\$ 8.93	18.3%
9	\$ 53.01	\$ 62.39	\$ 9.38	17.7%
10	\$ 57.27	\$ 67.10	\$ 9.83	17.2%
11	\$ 61.53	\$ 71.81	\$ 10.28	16.7%
12	\$ 65.80	\$ 76.52	\$ 10.72	16.3%
13	\$ 70.06	\$ 81.24	\$ 11.17	15.9%
14	\$ 74.33	\$ 85.95	\$ 11.62	15.6%
15	\$ 78.59	\$ 90.66	\$ 12.07	15.4%
16	\$ 82.86	\$ 95.37	\$ 12.51	15.1%
17	\$ 87.12	\$ 100.09	\$ 12.96	14.9%
18	\$ 91.39	\$ 104.80	\$ 13.41	14.7%
19	\$ 95.65	\$ 109.51	\$ 13.86	14.5%
20	\$ 99.92	\$ 114.22	\$ 14.31	14.3%
25	\$ 121.24	\$ 137.79	\$ 16.55	13.6%
30	\$ 142.56	\$ 161.35	\$ 18.78	13.2%
35	\$ 163.89	\$ 184.91	\$ 21.02	12.8%
40	\$ 185.21	\$ 208.47	\$ 23.26	12.6%
45	\$ 206.53	\$ 232.04	\$ 25.50	12.3%
50	\$ 227.86	\$ 255.60	\$ 27.74	12.2%
60	\$ 270.50	\$ 302.72	\$ 32.22	11.9%
70	\$ 313.15	\$ 349.85	\$ 36.70	11.7%
80	\$ 355.80	\$ 396.97	\$ 41.17	11.6%
90	\$ 398.45	\$ 444.10	\$ 45.65	11.5%
100	\$ 441.09	\$ 491.22	\$ 50.13	11.4%
125	\$ 547.71	\$ 609.04	\$ 61.33	11.2%
150	\$ 654.33	\$ 726.85	\$ 72.52	11.1%
200	\$ 867.56	\$ 962.47	\$ 94.91	10.9%
250	\$ 1,080.80	\$ 1,198.10	\$ 117.30	10.9%
300	\$ 1,294.03	\$ 1,433.72	\$ 139.69	10.8%
400	\$ 1,720.50	\$ 1,904.97	\$ 184.47	10.7%
500	\$ 2,146.97	\$ 2,376.22	\$ 229.25	10.7%
1,000	\$ 4,279.32	\$ 4,732.47	\$ 453.15	10.6%

UGI Utilities, Inc. - Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule RT

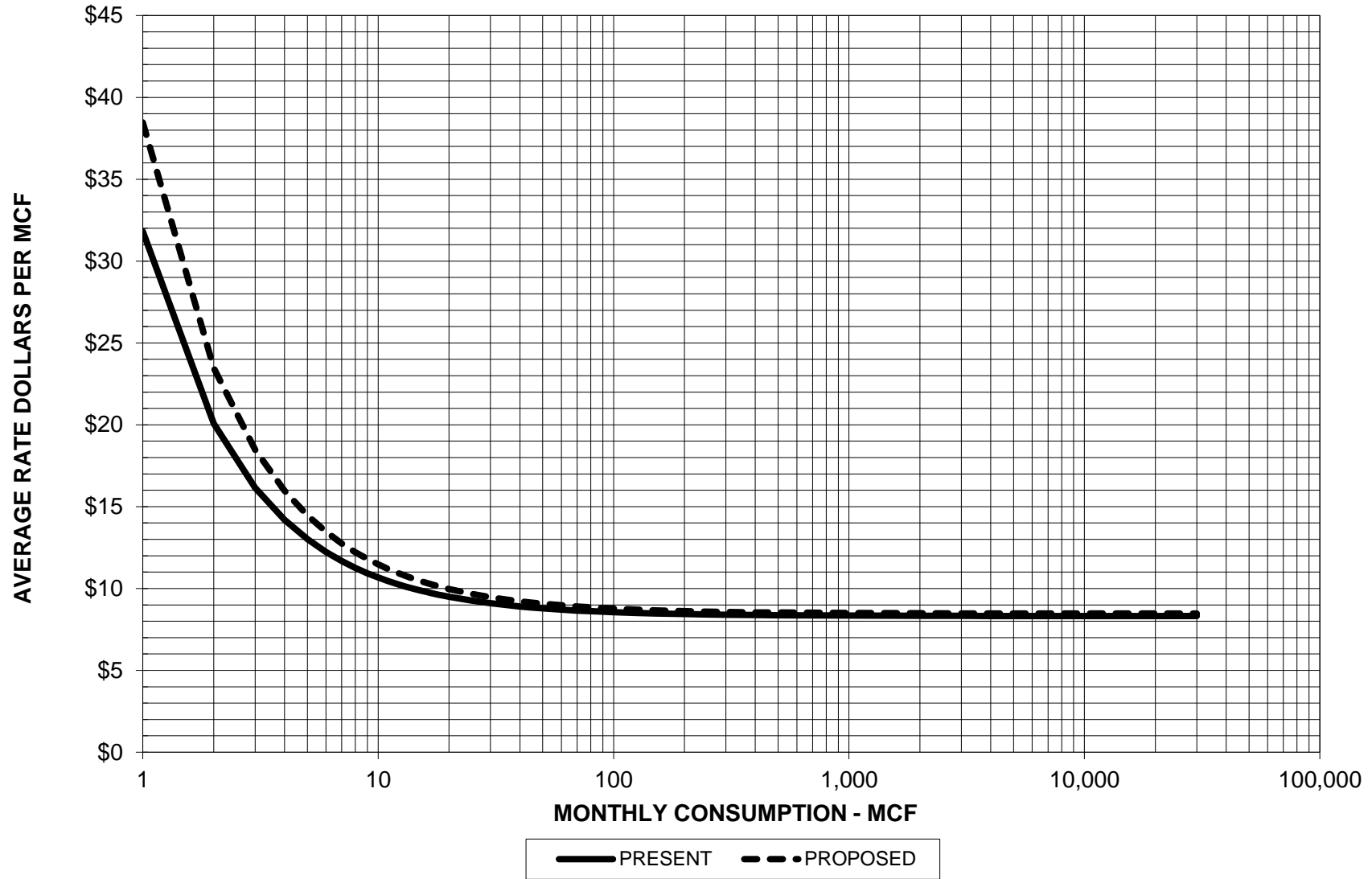
Attachment IV-B-7  
C. R. Brown  
Page 4 of 22



**UGI Utilities, Inc. - Gas Division, Former South & Central Rate Districts**  
**Non-Residential Service - Rate Schedule N**  
**Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 23.50	\$ 30.00	\$ 6.50	27.7%
1	\$ 31.82	\$ 38.47	\$ 6.65	20.9%
2	\$ 40.14	\$ 46.94	\$ 6.80	16.9%
3	\$ 48.45	\$ 55.41	\$ 6.95	14.4%
4	\$ 56.77	\$ 63.88	\$ 7.11	12.5%
5	\$ 65.09	\$ 72.34	\$ 7.26	11.1%
6	\$ 73.41	\$ 80.81	\$ 7.41	10.1%
7	\$ 81.72	\$ 89.28	\$ 7.56	9.2%
8	\$ 90.04	\$ 97.75	\$ 7.71	8.6%
9	\$ 98.36	\$ 106.22	\$ 7.86	8.0%
10	\$ 106.68	\$ 114.69	\$ 8.01	7.5%
11	\$ 114.99	\$ 123.16	\$ 8.16	7.1%
12	\$ 123.31	\$ 131.63	\$ 8.32	6.7%
13	\$ 131.63	\$ 140.09	\$ 8.47	6.4%
14	\$ 139.95	\$ 148.56	\$ 8.62	6.2%
15	\$ 148.26	\$ 157.03	\$ 8.77	5.9%
16	\$ 156.58	\$ 165.50	\$ 8.92	5.7%
17	\$ 164.90	\$ 173.97	\$ 9.07	5.5%
18	\$ 173.22	\$ 182.44	\$ 9.22	5.3%
19	\$ 181.53	\$ 190.91	\$ 9.37	5.2%
20	\$ 189.85	\$ 199.38	\$ 9.53	5.0%
25	\$ 231.44	\$ 241.72	\$ 10.28	4.4%
30	\$ 273.03	\$ 284.06	\$ 11.04	4.0%
35	\$ 314.61	\$ 326.41	\$ 11.79	3.7%
40	\$ 356.20	\$ 368.75	\$ 12.55	3.5%
45	\$ 397.79	\$ 411.10	\$ 13.31	3.3%
50	\$ 439.38	\$ 453.44	\$ 14.06	3.2%
60	\$ 522.55	\$ 538.13	\$ 15.58	3.0%
70	\$ 605.73	\$ 622.82	\$ 17.09	2.8%
80	\$ 688.90	\$ 707.50	\$ 18.60	2.7%
90	\$ 772.08	\$ 792.19	\$ 20.11	2.6%
100	\$ 855.25	\$ 876.88	\$ 21.63	2.5%
125	\$ 1,063.19	\$ 1,088.60	\$ 25.41	2.4%
150	\$ 1,271.13	\$ 1,300.32	\$ 29.19	2.3%
200	\$ 1,687.01	\$ 1,723.76	\$ 36.75	2.2%
250	\$ 2,102.88	\$ 2,147.20	\$ 44.32	2.1%
300	\$ 2,518.76	\$ 2,570.64	\$ 51.88	2.1%
400	\$ 3,350.51	\$ 3,417.52	\$ 67.01	2.0%
500	\$ 4,182.27	\$ 4,264.40	\$ 82.14	2.0%
1,000	\$ 8,341.03	\$ 8,498.80	\$ 157.77	1.9%
2,000	\$ 16,658.56	\$ 16,967.61	\$ 309.04	1.9%
3,000	\$ 24,976.10	\$ 25,436.41	\$ 460.32	1.8%
4,000	\$ 33,293.63	\$ 33,905.22	\$ 611.59	1.8%
5,000	\$ 41,611.16	\$ 42,374.02	\$ 762.86	1.8%
6,000	\$ 49,928.69	\$ 50,842.83	\$ 914.13	1.8%
7,000	\$ 58,246.23	\$ 59,311.63	\$ 1,065.40	1.8%
8,000	\$ 66,563.76	\$ 67,780.43	\$ 1,216.68	1.8%
9,000	\$ 74,881.29	\$ 76,249.24	\$ 1,367.95	1.8%
10,000	\$ 83,198.82	\$ 84,718.04	\$ 1,519.22	1.8%
20,000	\$ 166,374.14	\$ 169,406.09	\$ 3,031.94	1.8%
30,000	\$ 249,549.47	\$ 254,094.13	\$ 4,544.66	1.8%

