UGI Penn Natural Gas, Inc.
460 North Gulph Road
King of Prussia, PA 19406

Post Office Box 858
Valley Forge, PA 19482-0858

(610) 337-1000 Telephone
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December 1, 2010

RECEIVED

DEC 1 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA EXPRESS MAIL

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Application of UGI Penn Natural Gas, Inc. for Expedited Review and Approval of the Transfer By Sale of a 9.0 Mile Natural Gas Pipeline, Appurtenant Facilities and Right of Way located in Mehoopany, Pennsylvania, and a Related Affiliated Interest Agreement, Docket No. A-__________and P-______________

Dear Secretary Chiavetta:

Enclosed for filing, please find an original and three copies of the above-captioned application of UGI Penn Natural Gas, Inc. Also enclosed is a check in the amount of $350.00 for the filing fee associated with this application.

Should you have any questions concerning this filing, please feel free to contact me.

Very truly yours,

Kent D. Murphy

Kent D. Murphy
Counsel for UGI Penn Natural Gas, Inc.

cc: William Lloyd Small Business Advocate
Irwin Popowsky, Consumer Advocate
John Simms, Director, OTS

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of UGI Penn Natural Gas, Inc. for Expedited Approval of the Transfer By Sale of a 9.0 Mile Natural Gas Pipeline, Appurtenant Facilities and Right of Way located in Mehoopany, Pennsylvania to an Affiliate and for Approval of Related Affiliated Interest Agreement	:	Docket Nos. A-___________ , P-____________

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to Sections 1102(a)(3) and 2102(b) of the Public Utility Code, 66 Pa. C.S. §§ 1102(a)(3) and 2102(b), UGI Penn Natural Gas, Inc., ("UGI PNG") hereby requests the Pennsylvania Public Utility Commission ("Commission") to grant a Certificate of Public Convenience approving the transfer by sale of a 9.0 mile natural gas pipeline, appurtenant facilities and right of way located between Auburn and Mehoopany, Pennsylvania to an affiliated company, UGI Energy Services, Inc. ("UGIES"), and for approval of a related affiliated interest agreement. UGI PNG requests that the Commission expedite its review and approval of the Application and related affiliated interest agreement so that UGIES may commence gathering service on the Auburn Line for a Marcellus Shale gas producer, Citrus Energy Corporation, no later than March 1, 2011. In support thereof, UGI PNG states as follows:

1. The name and address of applicant are:

   UGI Penn Natural Gas, Inc.
   2525 N. 12th Street; Suite 360
   P.O. Box 12677
   Reading, PA 19612

2. The names and address of applicant's attorney is:

Kent D. Murphy
(Attorney License No. 44793)
Senior Counsel
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
(610) 768-3631
murphyke@ugicorp.com

3. (a) Corporate History. UGI Penn Natural Gas, Inc. ("UGI PNG" or "Applicant") is a public utility corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania.

(b) Corporate Purpose. Applicant's corporate charter provides that it is incorporated for all lawful purposes.

(c) Territory and Public Service. UGI PNG provides natural gas distribution service to approximately 157,000 customers in northeastern and central Pennsylvania.

4. Transferee is UGI Energy Services, Inc. ("UGIES" or "Transferee"). UGIES is a wholly owned, second-tier subsidiary of UGI Corporation. UGIES is not a public utility and does not intend to operate the Auburn Line as a public utility asset.[1]

5. Transferee does not furnish public utility service to any customers.

[1] It is recognized that the non-utility status of gathering lines that operate within Pennsylvania is an issue currently under review by the Commission and the Pennsylvania General Assembly. It is Transferee's view that the Auburn Line, if operated as a non-jurisdictional gathering line, would not be subject to Commission regulatory oversight unless and until the Pennsylvania General Assembly enacts new legislation that expressly provides the Commission with such authority. Upon transfer to UGIES, pipeline safety of the Auburn Line would continue to be subject to regulatory oversight by the United States Department of Transportation's Office of Pipeline Safety pursuant to regulations applicable to gathering lines. See 49 C.F.R. Part 192.

6. Attached hereto as Exhibit A is UGI PNG's Balance Sheet as of September 30, 2010.

7. Attached as Exhibit B is UGI PNG's Income Statement for the twelve months ended September 30, 2010. The transferee's income statement is not pertinent to this application.

8. All annual reports, tariffs, certificates of notification, applications for certificates of valuation, applications for approval of the issuance of securities, and securities certificates filed with the Commission by UGI PNG and by its predecessor and constituent companies are made part hereof by reference.