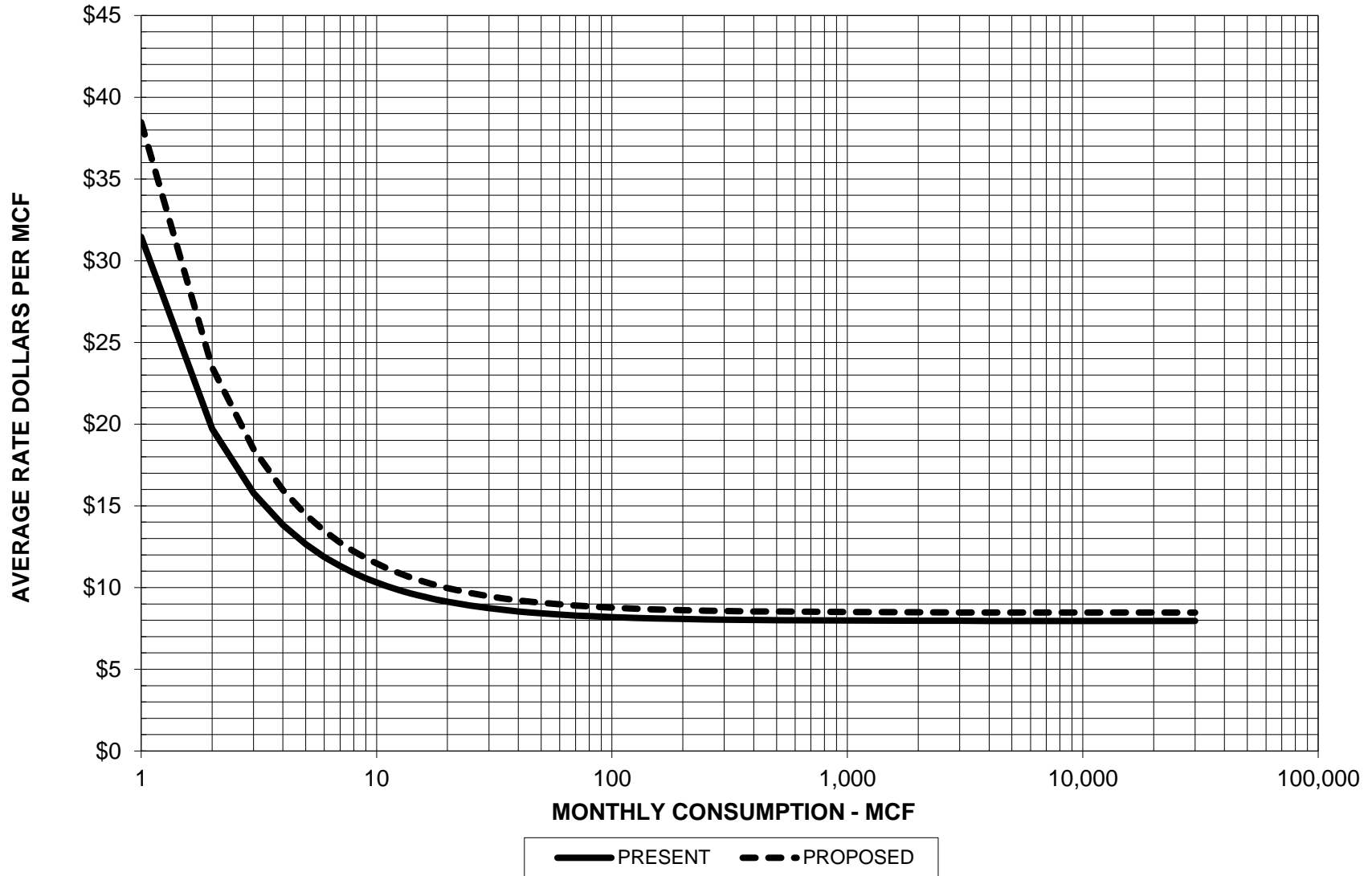
UGI Utilities, Inc.- Gas Division, Former South & Central Rate Districts  
Comparison of Present and Proposed Rates  
Rate Schedule N



**UGI Utilities, Inc. - Gas Division, Former North Rate District  
Non-Residential Service - Rate Schedule N  
Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 23.50	\$ 30.00	\$ 6.50	27.7%
1	\$ 31.46	\$ 38.47	\$ 7.01	22.3%
2	\$ 39.41	\$ 46.94	\$ 7.53	19.1%
3	\$ 47.37	\$ 55.41	\$ 8.04	17.0%
4	\$ 55.32	\$ 63.88	\$ 8.55	15.5%
5	\$ 63.28	\$ 72.34	\$ 9.07	14.3%
6	\$ 71.23	\$ 80.81	\$ 9.58	13.4%
7	\$ 79.19	\$ 89.28	\$ 10.09	12.7%
8	\$ 87.15	\$ 97.75	\$ 10.60	12.2%
9	\$ 95.10	\$ 106.22	\$ 11.12	11.7%
10	\$ 103.06	\$ 114.69	\$ 11.63	11.3%
11	\$ 111.01	\$ 123.16	\$ 12.14	10.9%
12	\$ 118.97	\$ 131.63	\$ 12.66	10.6%
13	\$ 126.92	\$ 140.09	\$ 13.17	10.4%
14	\$ 134.88	\$ 148.56	\$ 13.68	10.1%
15	\$ 142.84	\$ 157.03	\$ 14.20	9.9%
16	\$ 150.79	\$ 165.50	\$ 14.71	9.8%
17	\$ 158.75	\$ 173.97	\$ 15.22	9.6%
18	\$ 166.70	\$ 182.44	\$ 15.74	9.4%
19	\$ 174.66	\$ 190.91	\$ 16.25	9.3%
20	\$ 182.61	\$ 199.38	\$ 16.76	9.2%
25	\$ 222.39	\$ 241.72	\$ 19.33	8.7%
30	\$ 262.17	\$ 284.06	\$ 21.89	8.4%
35	\$ 301.95	\$ 326.41	\$ 24.46	8.1%
40	\$ 341.73	\$ 368.75	\$ 27.02	7.9%
45	\$ 381.51	\$ 411.10	\$ 29.59	7.8%
50	\$ 421.29	\$ 453.44	\$ 32.15	7.6%
60	\$ 500.84	\$ 538.13	\$ 37.28	7.4%
70	\$ 580.40	\$ 622.82	\$ 42.42	7.3%
80	\$ 659.96	\$ 707.50	\$ 47.55	7.2%
90	\$ 739.52	\$ 792.19	\$ 52.68	7.1%
100	\$ 819.07	\$ 876.88	\$ 57.81	7.1%
125	\$ 1,017.97	\$ 1,088.60	\$ 70.63	6.9%
150	\$ 1,216.86	\$ 1,300.32	\$ 83.46	6.9%
200	\$ 1,614.65	\$ 1,723.76	\$ 109.11	6.8%
250	\$ 2,012.43	\$ 2,147.20	\$ 134.77	6.7%
300	\$ 2,410.22	\$ 2,570.64	\$ 160.42	6.7%
400	\$ 3,205.79	\$ 3,417.52	\$ 211.73	6.6%
500	\$ 4,001.37	\$ 4,264.40	\$ 263.04	6.6%
1,000	\$ 7,979.23	\$ 8,498.80	\$ 519.57	6.5%
2,000	\$ 15,934.96	\$ 16,967.61	\$ 1,032.64	6.5%
3,000	\$ 23,890.70	\$ 25,436.41	\$ 1,545.72	6.5%
4,000	\$ 31,846.43	\$ 33,905.22	\$ 2,058.79	6.5%
5,000	\$ 39,802.16	\$ 42,374.02	\$ 2,571.86	6.5%
6,000	\$ 47,757.89	\$ 50,842.83	\$ 3,084.93	6.5%
7,000	\$ 55,713.63	\$ 59,311.63	\$ 3,598.00	6.5%
8,000	\$ 63,669.36	\$ 67,780.43	\$ 4,111.08	6.5%
9,000	\$ 71,625.09	\$ 76,249.24	\$ 4,624.15	6.5%
10,000	\$ 79,580.82	\$ 84,718.04	\$ 5,137.22	6.5%
20,000	\$ 159,138.14	\$ 169,406.09	\$ 10,267.94	6.5%
30,000	\$ 238,695.47	\$ 254,094.13	\$ 15,398.66	6.5%