9. The property to be transferred shall include: 1) UGI PNG's interest in an approximate 9.0 mile natural gas pipeline, and appurtenant facilities and right of way located between Auburn and Mehoopany, Pennsylvania, ("Auburn Line" or "Line"); 2) UGI PNG's interest in an interconnect agreement with PVR Marcellus Gas Gathering, LLC, a non-affiliated entity that owns a gathering line between the Auburn Line and local gas producing wells; and 3) the interconnection facilities associated with that agreement. A map depicting the location and course of the Auburn Line is attached hereto as Exhibit C.

10. The property to be transferred is currently used by UGI PNG primarily to transport gas received from Tennessee Gas Pipeline Company ("Tennessee") and the aforementioned interconnected gathering system, and to deliver such gas to a paper products manufacturing plant owned by the Procter and Gamble Paper Products Company ("P&G"),

which is downstream of a regulator station referred to as the Manning Station.[2] The Auburn Line is also used to render gas service to several retail customers served by UGI PNG. The Line is not physically interconnected with other portions of the PNG distribution system.

11. UGI PNG will transfer all of its interest in the Auburn Line at net book value.

12. The net book value of the property to be transferred, as of July 31, 2010, is $242,166.59. A listing of the assets to be transferred is attached hereto as Exhibit D.

13. No investment securities will be transferred as part of this transaction.

14. The pro forma balance sheet of the Transferee is not relevant to this application.

15. Pro forma consolidated income accounts of the Transferee are not relevant to this application.

16. Journal entries of Transferee are not relevant to this application.

17. No stockholder approval of the transfer is required under authorized expenditure limitation policies currently in effect. Board resolutions authorizing the transfer by UGI PNG to UGIES are required.

18. The transaction is being made for the purpose of promoting the development and gathering of locally produced natural gas for delivery into the interstate system, which is not a core business function of UGI PNG. UGI PNG has been approached by Citrus Energy Corporation, a natural gas producer to accept Marcellus Shale gas into the Line to serve P&G and to reverse the flow of the Line to enable delivery into Tennessee Gas Pipeline of volumes of gas greatly in excess of the volumes needed to serve P&G and the retail customers by March

[2] UGI PNG will retain ownership in the Auburn City Gate Station, the Manning Station, all pipeline and appurtenant facilities downstream of Manning used to serve P&G, and the metering and regulation equipment and related service lines used to serve UGI PNG's retail customers

2011.[3] Substantial capital investment, however, is needed to reconfigure the Auburn Line, increase the operating pressure, and reverse the direction of the gas flow, through a new access tap, to enable the delivery of that gas into Tennessee Gas Pipeline.[4] UGIES is a midstream gas service provider willing to take on the financial risk associated with that investment and transformation of the Auburn Line. PNG's customers will not bear the cost of this investment in rates paid to PNG.

19. Gas service to customers served from the Auburn Line will be enhanced as part of this transaction. UGI PNG will continue to render safe and reliable service, in accordance with its tariff, to its retail customers and P&G through distribution and service lines and other retained facilities. To perform this regulated service function, UGI PNG will purchase natural gas supplies on a firm basis from local production to serve the non-P&G load and P&G has made similar arrangements. Those supplies will be shipped on the Auburn Line for delivery to UGI PNG distribution facilities served from the Auburn Line.

20. As part of this application, UGI PNG has included an affiliated interest interconnection agreement that will enable UGI PNG to receive locally produced gas on a firm basis at various points on the Auburn Line to serve its retail customers and P&G and to receive

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[3] UGIES currently contemplates increasing the capacity on the section of the Auburn Line to a level potentially exceeding 120,000 Mcf per day, or 43.8 Bcf per year. Gas delivered into the Auburn Line from the currently interconnected gathering system would be more than sufficient to serve P&G demand (approximately 45,000 Mcf per day and 9 Bcf per year) and the retail customers (approximately 20 Mcf per day and 3,700 Mcf per year) presently served from the Auburn Line. Receipt of gas into Tennessee Gas Pipeline will enable UGI PNG and other gas purchases in Pennsylvania to purchase gas for downstream markets and for upstream Pennsylvania markets through a westerly flow on the Tennessee system.