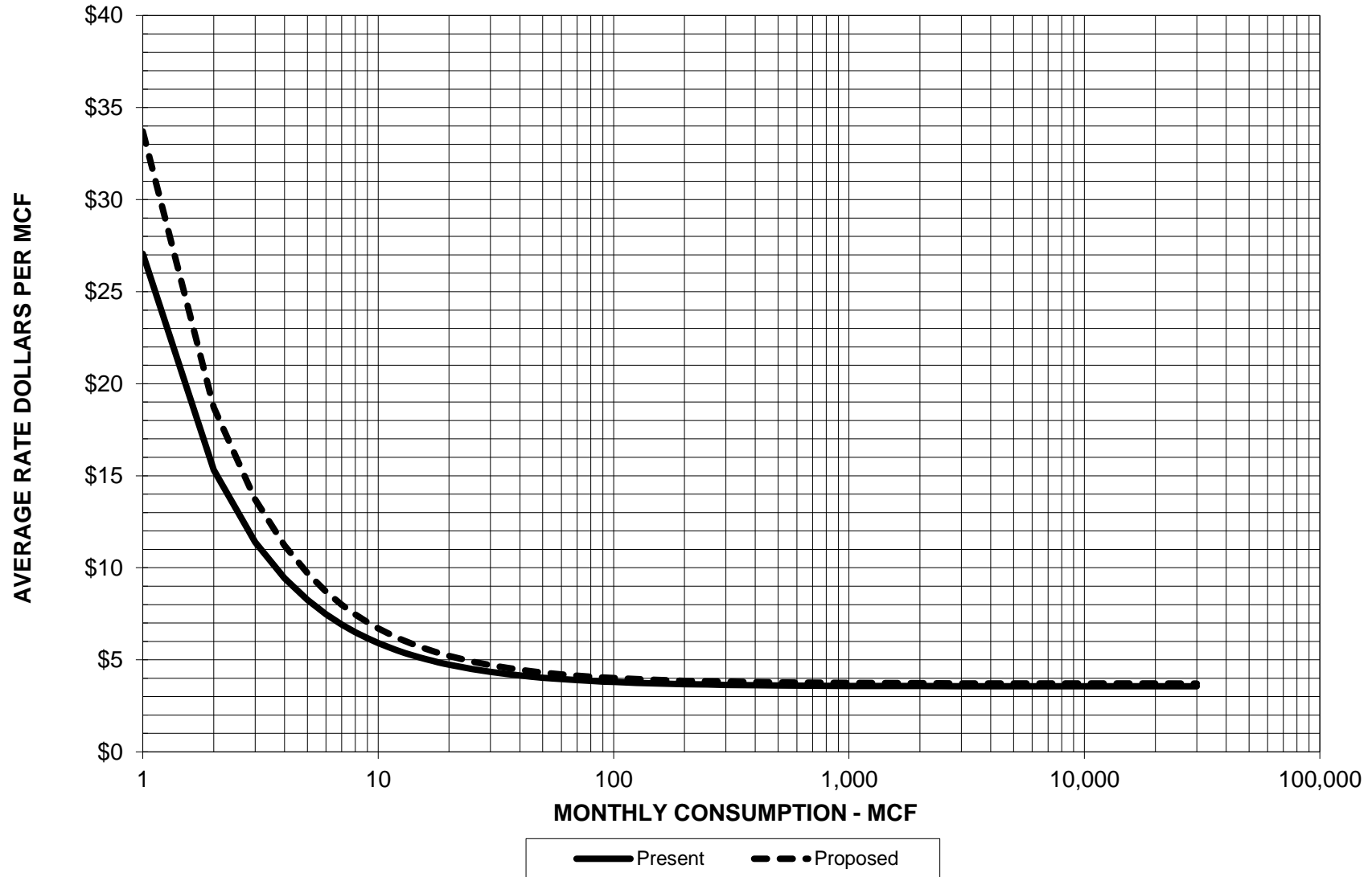
UGI Utilities, Inc.- Gas Division, Former North Rate District  
Comparison of Present and Proposed Rates  
Rate Schedule N



**UGI Utilities, Inc. - Gas Division, Former South & Central Rate Districts**  
**Non-Residential Transportation Service - Rate Schedule NT**  
**Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 23.50	\$ 30.00	\$ 6.50	27.7%
1	\$ 27.06	\$ 33.71	\$ 6.65	24.6%
2	\$ 30.62	\$ 37.42	\$ 6.80	22.2%
3	\$ 34.18	\$ 41.13	\$ 6.95	20.3%
4	\$ 37.74	\$ 44.84	\$ 7.10	18.8%
5	\$ 41.30	\$ 48.55	\$ 7.25	17.5%
6	\$ 44.86	\$ 52.26	\$ 7.40	16.5%
7	\$ 48.42	\$ 55.97	\$ 7.55	15.6%
8	\$ 51.98	\$ 59.68	\$ 7.70	14.8%
9	\$ 55.54	\$ 63.39	\$ 7.84	14.1%
10	\$ 59.10	\$ 67.10	\$ 7.99	13.5%
11	\$ 62.66	\$ 70.81	\$ 8.14	13.0%
12	\$ 66.22	\$ 74.52	\$ 8.29	12.5%
13	\$ 69.78	\$ 78.22	\$ 8.44	12.1%
14	\$ 73.34	\$ 81.93	\$ 8.59	11.7%
15	\$ 76.90	\$ 85.64	\$ 8.74	11.4%
16	\$ 80.46	\$ 89.35	\$ 8.89	11.0%
17	\$ 84.02	\$ 93.06	\$ 9.04	10.8%
18	\$ 87.58	\$ 96.77	\$ 9.19	10.5%
19	\$ 91.14	\$ 100.48	\$ 9.34	10.2%
20	\$ 94.70	\$ 104.19	\$ 9.49	10.0%
25	\$ 112.51	\$ 122.74	\$ 10.24	9.1%
30	\$ 130.31	\$ 141.29	\$ 10.98	8.4%
35	\$ 148.11	\$ 159.84	\$ 11.73	7.9%
40	\$ 165.91	\$ 178.38	\$ 12.48	7.5%
45	\$ 183.71	\$ 196.93	\$ 13.22	7.2%
50	\$ 201.51	\$ 215.48	\$ 13.97	6.9%
60	\$ 237.11	\$ 252.58	\$ 15.46	6.5%
70	\$ 272.71	\$ 289.67	\$ 16.96	6.2%
80	\$ 308.32	\$ 326.77	\$ 18.45	6.0%
90	\$ 343.92	\$ 363.86	\$ 19.95	5.8%
100	\$ 379.52	\$ 400.96	\$ 21.44	5.6%
125	\$ 468.53	\$ 493.70	\$ 25.18	5.4%
150	\$ 557.53	\$ 586.44	\$ 28.91	5.2%
200	\$ 735.54	\$ 771.92	\$ 36.38	4.9%
250	\$ 913.55	\$ 957.40	\$ 43.85	4.8%
300	\$ 1,091.56	\$ 1,142.88	\$ 51.32	4.7%
400	\$ 1,447.58	\$ 1,513.84	\$ 66.26	4.6%
500	\$ 1,803.60	\$ 1,884.80	\$ 81.20	4.5%
1,000	\$ 3,583.70	\$ 3,739.60	\$ 155.90	4.4%
2,000	\$ 7,143.90	\$ 7,449.20	\$ 305.30	4.3%
3,000	\$ 10,704.10	\$ 11,158.80	\$ 454.70	4.2%
4,000	\$ 14,264.30	\$ 14,868.40	\$ 604.10	4.2%
5,000	\$ 17,824.50	\$ 18,578.00	\$ 753.50	4.2%
6,000	\$ 21,384.70	\$ 22,287.60	\$ 902.90	4.2%
7,000	\$ 24,944.90	\$ 25,997.20	\$ 1,052.30	4.2%
8,000	\$ 28,505.10	\$ 29,706.80	\$ 1,201.70	4.2%
9,000	\$ 32,065.30	\$ 33,416.40	\$ 1,351.10	4.2%
10,000	\$ 35,625.50	\$ 37,126.00	\$ 1,500.50	4.2%
20,000	\$ 71,227.50	\$ 74,222.00	\$ 2,994.50	4.2%
30,000	\$ 106,829.50	\$ 111,318.00	\$ 4,488.50	4.2%

UGI Utilities, Inc. - Gas Division, Former South & Central Rate Districts  
Comparison of Present and Proposed Rates  
Rate Schedule NT

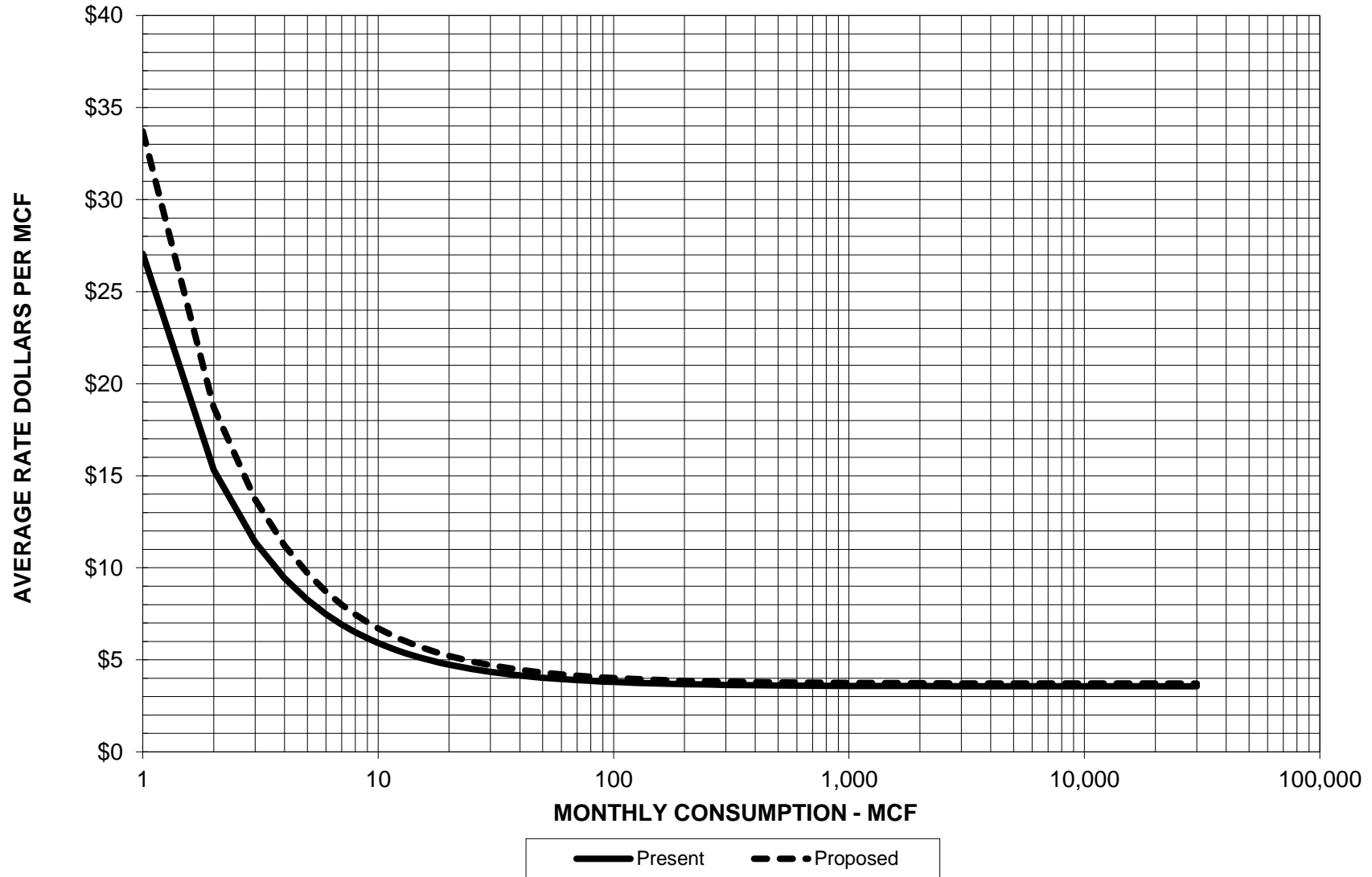




**UGI Utilities, Inc. - Gas Division, Former North Rate District  
 Non-Residential Transportation Service - Rate Schedule NT  
 Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 23.50	\$ 30.00	\$ 6.50	27.7%
1	\$ 27.06	\$ 33.71	\$ 6.65	24.6%
2	\$ 30.62	\$ 37.42	\$ 6.80	22.2%
3	\$ 34.18	\$ 41.13	\$ 6.95	20.3%
4	\$ 37.74	\$ 44.84	\$ 7.10	18.8%
5	\$ 41.30	\$ 48.55	\$ 7.25	17.5%
6	\$ 44.86	\$ 52.26	\$ 7.40	16.5%
7	\$ 48.42	\$ 55.97	\$ 7.55	15.6%
8	\$ 51.98	\$ 59.68	\$ 7.70	14.8%
9	\$ 55.54	\$ 63.39	\$ 7.84	14.1%
10	\$ 59.10	\$ 67.10	\$ 7.99	13.5%
11	\$ 62.66	\$ 70.81	\$ 8.14	13.0%
12	\$ 66.22	\$ 74.52	\$ 8.29	12.5%
13	\$ 69.78	\$ 78.22	\$ 8.44	12.1%
14	\$ 73.34	\$ 81.93	\$ 8.59	11.7%
15	\$ 76.90	\$ 85.64	\$ 8.74	11.4%
16	\$ 80.46	\$ 89.35	\$ 8.89	11.0%
17	\$ 84.02	\$ 93.06	\$ 9.04	10.8%
18	\$ 87.58	\$ 96.77	\$ 9.19	10.5%
19	\$ 91.14	\$ 100.48	\$ 9.34	10.2%
20	\$ 94.70	\$ 104.19	\$ 9.49	10.0%
25	\$ 112.51	\$ 122.74	\$ 10.24	9.1%
30	\$ 130.31	\$ 141.29	\$ 10.98	8.4%
35	\$ 148.11	\$ 159.84	\$ 11.73	7.9%
40	\$ 165.91	\$ 178.38	\$ 12.48	7.5%
45	\$ 183.71	\$ 196.93	\$ 13.22	7.2%
50	\$ 201.51	\$ 215.48	\$ 13.97	6.9%
60	\$ 237.11	\$ 252.58	\$ 15.46	6.5%
70	\$ 272.71	\$ 289.67	\$ 16.96	6.2%
80	\$ 308.32	\$ 326.77	\$ 18.45	6.0%
90	\$ 343.92	\$ 363.86	\$ 19.95	5.8%
100	\$ 379.52	\$ 400.96	\$ 21.44	5.6%
125	\$ 468.53	\$ 493.70	\$ 25.18	5.4%
150	\$ 557.53	\$ 586.44	\$ 28.91	5.2%
200	\$ 735.54	\$ 771.92	\$ 36.38	4.9%
250	\$ 913.55	\$ 957.40	\$ 43.85	4.8%
300	\$ 1,091.56	\$ 1,142.88	\$ 51.32	4.7%
400	\$ 1,447.58	\$ 1,513.84	\$ 66.26	4.6%
500	\$ 1,803.60	\$ 1,884.80	\$ 81.20	4.5%
1,000	\$ 3,583.70	\$ 3,739.60	\$ 155.90	4.4%
2,000	\$ 7,143.90	\$ 7,449.20	\$ 305.30	4.3%
3,000	\$ 10,704.10	\$ 11,158.80	\$ 454.70	4.2%
4,000	\$ 14,264.30	\$ 14,868.40	\$ 604.10	4.2%
5,000	\$ 17,824.50	\$ 18,578.00	\$ 753.50	4.2%
6,000	\$ 21,384.70	\$ 22,287.60	\$ 902.90	4.2%
7,000	\$ 24,944.90	\$ 25,997.20	\$ 1,052.30	4.2%
8,000	\$ 28,505.10	\$ 29,706.80	\$ 1,201.70	4.2%
9,000	\$ 32,065.30	\$ 33,416.40	\$ 1,351.10	4.2%
10,000	\$ 35,625.50	\$ 37,126.00	\$ 1,500.50	4.2%
20,000	\$ 71,227.50	\$ 74,222.00	\$ 2,994.50	4.2%
30,000	\$ 106,829.50	\$ 111,318.00	\$ 4,488.50	4.2%

UGI Utilities, Inc. - Gas Division, Former North Rate District  
Comparison of Present and Proposed Rates  
Rate Schedule NT

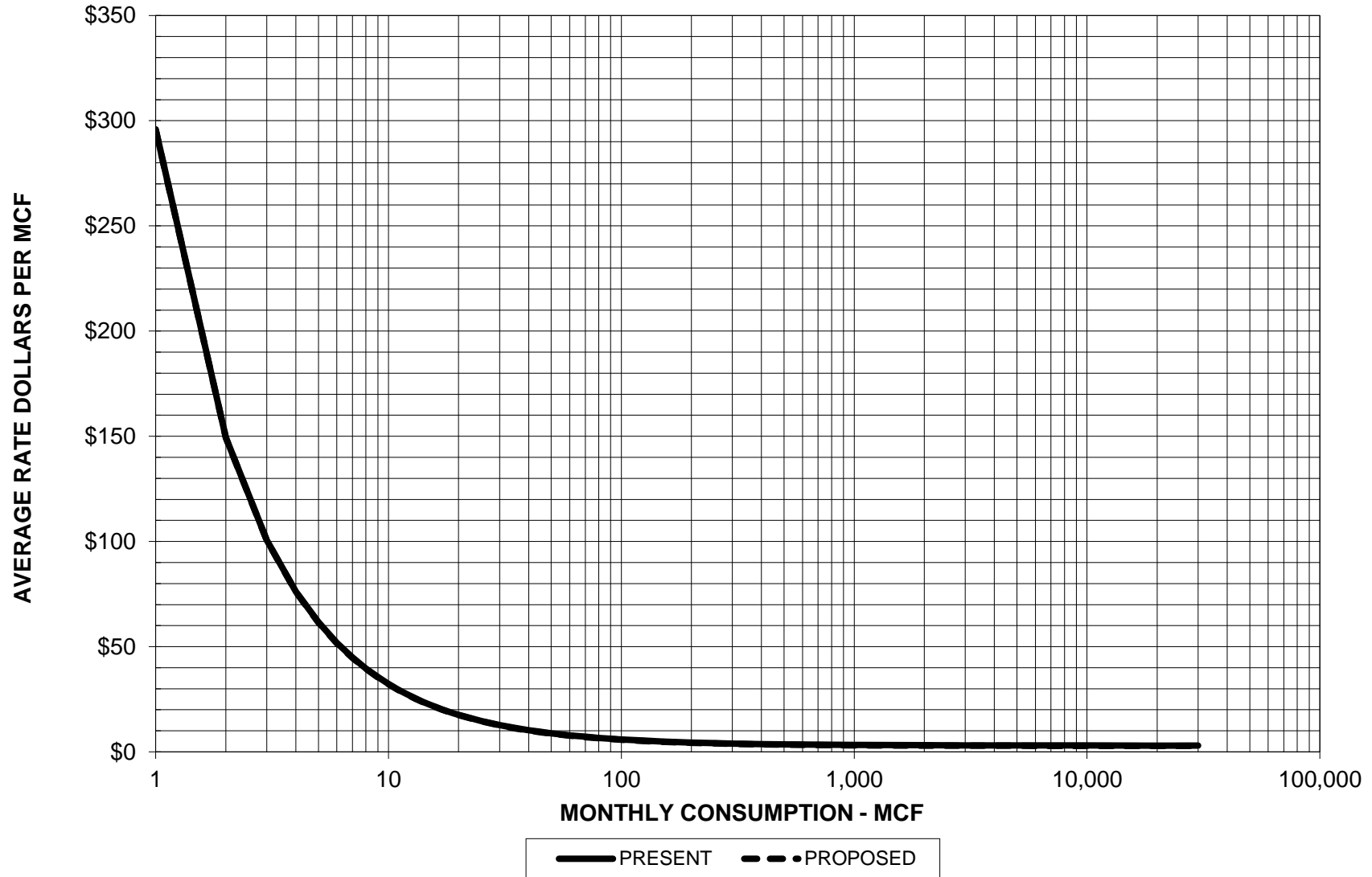


**UGI Utilities, Inc. - Gas Division -Former South and Central Rate Districts**  
**Delivery Service - Rate Schedule DS**  
**Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 292.94	\$ 292.94	\$ -	0.0%
1	\$ 295.92	\$ 295.76	\$ (0.16)	-0.1%
2	\$ 298.90	\$ 298.57	\$ (0.33)	-0.1%
3	\$ 301.88	\$ 301.39	\$ (0.49)	-0.2%
4	\$ 304.85	\$ 304.20	\$ (0.65)	-0.2%
5	\$ 307.83	\$ 307.02	\$ (0.81)	-0.3%
6	\$ 310.81	\$ 309.83	\$ (0.98)	-0.3%
7	\$ 313.79	\$ 312.65	\$ (1.14)	-0.4%
8	\$ 316.77	\$ 315.46	\$ (1.30)	-0.4%
9	\$ 319.75	\$ 318.28	\$ (1.47)	-0.5%
10	\$ 322.72	\$ 321.09	\$ (1.63)	-0.5%
11	\$ 325.70	\$ 323.91	\$ (1.79)	-0.6%
12	\$ 328.68	\$ 326.72	\$ (1.96)	-0.6%
13	\$ 331.66	\$ 329.54	\$ (2.12)	-0.6%
14	\$ 334.64	\$ 332.36	\$ (2.28)	-0.7%
15	\$ 337.62	\$ 335.17	\$ (2.44)	-0.7%
16	\$ 340.59	\$ 337.99	\$ (2.61)	-0.8%
17	\$ 343.57	\$ 340.80	\$ (2.77)	-0.8%
18	\$ 346.55	\$ 343.62	\$ (2.93)	-0.8%
19	\$ 349.53	\$ 346.43	\$ (3.10)	-0.9%
20	\$ 352.51	\$ 349.25	\$ (3.26)	-0.9%
25	\$ 367.40	\$ 363.33	\$ (4.08)	-1.1%
30	\$ 382.29	\$ 377.40	\$ (4.89)	-1.3%
35	\$ 397.18	\$ 391.48	\$ (5.70)	-1.4%
40	\$ 412.08	\$ 405.56	\$ (6.52)	-1.6%
45	\$ 426.97	\$ 419.63	\$ (7.34)	-1.7%
50	\$ 441.86	\$ 433.71	\$ (8.15)	-1.8%
60	\$ 471.64	\$ 461.86	\$ (9.78)	-2.1%
70	\$ 501.43	\$ 490.02	\$ (11.41)	-2.3%
80	\$ 531.21	\$ 518.17	\$ (13.04)	-2.5%
90	\$ 561.00	\$ 546.33	\$ (14.67)	-2.6%
100	\$ 590.78	\$ 574.48	\$ (16.30)	-2.8%
125	\$ 665.24	\$ 644.87	\$ (20.38)	-3.1%
150	\$ 739.70	\$ 715.25	\$ (24.45)	-3.3%
200	\$ 888.62	\$ 856.02	\$ (32.60)	-3.7%
250	\$ 1,037.54	\$ 996.79	\$ (40.75)	-3.9%
300	\$ 1,186.46	\$ 1,137.56	\$ (48.90)	-4.1%
400	\$ 1,484.30	\$ 1,419.10	\$ (65.20)	-4.4%
500	\$ 1,782.14	\$ 1,700.64	\$ (81.50)	-4.6%
1,000	\$ 3,271.34	\$ 3,108.34	\$ (163.00)	-5.0%
2,000	\$ 6,249.74	\$ 5,923.74	\$ (326.00)	-5.2%
3,000	\$ 9,228.14	\$ 8,739.14	\$ (489.00)	-5.3%
4,000	\$ 12,206.54	\$ 11,554.54	\$ (652.00)	-5.3%
5,000	\$ 15,184.94	\$ 14,369.94	\$ (815.00)	-5.4%
6,000	\$ 18,163.34	\$ 17,185.34	\$ (978.00)	-5.4%
7,000	\$ 21,141.74	\$ 20,000.74	\$ (1,141.00)	-5.4%
8,000	\$ 24,120.14	\$ 22,816.14	\$ (1,304.00)	-5.4%
9,000	\$ 27,098.54	\$ 25,631.54	\$ (1,467.00)	-5.4%
10,000	\$ 30,076.94	\$ 28,446.94	\$ (1,630.00)	-5.4%
20,000	\$ 59,860.94	\$ 56,600.94	\$ (3,260.00)	-5.4%
30,000	\$ 89,644.94	\$ 84,754.94	\$ (4,890.00)	-5.5%