[4] UGIES' plan to operate the Auburn Line as a gathering line in this fashion is exempt from regulation by the FERC under the Natural Gas Act.

emergency gas service from UGIES through UGI PNG's existing Tennessee interconnect and the Auburn Line in the event that locally produced gas supplies become inadequate for serving all demand served from the Auburn Line. This agreement is attached hereto as Exhibit E. In particular, the agreement assures that 1) UGI PNG's customers will have first call on all gas supplies transported on the Line to meet their natural gas requirements: 2) UGIES will operate and maintain the Line consistent with standard operating and maintenance practices and USDOT safety regulations; and 3) capacity on the Auburn Line will be available to serve customers that UGI PNG desires to add to the Line in the future.

21. The proposed transfer will have no material effect on the rates and service of UGI PNG's customers but should reduce the cost of serving customers served off of the Auburn Line and enhance UGI PNG's access to additional sources of gas supply both for markets on and off of the Auburn Line.

22. Financing by Transferee is not relevant to this application.

23. UGI PNG has paid all special and general assessments made against it by the Commission.

THE PROPOSED TRANSFER IS IN THE PUBLIC INTEREST

24. UGI PNG submits that the proposed transfer of the Auburn Line to UGIES, for the purposes described in this Application, is in the public interest. Transforming the Auburn Line into a gathering line will promote the efficient development of Marcellus Shale gas reserves by providing a substantial outlet to the interstate marketplace for that gas. Marcellus Shale gas

development is considered within the natural gas industry to be one of the foremost natural gas production growth opportunities in the United States. Development of this valuable natural resource is expected to contribute billions of dollars of economic opportunity to Pennsylvania. Thousands of acres of private and public land are being leased by production companies and numerous drilling permits have been issued by the Pennsylvania Department of Environmental Protection for this purpose. At maximum production of 120,000 Mcf per day, or 43.8 Bcf per year, the Auburn Line will provide the capacity to enable a substantial amount of gas to be delivered into the interstate market, for the benefit of residential, commercial, governmental and industrial consumers alike.

25. The economic value of the Auburn Line transformation is not limited, however, to the value of the natural gas production gathered on the line. That transformation will enable the creation of job opportunity, royalty payments to landowners, and greater supply diversity in Northeastern Pennsylvania, local tax revenue, and benefits to peripheral businesses serving the natural gas production companies. Greater supply diversity in Northeastern Pennsylvania will provide gas purchasers another competitive supply option, to the advantage of UGI PNG, its customers, and gas purchasers throughout Pennsylvania. Applying simple economics, greater supply availability will create downward pressure on natural gas prices and volatility in prices. Applied across the Commonwealth, the transformation should assist Pennsylvania in moving closer toward an economic renaissance and energy self-sufficiency.

26. P&G itself stands to benefit greatly from the Auburn Line transformation. As a large landowner in the area, P&G stands to benefit from royalty payments from the natural gas

production and, with that, comes a lower cost of purchased gas for the Mehoopany plant. This will enable P&G's Mehoopany facilities to produce more efficiently and less expensively, which will make the plant more competitive in the global marketplace for paper products. This provides benefits not only for P&G but also for its employees and all the commercial enterprises that provide goods and services to P&G and its employees. Other landowners who lease property for natural gas production and are provided access to the Auburn Line also should benefit from on-going royalty payments.

27. UGI PNG's other customers also stand to benefit from the Auburn Line transformation. UGI PNG will have an additional competitive supply option in its service territory and the rate base and operating expenses associated with the Auburn Line will be removed from UGI PNG's rates in the next UGI PNG rate case after the transfer. Additionally, UGI PNG will retain P&G as a customer under a long-term transportation agreement and retain the other retail customers served gas sourced from the Auburn Line. Thus, the price for natural gas purchased by UGI PNG for its customers should be lower than without the added supplies and UGI PNG's ratepayers will no longer be responsible for the cost of owning and operating the Auburn Line but will retain revenue for service rendered to customers located near the Line. As a result, UGI PNG's gas rates should be lower than they otherwise would be.

28. The Auburn Line transformation also should improve the reliability or continuity of service provided to customers who receive gas supplies transported on the Auburn Line. UGI PNG will continue to receive supplies delivered from the Auburn Line, albeit from a different source. Moreover, having UGIES available to deliver natural gas from the Tennessee Gas

Pipeline during an emergency situation will provide UGI PNG with a potential second source of supply. This enhanced supply diversity is somewhat unusual for an isolated, otherwise physically non-integrated segment of a natural gas distribution company.

29. Gas safety and reliability will be assured for UGI PNG and its customers served from the Auburn Line both contractually and pursuant to USDOT pipeline safety regulations governing gathering facilities. Regarding safety, USDOT regulation requires gathering pipeline operators such as UGIES to maintain their operations in conformance with stringent safety standards and practices. Reliability will be assured contractually through the aforementioned interconnect and emergency service agreement, which, in pertinent part, requires UGIES to operate and maintain the line in accordance with regulations of the USDOT governing regulated gathering facilities. Accordingly, sale of the Auburn Line will have no effect upon the safety or reliability of gas service to any of PNG's customers.

30. For the reasons set for above, the Auburn Line transformation should substantially benefit the local economy, P&G, UGI PNG's other customers, and the public interest as a whole.

WHEREFORE, UGI Penn Natural Gas, Inc. respectfully requests the Commission, pursuant to Sections 1102(a)(3) and 2102 of the Public Utility Code, 66 Pa.C.S. §§1102(a)(3) and 2102(b), to expedite its review of the instant application and, by no later than March 1, 2011, issue an order granting a Certificate of Public Convenience authorizing 1) the transfer by UGI Penn Natural Gas, Inc. to UGI Energy Services, Inc. of the Auburn Line and related assets as described in this Application and 2) the proposed affiliated interconnection agreement between UGI Penn Natural Gas, Inc. and UGI Energy Services, Inc.

Respectfully submitted,

Kent D. Murphy

Counsel for UGI Penn Natural Gas, Inc.

Dated: December 1, 2010

VERIFICATION

I, J. P. Ghio, hereby state that I am the Vice President – Supply of UGI Penn Natural Gas, Inc., that I am duly authorized to and do make this Verification on behalf of UGI Penn Natural Gas, Inc.; that the facts set forth in the foregoing application are true and correct to the best of my knowledge information and belief; and that this Verification is made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

J. P. Ghio

Date: November 30, 2010

EXHIBIT A

Balance Sheet
of UGI Penn Natural Gas, Inc.
as of September 30, 2010

UGI Penn Natural Gas, Inc.
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2010
($ in Thousands)
Table of Contents

Balance Sheet

Line No	Description/(Account No)	Actual
	UTILITY PLANT (101 - 106, 108)	
1	Gas Utility Plant	$ 572,735
2	Other Utility Plant	
3	Total Plant In Service	572,735
4	Construction Work In Progress (107)	6,195
5	Total Utility Plant	578,930
6	Accumulated Provision for Depreciation - Gas (108)	(202,376)
7	Accumulated Amortization - Gas (111)	
8	Plant Acquisition Adjustment (114)	161,725
9	*Gas Stored Underground - Non Current (117)*	
10	Net Utility Plant	538,279
	OTHER PROPERTY INVESTMENTS	
11	Non-utility Property (121)	281
12	Accumulated Depreciation on NUP (122)	
13	Investment in Associated & Subsidiary Companies (123.1)	1,926
14	Other Investments (124)	
15	Total Other Property and Investments	2,207
	CURRENT AND ACCRUED ASSETS	
16	Cash and Other Temporary Investments (131-136)	1,151
17	Notes Receivable (141)	
18	Customer Accounts Receivable (142)	17,293
19	Other Accounts Receivable (143)	5,772
20	Accum Provision for Uncollectible (144)	(1,902)
21	Accounts Receivable Associated Companies (146)	10,037
22	Plant Materials & Operating Supplies (154)	1,658
23	Stores Expense - Undistributed (163)	(326)
24	Gas Stored - Current (164.1)	49,916
25	Liquefied Natural Gas Stored (164.2)	
26	Prepayments (165)	525
27	Accrued Utility Revenues (173)	3,512
28	Miscellaneous Current & Accrued Assets (171, 174)	(408)
29	Total Current and Accrued Assets	87,228
	DEFERRED DEBITS	
30	Other Regulatory Assets (182.3)	48,185
31	Clearing Accounts ((184)	60
32	Miscellaneous Deferred Debits (186)	817
33	Deferred Losses from Disposition of Plant (187)	-
33	Accumulated Deferred Income Taxes (190)	3,938
34	Unrecovered Purchased Gas Costs(191)	(4,907)
35	Total Deferred Debits	48,093
36	TOTAL ASSETS AND OTHER DEBITS	$ 675,807

UGI Penn Natural Gas, Inc.
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2010
($ in Thousands)