**UGI Utilities, Inc. - Gas Division, Former South & Central Rate Districts  
Comparison of Present and Proposed Rates  
Rate Schedule DS**

Attachment IV-B-7  
C. R. Brown  
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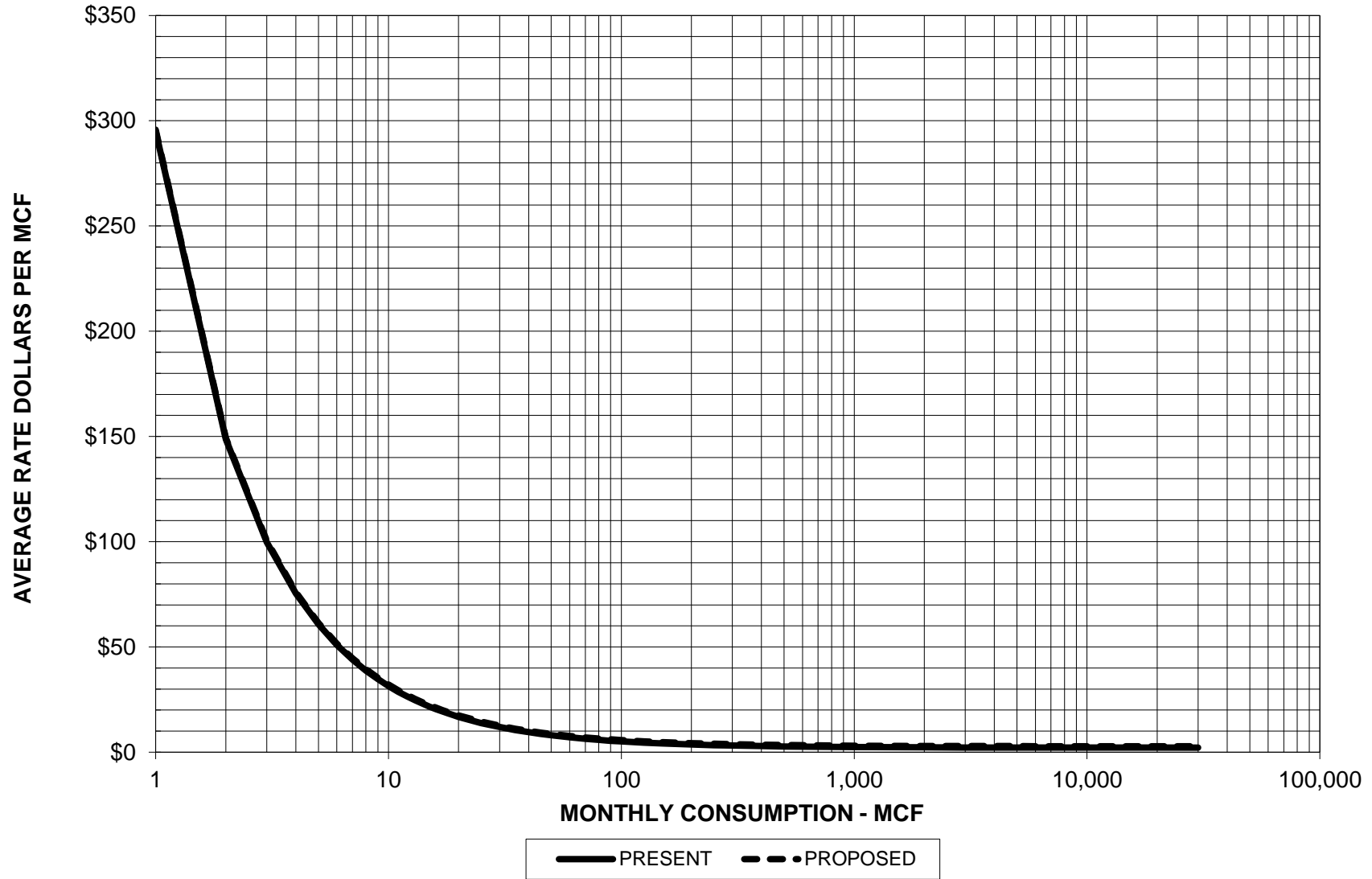


**UGI Utilities, Inc. - Gas Division -Former North Rate District  
Delivery Service - Rate Schedule DS  
Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 292.94	\$ 292.94	\$ -	0.0%
1	\$ 295.10	\$ 295.76	\$ 0.66	0.2%
2	\$ 297.25	\$ 298.57	\$ 1.32	0.4%
3	\$ 299.41	\$ 301.39	\$ 1.98	0.7%
4	\$ 301.57	\$ 304.20	\$ 2.63	0.9%
5	\$ 303.72	\$ 307.02	\$ 3.29	1.1%
6	\$ 305.88	\$ 309.83	\$ 3.95	1.3%
7	\$ 308.04	\$ 312.65	\$ 4.61	1.5%
8	\$ 310.20	\$ 315.46	\$ 5.27	1.7%
9	\$ 312.35	\$ 318.28	\$ 5.93	1.9%
10	\$ 314.51	\$ 321.09	\$ 6.59	2.1%
11	\$ 316.67	\$ 323.91	\$ 7.24	2.3%
12	\$ 318.82	\$ 326.72	\$ 7.90	2.5%
13	\$ 320.98	\$ 329.54	\$ 8.56	2.7%
14	\$ 323.14	\$ 332.36	\$ 9.22	2.9%
15	\$ 325.29	\$ 335.17	\$ 9.88	3.0%
16	\$ 327.45	\$ 337.99	\$ 10.54	3.2%
17	\$ 329.61	\$ 340.80	\$ 11.19	3.4%
18	\$ 331.76	\$ 343.62	\$ 11.85	3.6%
19	\$ 333.92	\$ 346.43	\$ 12.51	3.7%
20	\$ 336.08	\$ 349.25	\$ 13.17	3.9%
25	\$ 346.86	\$ 363.33	\$ 16.46	4.7%
30	\$ 357.65	\$ 377.40	\$ 19.75	5.5%
35	\$ 368.43	\$ 391.48	\$ 23.05	6.3%
40	\$ 379.22	\$ 405.56	\$ 26.34	6.9%
45	\$ 390.00	\$ 419.63	\$ 29.63	7.6%
50	\$ 400.79	\$ 433.71	\$ 32.93	8.2%
60	\$ 422.35	\$ 461.86	\$ 39.51	9.4%
70	\$ 443.92	\$ 490.02	\$ 46.10	10.4%
80	\$ 465.49	\$ 518.17	\$ 52.68	11.3%
90	\$ 487.06	\$ 546.33	\$ 59.27	12.2%
100	\$ 508.63	\$ 574.48	\$ 65.85	12.9%
125	\$ 562.55	\$ 644.87	\$ 82.31	14.6%
150	\$ 616.48	\$ 715.25	\$ 98.77	16.0%
200	\$ 724.32	\$ 856.02	\$ 131.70	18.2%
250	\$ 832.17	\$ 996.79	\$ 164.63	19.8%
300	\$ 940.01	\$ 1,137.56	\$ 197.55	21.0%
400	\$ 1,155.70	\$ 1,419.10	\$ 263.40	22.8%
500	\$ 1,371.39	\$ 1,700.64	\$ 329.25	24.0%
1,000	\$ 2,449.84	\$ 3,108.34	\$ 658.50	26.9%
2,000	\$ 4,606.74	\$ 5,923.74	\$ 1,317.00	28.6%
3,000	\$ 6,763.64	\$ 8,739.14	\$ 1,975.50	29.2%
4,000	\$ 8,920.54	\$ 11,554.54	\$ 2,634.00	29.5%
5,000	\$ 11,077.44	\$ 14,369.94	\$ 3,292.50	29.7%
6,000	\$ 13,234.34	\$ 17,185.34	\$ 3,951.00	29.9%
7,000	\$ 15,391.24	\$ 20,000.74	\$ 4,609.50	29.9%
8,000	\$ 17,548.14	\$ 22,816.14	\$ 5,268.00	30.0%
9,000	\$ 19,705.04	\$ 25,631.54	\$ 5,926.50	30.1%
10,000	\$ 21,861.94	\$ 28,446.94	\$ 6,585.00	30.1%
20,000	\$ 43,430.94	\$ 56,600.94	\$ 13,170.00	30.3%
30,000	\$ 64,999.94	\$ 84,754.94	\$ 19,755.00	30.4%

**UGI Utilities, Inc. - Gas Division, Former North Rate District  
Comparison of Present and Proposed Rates  
Rate Schedule DS**

Attachment IV-B-7  
C. R. Brown  
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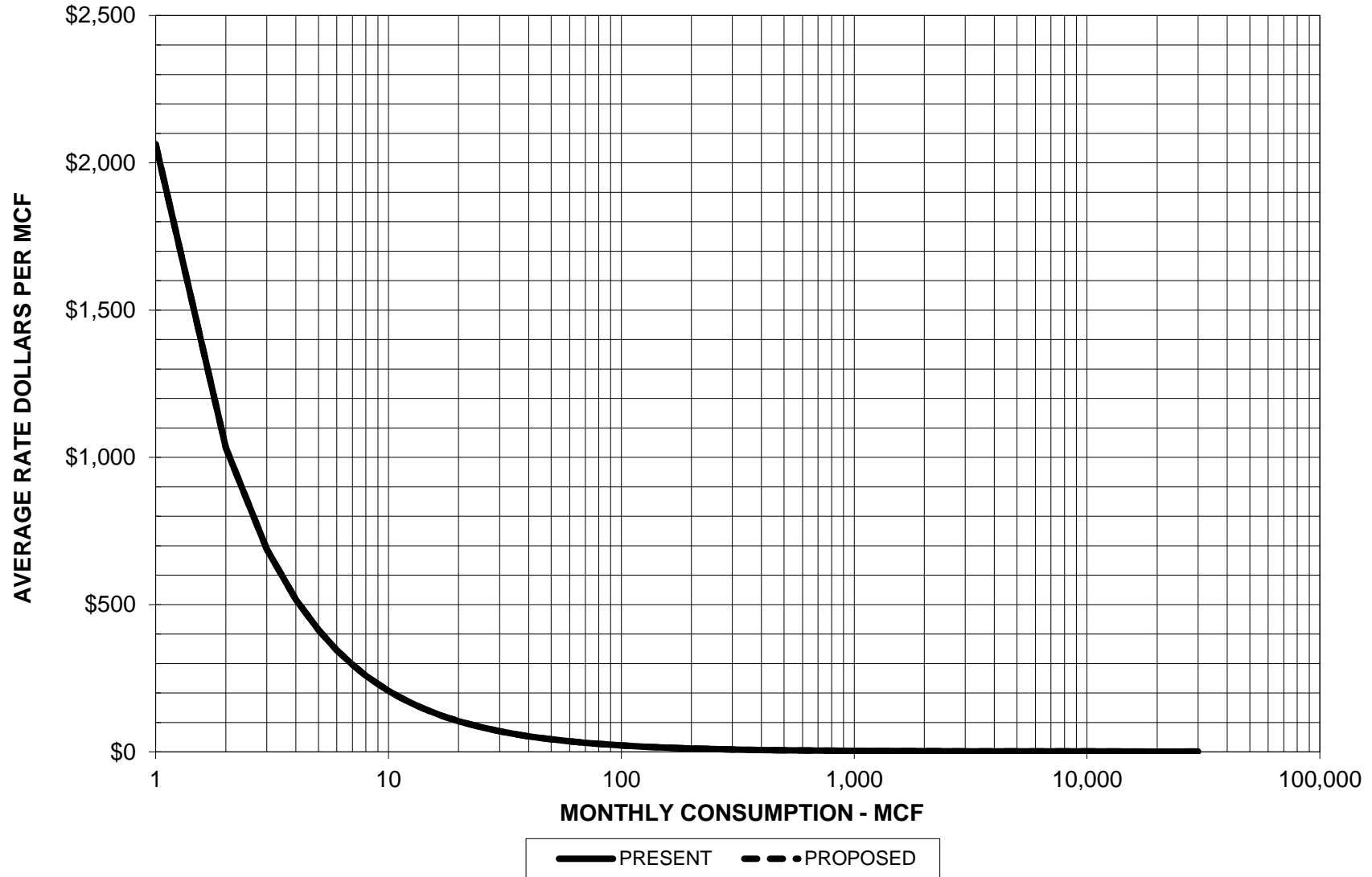


**UGI Utilities, Inc. - Gas Division**  
**Large Firm Delivery Service - Rate Schedule LFD**  
**Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 2,061.97	\$ 2,061.97	\$ -	0.0%
1	\$ 2,063.13	\$ 2,063.13	\$ -	0.0%
2	\$ 2,064.29	\$ 2,064.29	\$ -	0.0%
3	\$ 2,065.45	\$ 2,065.45	\$ -	0.0%
4	\$ 2,066.61	\$ 2,066.61	\$ -	0.0%
5	\$ 2,067.77	\$ 2,067.77	\$ -	0.0%
6	\$ 2,068.93	\$ 2,068.93	\$ -	0.0%
7	\$ 2,070.09	\$ 2,070.09	\$ -	0.0%
8	\$ 2,071.25	\$ 2,071.25	\$ -	0.0%
9	\$ 2,072.41	\$ 2,072.41	\$ -	0.0%
10	\$ 2,073.57	\$ 2,073.57	\$ -	0.0%
11	\$ 2,074.73	\$ 2,074.73	\$ -	0.0%
12	\$ 2,075.89	\$ 2,075.89	\$ -	0.0%
13	\$ 2,077.05	\$ 2,077.05	\$ -	0.0%
14	\$ 2,078.21	\$ 2,078.21	\$ -	0.0%
15	\$ 2,079.37	\$ 2,079.37	\$ -	0.0%
16	\$ 2,080.53	\$ 2,080.53	\$ -	0.0%
17	\$ 2,081.69	\$ 2,081.69	\$ -	0.0%
18	\$ 2,082.85	\$ 2,082.85	\$ -	0.0%
19	\$ 2,084.01	\$ 2,084.01	\$ -	0.0%
20	\$ 2,085.17	\$ 2,085.17	\$ -	0.0%
25	\$ 2,090.97	\$ 2,090.97	\$ -	0.0%
30	\$ 2,096.77	\$ 2,096.77	\$ -	0.0%
35	\$ 2,102.57	\$ 2,102.57	\$ -	0.0%
40	\$ 2,108.37	\$ 2,108.37	\$ -	0.0%
45	\$ 2,114.17	\$ 2,114.17	\$ -	0.0%
50	\$ 2,119.97	\$ 2,119.97	\$ -	0.0%
60	\$ 2,131.57	\$ 2,131.57	\$ -	0.0%
70	\$ 2,143.17	\$ 2,143.17	\$ -	0.0%
80	\$ 2,154.77	\$ 2,154.77	\$ -	0.0%
90	\$ 2,166.37	\$ 2,166.37	\$ -	0.0%
100	\$ 2,177.97	\$ 2,177.97	\$ -	0.0%
125	\$ 2,206.97	\$ 2,206.97	\$ -	0.0%
150	\$ 2,235.97	\$ 2,235.97	\$ -	0.0%
200	\$ 2,293.97	\$ 2,293.97	\$ -	0.0%
250	\$ 2,351.97	\$ 2,351.97	\$ -	0.0%
300	\$ 2,409.97	\$ 2,409.97	\$ -	0.0%
400	\$ 2,525.97	\$ 2,525.97	\$ -	0.0%
500	\$ 2,641.97	\$ 2,641.97	\$ -	0.0%
1,000	\$ 3,221.97	\$ 3,221.97	\$ -	0.0%
2,000	\$ 4,381.97	\$ 4,381.97	\$ -	0.0%
3,000	\$ 5,541.97	\$ 5,541.97	\$ -	0.0%
4,000	\$ 6,701.97	\$ 6,701.97	\$ -	0.0%
5,000	\$ 7,861.97	\$ 7,861.97	\$ -	0.0%
6,000	\$ 9,021.97	\$ 9,021.97	\$ -	0.0%
7,000	\$ 10,181.97	\$ 10,181.97	\$ -	0.0%
8,000	\$ 11,341.97	\$ 11,341.97	\$ -	0.0%
9,000	\$ 12,501.97	\$ 12,501.97	\$ -	0.0%
10,000	\$ 13,661.97	\$ 13,661.97	\$ -	0.0%
20,000	\$ 25,261.97	\$ 25,261.97	\$ -	0.0%
30,000	\$ 36,861.97	\$ 36,861.97	\$ -	0.0%

**UGI Utilities, Inc. - Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule LFD**

Attachment IV-B-7  
C. R. Brown  
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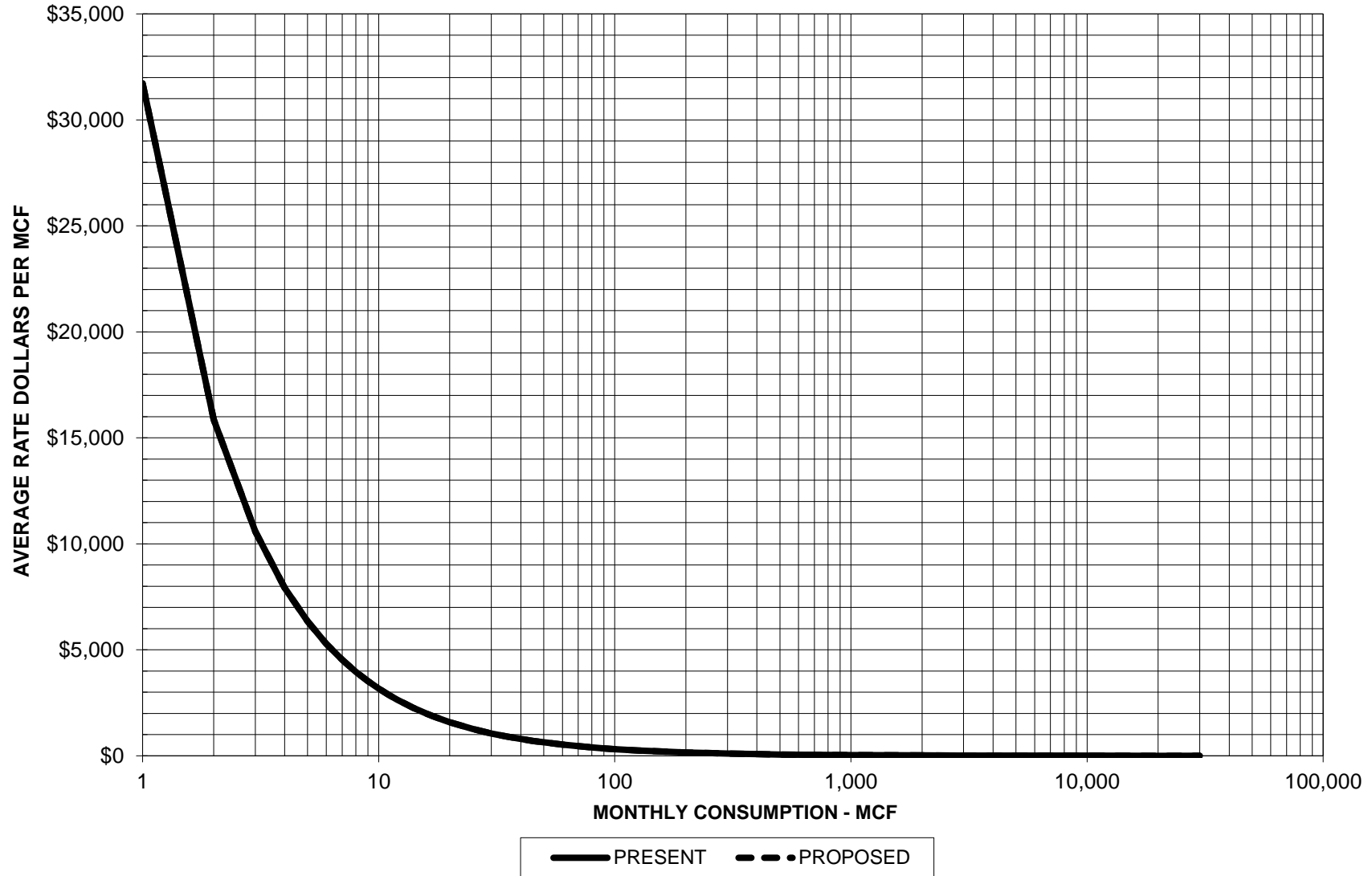