Balance Sheet

Line No	Description/(Account No)	[1] Actual 0
	PROPRIETARY CAPITAL	
37	Common Stock Issued (201)	$ 613,358
38	Preferred Stock Issued (204)	
39	Miscellaneous Paid-in-Capital (211)	
40	Capital Stock Expense (214)	
41	Retained Earnings (215, 215.2, 216)	(121,240)
42	Accum Other Comprehensive Income (219)	(167)
43	Total Proprietary Capital	491,951
	LONG TERM DEBT	
44	Bonds (221)	
45	Advances from Associated Companies (223)	
46	Other Long-Term Debt (224)	-
47	Unamortized Premium on LTD (225)	
48	Unamortized Discount on LTD (226)	-
49	Total Long-term Debt	-
	OTHER NON-CURRENT LIABILITIES	
50	Obligations under Capital Leases (227)	
51	Accum. Prov for Injuries & Damages (228.2)	189
52	Accum. Prov for Pensions & Benefits (228.3)	38,536
53	Accum. Miscellaneous Operating Prov (228.4)	9,580
54	Total Long-term Debt	48,305
	CURRENT & ACCRUED LIABILITIES	
55	Notes Payable (231)	
56	Accounts Payable (232)	16,709
57	Notes Payable to Assoc. Companies (233)	13,000
58	Accounts Payable to Assoc. Cos (234)	29,105
59	Customer Deposits (235)	
60	Taxes Accrued (236)	162
61	Interest Accrued (237)	1,131
62	Accrued Interest on Other Liabilities (237)	
63	Tax Collections Payable (241)	618
64	Misc Current & Accrued Liabilities (242)	26,560
65	Total Current & Accrued Liabilities	87,285
	OTHER DEFERRED CREDITS	
66	Customer Advances for Construction (252)	1,818
67	Other Deferred Credits (253)	486
68	Other Regulatory Liabilities (254)	438
69	Accumulated Deferred Income Taxes (282)	34,545
70	Accumulated Deferred Income Taxes (283)	10,979
71	Distribution Plant (375 to 378)	
72	Total Other Deferred Credits	48,266
73	TOTAL LIABILITIES & OTHER CREDITS	$ 675,807

EXHIBIT B

Income Statement
Of
UGI Penn Natural Gas, Inc.
For the Twelve Months Ending September 30, 2010

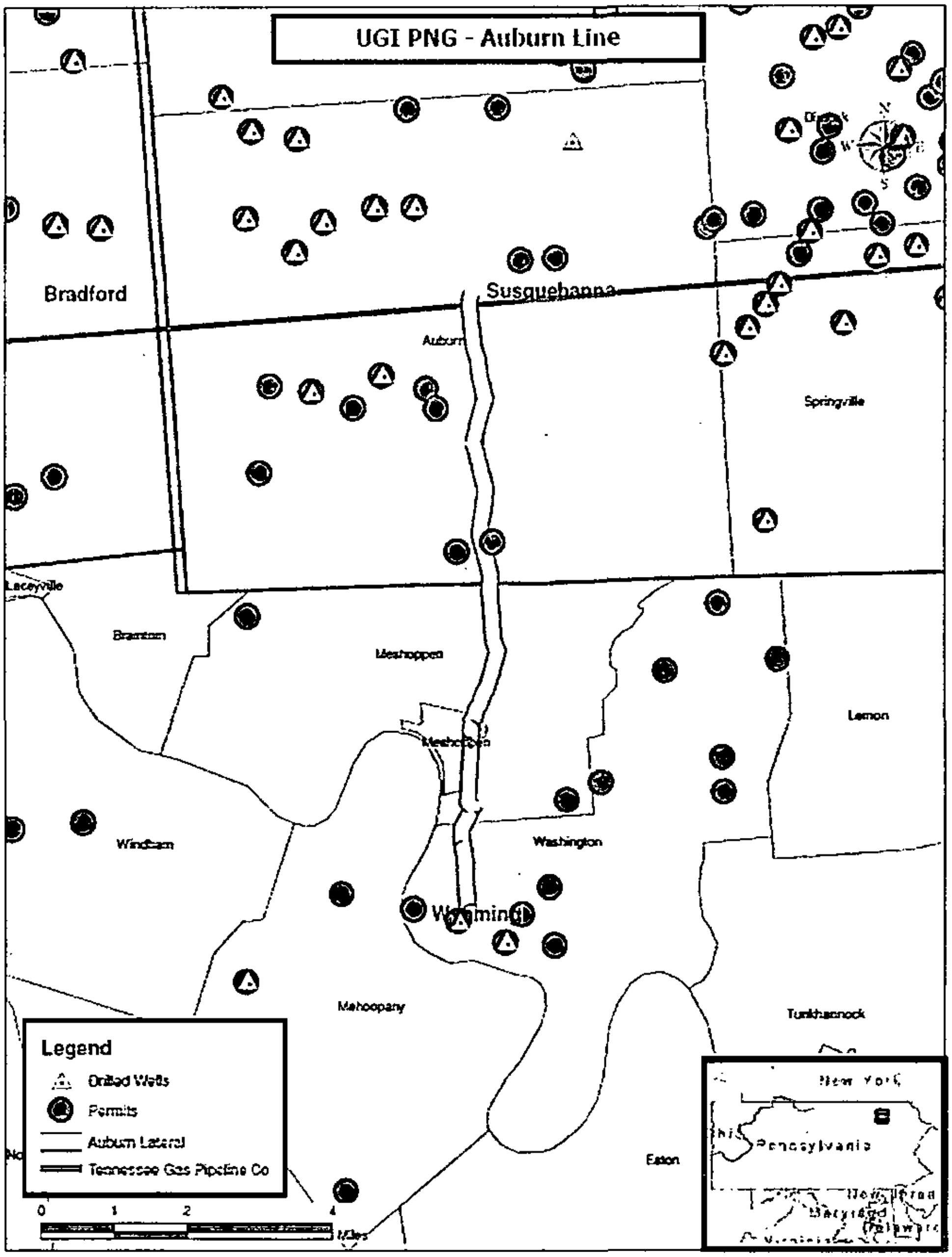
UGI Penn Natural Gas, Inc.
Before the Pennsylvania Public Utility Commission
Historic Year - 12 Months Ended September 30, 2010
($ in Thousands)