**UGI Utilities, Inc. - Gas Division**  
**Extended Large Firm Delivery Service - Rate Schedule XD**  
**Calculation of the Effect of Proposed Rates**

<u>MCF</u>	<u>Bills Under Present Rates</u>	<u>Bills Under Proposed Rates</u>	<u>Increase Amount</u>	<u>Increase Percent</u>
-	\$ 31,720.01	\$ 31,720.01	\$ -	0.0%
1	\$ 31,720.06	\$ 31,720.06	\$ -	0.0%
2	\$ 31,720.12	\$ 31,720.12	\$ -	0.0%
3	\$ 31,720.18	\$ 31,720.18	\$ -	0.0%
4	\$ 31,720.23	\$ 31,720.23	\$ -	0.0%
5	\$ 31,720.29	\$ 31,720.29	\$ -	0.0%
6	\$ 31,720.34	\$ 31,720.34	\$ -	0.0%
7	\$ 31,720.40	\$ 31,720.40	\$ -	0.0%
8	\$ 31,720.46	\$ 31,720.46	\$ -	0.0%
9	\$ 31,720.51	\$ 31,720.51	\$ -	0.0%
10	\$ 31,720.57	\$ 31,720.57	\$ -	0.0%
11	\$ 31,720.63	\$ 31,720.63	\$ -	0.0%
12	\$ 31,720.68	\$ 31,720.68	\$ -	0.0%
13	\$ 31,720.74	\$ 31,720.74	\$ -	0.0%
14	\$ 31,720.79	\$ 31,720.79	\$ -	0.0%
15	\$ 31,720.85	\$ 31,720.85	\$ -	0.0%
16	\$ 31,720.91	\$ 31,720.91	\$ -	0.0%
17	\$ 31,720.96	\$ 31,720.96	\$ -	0.0%
18	\$ 31,721.02	\$ 31,721.02	\$ -	0.0%
19	\$ 31,721.07	\$ 31,721.07	\$ -	0.0%
20	\$ 31,721.13	\$ 31,721.13	\$ -	0.0%
25	\$ 31,721.41	\$ 31,721.41	\$ -	0.0%
30	\$ 31,721.69	\$ 31,721.69	\$ -	0.0%
35	\$ 31,721.97	\$ 31,721.97	\$ -	0.0%
40	\$ 31,722.25	\$ 31,722.25	\$ -	0.0%
45	\$ 31,722.54	\$ 31,722.54	\$ -	0.0%
50	\$ 31,722.82	\$ 31,722.82	\$ -	0.0%
60	\$ 31,723.38	\$ 31,723.38	\$ -	0.0%
70	\$ 31,723.94	\$ 31,723.94	\$ -	0.0%
80	\$ 31,724.50	\$ 31,724.50	\$ -	0.0%
90	\$ 31,725.06	\$ 31,725.06	\$ -	0.0%
100	\$ 31,725.62	\$ 31,725.62	\$ -	0.0%
125	\$ 31,727.03	\$ 31,727.03	\$ -	0.0%
150	\$ 31,728.43	\$ 31,728.43	\$ -	0.0%
200	\$ 31,731.24	\$ 31,731.24	\$ -	0.0%
250	\$ 31,734.05	\$ 31,734.05	\$ -	0.0%
300	\$ 31,736.86	\$ 31,736.86	\$ -	0.0%
400	\$ 31,742.48	\$ 31,742.48	\$ -	0.0%
500	\$ 31,748.09	\$ 31,748.09	\$ -	0.0%
1,000	\$ 31,776.18	\$ 31,776.18	\$ -	0.0%
2,000	\$ 31,832.35	\$ 31,832.35	\$ -	0.0%
3,000	\$ 31,888.52	\$ 31,888.52	\$ -	0.0%
4,000	\$ 31,944.69	\$ 31,944.69	\$ -	0.0%
5,000	\$ 32,000.86	\$ 32,000.86	\$ -	0.0%
6,000	\$ 32,057.03	\$ 32,057.03	\$ -	0.0%
7,000	\$ 32,113.20	\$ 32,113.20	\$ -	0.0%
8,000	\$ 32,169.36	\$ 32,169.36	\$ -	0.0%
9,000	\$ 32,225.53	\$ 32,225.53	\$ -	0.0%
10,000	\$ 32,281.70	\$ 32,281.70	\$ -	0.0%
20,000	\$ 32,843.40	\$ 32,843.40	\$ -	0.0%
30,000	\$ 33,405.10	\$ 33,405.10	\$ -	0.0%

**UGI Utilities, Inc. - Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule XD**

Attachment IV-B-7  
C. R. Brown  
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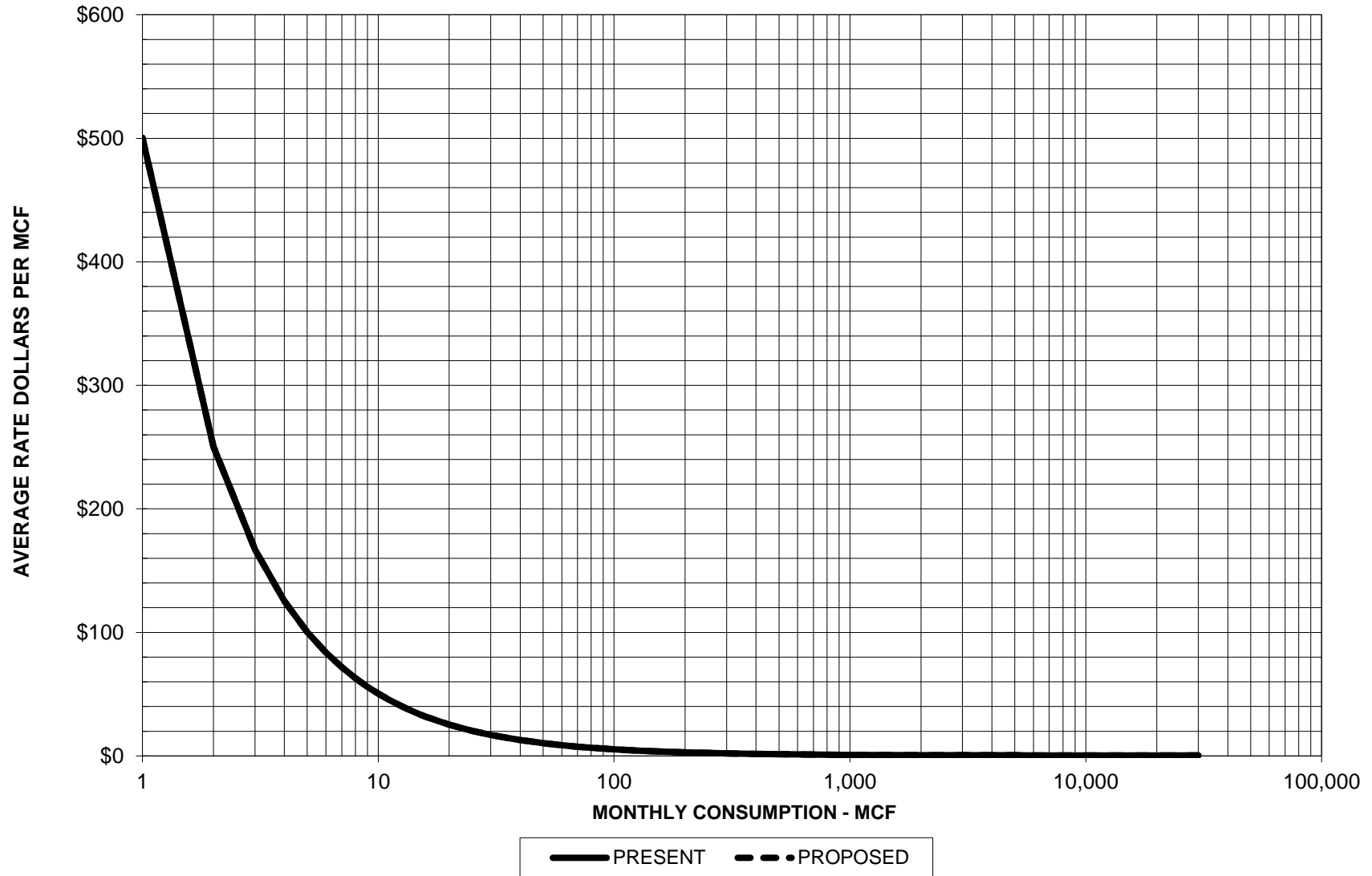


**UGI Utilities, Inc. - Gas Division  
Interruptible Service - Rate Schedule IS  
Calculation of the Effect of Proposed Rates**

<b>MCF</b>	<b>Bills Under Present Rates</b>	<b>Bills Under Proposed Rates</b>	<b>Increase Amount</b>	<b>Increase Percent</b>
-	\$ 499.98	\$ 499.98	\$ -	0.0%
1	\$ 500.36	\$ 500.36	\$ -	0.0%
2	\$ 500.74	\$ 500.74	\$ -	0.0%
3	\$ 501.12	\$ 501.12	\$ -	0.0%
4	\$ 501.50	\$ 501.50	\$ -	0.0%
5	\$ 501.88	\$ 501.88	\$ -	0.0%
6	\$ 502.26	\$ 502.26	\$ -	0.0%
7	\$ 502.64	\$ 502.64	\$ -	0.0%
8	\$ 503.02	\$ 503.02	\$ -	0.0%
9	\$ 503.40	\$ 503.40	\$ -	0.0%
10	\$ 503.78	\$ 503.78	\$ -	0.0%
11	\$ 504.16	\$ 504.16	\$ -	0.0%
12	\$ 504.54	\$ 504.54	\$ -	0.0%
13	\$ 504.92	\$ 504.92	\$ -	0.0%
14	\$ 505.31	\$ 505.31	\$ -	0.0%
15	\$ 505.69	\$ 505.69	\$ -	0.0%
16	\$ 506.07	\$ 506.07	\$ -	0.0%
17	\$ 506.45	\$ 506.45	\$ -	0.0%
18	\$ 506.83	\$ 506.83	\$ -	0.0%
19	\$ 507.21	\$ 507.21	\$ -	0.0%
20	\$ 507.59	\$ 507.59	\$ -	0.0%
25	\$ 509.49	\$ 509.49	\$ -	0.0%
30	\$ 511.40	\$ 511.40	\$ -	0.0%
35	\$ 513.30	\$ 513.30	\$ -	0.0%
40	\$ 515.21	\$ 515.21	\$ -	0.0%
45	\$ 517.11	\$ 517.11	\$ -	0.0%
50	\$ 519.01	\$ 519.01	\$ -	0.0%
60	\$ 522.82	\$ 522.82	\$ -	0.0%
70	\$ 526.63	\$ 526.63	\$ -	0.0%
80	\$ 530.44	\$ 530.44	\$ -	0.0%
90	\$ 534.24	\$ 534.24	\$ -	0.0%
100	\$ 538.05	\$ 538.05	\$ -	0.0%
125	\$ 547.57	\$ 547.57	\$ -	0.0%
150	\$ 557.09	\$ 557.09	\$ -	0.0%
200	\$ 576.13	\$ 576.13	\$ -	0.0%
250	\$ 595.16	\$ 595.16	\$ -	0.0%
300	\$ 614.20	\$ 614.20	\$ -	0.0%
400	\$ 652.28	\$ 652.28	\$ -	0.0%
500	\$ 690.35	\$ 690.35	\$ -	0.0%
1,000	\$ 880.73	\$ 880.73	\$ -	0.0%
2,000	\$ 1,261.48	\$ 1,261.48	\$ -	0.0%
3,000	\$ 1,642.24	\$ 1,642.24	\$ -	0.0%
4,000	\$ 2,022.99	\$ 2,022.99	\$ -	0.0%
5,000	\$ 2,403.75	\$ 2,403.75	\$ -	0.0%
6,000	\$ 2,784.50	\$ 2,784.50	\$ -	0.0%
7,000	\$ 3,165.26	\$ 3,165.26	\$ -	0.0%
8,000	\$ 3,546.01	\$ 3,546.01	\$ -	0.0%
9,000	\$ 3,926.76	\$ 3,926.76	\$ -	0.0%
10,000	\$ 4,307.52	\$ 4,307.52	\$ -	0.0%
20,000	\$ 8,115.06	\$ 8,115.06	\$ -	0.0%
30,000	\$ 11,922.61	\$ 11,922.61	\$ -	0.0%

**UGI Utilities, Inc. - Gas Division  
Comparison of Present and Proposed Rates  
Rate Schedule IS**

Attachment IV-B-7  
C. R. Brown  
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UGI Utilities, Inc. - Gas Division  
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IV-B-8

Request:

Supply a map showing the Gas System Facilities and Gas Service Areas. The map should include transmission lines, distribution lines, other companies' lines interconnecting with the interconnecting points clearly designated, major compressor stations, gas storage areas and gas storage lines. The normal direction of gas flow within the transmission system should be indicated by arrows. Separate service areas within the system should be clearly designated.

Response:

Please see the response to I-C-2.

Prepared by or under the supervision of: Kelly A. Beaver

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IV-B-9

Request:

Supply a cost analysis supporting minimum charges for all rate schedules.

Response:

Please refer to UGI Gas Exhibit D, Schedule G.

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

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IV-B-10

Request:

Supply a cost analysis supporting demand charges for all tariffs which contain demand charges.

Response:

Please refer to UGI Gas Exhibit D, Schedule H.

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

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IV-B-11

Request:

Supply the net fuel clause adjustment by month for the test year.

Response:

The Company does not have a net fuel clause adjustment.

Prepared by or under the supervision of: Christopher R. Brown



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IV-B-12

Request:

Supply a tabulation of base rate bills for each rate schedule comparing the existing rates to proposed rates. The tabulation should show the dollar difference and the per cent increase or decrease.

Response:

Please see the Direct Testimony of Christopher R. Brown, UGI Gas Statement No. 1, and the responses to IV-B-5 and IV-B-7.

Prepared by or under the supervision of: Christopher R. Brown

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IV-B-13

Request:

Submit the projected demands for all customer classes for both purchased and produced gas for the three years following the test year filing.

Response:

Please reference Attachment 4-1 of UGI Gas Docket No. R-2019-3009647 in the most recent Annual 1307(f) Purchased Gas Cost ("PGC") filings which can be found at URL [http://www.puc.pa.gov/about\\_puc/search\\_results.aspx?advanced=true](http://www.puc.pa.gov/about_puc/search_results.aspx?advanced=true)

Prepared by or under the supervision of: Christopher R. Brown

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IV-B-14

Request:

Supply an exhibit showing the gas deliveries to each customer class for the most recent 24 month period. The exhibit should identify the source of the gas, such as “purchased” (pipeline), “production” (includes purchases from local producers), “storage withdrawal,” “propane/air,” and “unaccounted for.”

Response:

Please see Attachment IV-B-14 for pipeline deliveries to each customer class and unaccounted for gas.

Please see the response to III-E-36 for detail of the source of gas.

Prepared by or under the supervision of: Christopher R. Brown

## UGI Utilities, Inc. - Gas Division

## Deliveries by Rate Class (MCF)

	Residential- Non Htg	Residential- Htg	RT	Commercial- Non Htg	Commercial- Htg	Industrial-Non Htg	Industrial-Htg	NT	DS	Large Transp- Other	Co Use	Unaccounted for Gas
October 2017	43,433	1,654,916	122,154	68,798	542,244	7,993	15,138	508,257	570,215	12,260,301	12,692	103,701
November 2017	32,915	4,598,178	698,117	79,908	1,720,609	21,300	80,866	1,434,494	982,505	14,090,299	23,533	3,669,245
December 2017	63,200	8,300,111	1,088,193	81,808	2,417,045	46,375	111,462	1,778,968	1,827,029	13,917,865	37,172	(384,596)
January 2018	71,738	8,998,587	1,230,173	107,887	3,439,522	38,532	135,384	2,287,592	1,951,576	13,943,021	54,712	(1,065,787)
February 2018	46,203	5,850,884	802,347	85,912	2,176,847	19,180	126,218	1,585,047	1,345,249	13,317,291	42,964	(295,906)
March 2018	42,809	6,488,483	899,268	80,091	2,457,730	43,069	105,468	1,719,513	1,435,336	16,438,187	45,847	(427,290)
April 2018	38,284	4,091,118	571,348	62,301	1,436,974	7,525	60,299	1,153,085	1,089,905	14,406,139	36,775	62,241
May 2018	25,368	956,034	142,232	48,085	543,641	14,156	23,157	420,399	354,872	11,303,388	19,487	(300,832)
June 2018	25,628	789,451	131,800	47,771	342,970	3,807	14,259	409,351	340,534	14,784,052	13,534	267,638
July 2018	18,880	596,259	93,359	40,369	270,504	3,117	1,741	339,522	286,633	16,031,688	9,418	(82,660)
August 2018	19,389	576,465	88,702	45,359	293,496	13,210	10,355	353,019	303,774	16,519,100	10,788	(74,594)
September 2018	24,054	750,706	129,925	47,729	301,774	777	8,296	403,975	452,034	15,782,039	10,281	(82,767)
October 2018	33,557	2,427,975	361,095	66,048	804,656	6,811	30,524	772,257	1,305,504	15,791,895	16,559	1,095,940
November 2018	42,518	5,739,431	868,147	76,772	1,764,644	11,247	66,281	1,455,656	1,195,395	14,855,879	26,630	799,539
December 2018	55,501	6,492,248	997,344	92,156	2,371,369	23,443	109,686	1,823,274	1,545,991	15,038,876	42,091	(523,046)
January 2019	62,623	8,537,364	1,351,527	110,699	3,182,146	30,577	157,703	2,396,129	1,797,834	17,204,288	49,287	634,970
February 2019	55,911	7,287,871	1,100,598	98,760	3,165,353	16,733	122,782	1,938,880	1,444,645	15,911,806	46,109	516,106
March 2019	44,792	5,945,237	890,669	94,723	2,253,802	23,812	96,437	1,753,230	1,442,363	18,640,728	43,264	(764,707)
April 2019	28,751	2,406,940	337,251	55,222	962,735	8,240	38,442	806,933	1,318,624	16,601,598	32,840	(410,202)
May 2019	27,227	1,330,130	205,231	48,849	487,048	6,413	12,011	589,798	419,379	15,904,772	26,842	260,766
June 2019	23,019	1,359,150	120,596	54,992	284,185	9,836	4,907	393,568	332,000	16,101,351	13,596	52,219
July 2019	19,351	640,352	105,373	38,173	263,796	8,040	11,806	374,007	311,947	20,261,257	13,263	65,040
August 2019	19,282	609,339	93,069	41,181	257,524	1,688	6,892	394,015	364,264	19,871,927	11,742	87,731
September 2019	18,709	861,886	114,838	45,660	306,662	2,053	8,006	345,591	253,973	16,865,759	10,496	39,000

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USB FLASH DRIVE**

**UGI UTILITIES, INC. – GAS DIVISION**  
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