Income Statement

Line No	Description	Acct No	Actual
	Total Operating Revenues		
1	Total Sales Revenues		$ 283,709
2			
3	Other Operating Revenues		
4	Total Revenues	400	283,709
	Total Operating Expenses		
5	Operation & Maintenance Expenses	401,402	216,355
6	Depreciation Expense	404	17,394
7	Depreciation & Amortization on Common Plant	405	
8	Amortization of Regulatory Assets	405	-
9	Taxes Other Than Income Taxes	408.1	3,287
10	Total Operating Expenses		237,036
11	Operating Income Before Income Taxes (OIBIT)		46,673
	Income Taxes:		
12	*State*	409.1	3,756
13	Federal	409.1	14,131
14	Total Income Taxes		17,887
15	**Net Utility Operating Income**		$ 28,786

EXHIBIT C

Map of Auburn Line



UGI PNG - Auburn Line
Bradford
Susquehanna
Auburn
Springville
Laceyville
Braintrim
Meshoppen
Lemon
Meshoppen
Windham
Washington
Wyoming
Mehoopany
Tunkhannock
Eaton
Legend
Drilled Wells
Permits
Auburn Lateral
Tennessee Gas Pipeline Co
0
1
2
4
Miles
New York
Pennsylvania

EXHIBIT D

Listing of Assets to Be Transferred

Auburn Line Assets to be Transferred

- 12" cathodically protected steel pipeline, approximately 9.18 miles in length
- Interconnection with locally produced gas, related appurtenances, instrumentation and devices

EXHIBIT E

Interconnection Agreement
Between UGI Energy Services, Inc. and
UGI Penn Natural Gas, Inc.

PIPELINE INTERCONNECTION, OPERATING AND EMERGENCY SERVICE AGREEMENT BETWEEN UGI ENERGY SERVICES, INC., AND UGI PENN NATURAL GAS, INC.

THIS PIPELINE INTERCONNECTION, OPERATING AND EMERGENCY SERVICE AGREEMENT ("Agreement") is made and entered into as of the ___ day of _______, 2010 (the "Effective Date"), by and between **UGI ENERGY SERVICES, INC.** ("Gatherer"), a Pennsylvania Corporation and **UGI PENN NATURAL GAS, INC.** ("Interconnecting Party"), a Pennsylvania corporation. Gatherer and Interconnecting Party are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

<u>WITNESSETH</u>:

WHEREAS, Gatherer owns and operates certain natural gas gathering facilities commencing at a point of interconnection with the facilities of PVR Marcellus Gas Gathering, LLC at Interconnecting Party's Manning Regulator Station in Wyoming County, Pennsylvania and extending northward for approximately nine (9) miles to a terminus at points of interconnection with the 300 Pipeline of Tennessee Gas Pipeline Company ("Tennessee") in Susquehanna County, Pennsylvania (referred to herein as the "Auburn Pipeline");

WHEREAS, Interconnecting Party owns and operates natural gas distribution facilities that interconnect with the Auburn Pipeline at the delivery points shown on

Exhibit A (the "Delivery Points") and utilizes natural gas purchased from third parties and delivered by Gatherer at the Delivery Points to provide public utility service to essential human needs and other customers in close proximity to the Auburn Pipeline;

WHEREAS, Gatherer intends to receive locally produced natural gas at various receipt points on the Auburn Pipeline (the "Intrastate Receipt Points"), and transport and redeliver such gas to the Delivery Points, the Tennessee delivery interconnection and such other delivery points that may be constructed on the Auburn Pipeline in the future; and

WHEREAS, Gatherer and Interconnecting Party desire to enter into this Agreement to set forth the terms, conditions, and procedures under which their respective facilities shall be owned, operated, and maintained and under which Gatherer, if requested by Interconnecting Party, will provide emergency natural gas transportation service to Interconnecting Party under the conditions specified herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound, Gatherer and Interconnecting Party hereby agree as follows:

ARTICLE I
OWNERSHIP, OPERATION AND MAINTENANCE

A. The point of ownership change between the Auburn Pipeline and Interconnecting Party's facilities at the Delivery Points shall be located: i) at the Manning Station at the Manning Station inlet valve or such other point as mutually agreed upon by the Parties; ii) at the Auburn Station downstream of the station outlet valve; and iii) at all other Delivery Points at the inlet of the tap valve. Gatherer shall own all facilities between those points and Tennessee Gas Pipeline, and Interconnecting Party shall own the facilities downstream thereof. Each Party shall be deemed to be in possession and control of the gas on their respective side of the point of ownership.

B. Gatherer and Interconnecting Party shall construct, operate and maintain their respective facilities in accordance with sound and prudent practices existing in the pipeline industry and in compliance with all valid and applicable laws, orders, directives, rules and regulations of governmental authorities having jurisdiction. Gatherer will construct and operate the Auburn Pipeline, including all future expansions thereof, as if it qualified as a Type A regulated onshore gathering pipeline operating in a Class 2 location under the provisions of 49 CFR Part 192. Gatherer will continue to operate the Auburn Pipeline in a manner that maintains the line so that it remains suitable for in-line inspection (i.e., "piggable"). In the event that the Auburn Pipeline passes through a Class 3 or 4 location (now or in the future) the more stringent Class 3 or 4 requirements of 49 CFR Part 192 shall be applicable.

C. Interconnecting Party shall not make repairs, adjustments or modifications impacting Gatherer's facilities at any Delivery Point without the prior written consent of Gatherer.

D. Interconnecting Party's facilities shall be operated by Interconnecting Party at pressures which are equal to or lower than Gatherer's prevailing operating pressure(s) at the Delivery Point.

E. All natural gas delivered to Interconnecting Party shall be odorized upstream of all Delivery Points in concentrations not less than the concentrations mandated by Title 49 Part 192 of the Code of Federal Regulations or other applicable regulations, as may be changed from time to time.

F. Gatherer will register the Auburn Pipeline with PA One-Call and will maintain all markings and warning signs for the Auburn Pipeline in accordance with Title 49 Part 192 of the Code of Federal Regulations.

G. Gatherer will construct additional Delivery Point interconnections on the Auburn Pipeline for Interconnecting Party in the future, as such interconnects are requested by Interconnecting Party, provided that: (i) the cost of constructing and operating such interconnects is acceptable to Gatherer; and (ii) the construction and operation of such Delivery Points will not adversely impact firm deliveries to Interconnecting Party at any existing Delivery Point or interfere with service to any other shipper, and the Delivery Point is reasonably related to Interconnecting Party's business purposes as a natural gas distribution company under the Pennsylvania Public Utility Code. Upon Interconnecting Party's request to construct additional Delivery Point facilities and upon Gatherer's approval of such requests in accordance with the foregoing, Gatherer will provide an itemized invoice to Interconnecting Party of the costs to construct the necessary facilities for each requested Delivery Point. Upon receipt of payment from Interconnecting Party for the amounts specified on each respective invoice, Gatherer will exercise diligence in ordering required material & equipment; obtaining all necessary permits, approvals, and consents; and begin construction of measurement facilities.

H. Nothing in this Agreement shall prohibit Gatherer from providing firm gathering service to any shipper or from installing additional facilities for the purpose of providing such service, in its sole discretion.

I. If Interconnecting Party fails to comply with any material provision of this Agreement, Gatherer shall have the right, after written notice and a reasonable opportunity for Interconnecting Party to cure and subject to any necessary regulatory authorizations, to cure the failure and Interconnecting Party shall reimburse Gatherer for the costs to cure. Interconnecting Party shall reimburse Gatherer for any costs incurred as a result of such suspension of gas flow. Gatherer shall not be required to resume gas flow through the Delivery Points until Interconnecting Party has corrected, in Gatherer's reasonable judgment, the area(s) of noncompliance with this Agreement.

J. If Gatherer fails to comply with any material provision of this Agreement, Interconnecting Party shall have the right, after written notice and a reasonable opportunity for Gatherer to cure and subject to any necessary regulatory authorizations, to cure the failure and Gatherer shall reimburse Interconnecting Party for the costs to cure. Gatherer shall reimburse Interconnecting Party for any costs incurred as a result of such suspension of gas flow. Interconnecting Party shall not be required to resume gas flow through the Delivery Points until Gatherer has corrected, in Interconnecting Party's reasonable judgment, the area(s) of noncompliance with this Agreement. Interconnecting Party shall be relieved of the obligation to pay Gatherer the Interconnection Fee described in Article IV during the period that gas flow through the Delivery Points is suspended by Interconnecting Party due to Gatherer's non-compliance.

ARTICLE II
MEASUREMENT

A. Interconnecting Party will own, maintain, and operate meters or other measuring devices of standard make at or near the Delivery Points. The Parties may use electronic recording devices. Gatherer will have access to Interconnecting Party's metering equipment at reasonable hours, but only Interconnecting Party will calibrate, adjust, operate, and maintain such equipment. The caloric content of the Gas delivered to Interconnecting Party shall be determined by Parties based upon sources of gas delivered by Gatherer.

B. Gatherer may install, maintain, and operate in accordance with accepted industry practice at its own expense check measuring equipment of standard make. Check meters shall not interfere with operation of Interconnecting Party's equipment.

C. Interconnecting Party will verify the accuracy of Interconnecting Party's measuring equipment in accordance with the regulations of the Pennsylvania Public

Utility Commission governing meter testing, and Gatherer will verify the accuracy of any check measuring equipment. If either Party at any time observes a variation between the delivery meter and the check meter, it will promptly notify the other, and both will then cooperate to secure an immediate verification of the accuracy of the equipment.

D. The Parties will preserve all measurement records for a period of at least two years. The Parties will raise metering questions as soon as practicable after the time of production.

ARTICLE III
GAS QUALITY

A. All gas delivered by Gatherer hereunder shall be of such quality so as to meet the specifications set forth below. If any of these conditions are not met at any time, Interconnecting Party has the right to immediately stop the flow of gas into its distribution system, and will continue to disallow Gatherer's gas to flow into Interconnecting Party's system until the conditions are corrected and approved at Interconnecting Party's sole discretion. Unless otherwise noted, all of these conditions are based on standard atmospheric pressure and standard temperature. These are the standards currently in place on Tennessee Gas Pipeline and the parties expressly agree to adhere to all subsequent changes to Tennessee's quality standards which may differ from those set forth below unless the parties agree to a different standard in writing.

(i) The gas shall be commercially free from solid matter, dust and gum-forming constituents which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, meters, regulators or other appliances through which it flows.

(ii) The gas shall not at anytime have uncombined oxygen content in excess of two tenths of a percent (.2%) by volume, and Gatherer shall make every reasonable effort to keep the gas free from oxygen.

(iii) The gas delivered through the measuring station shall not have or contain in excess of four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not be in excess of one and twenty-five one hundredths percent (1.25%) by volume.

(iv) The gas shall contain no more than seven (7.0) pounds of water vapor per million cubic feet.

(v) The gas shall not contain more than one quarter (.25) grains of hydrogen sulfide per one hundred (100) cubic feet.

(vi) The gas shall contain more than five-tenths (0.5) grains of total sulphur per one hundred (100) cubic feet.

(viii) *The gross heating value, molecular composition and specific* gravity of gas delivered to Interconnecting Party shall be consistent with gas being transported by Interconnecting Party in the vicinity of the point(s) of delivery. Specifically, such gas shall not, in Interconnecting Party's sole determination, hinder deliveries from or redeliveries to Interconnecting Party's other customers.

(ix) The gas shall have temperature of not more than one hundred twenty degrees Fahrenheit (120°F).

(x) The gas shall contain no less than 967 Btu's per cubic foot or more than 1,110 Btu per cubic foot, except in Interconnecting Party's sole discretion. A lower Btu gas stream may be accepted by Interconnecting Party for blending in its system.

(xi) The gas shall not contain a hydrocarbon dew point of greater than twenty-five degrees Fahrenheit (25°F) at any operating pressure.

(xii) The gas shall have a Wobbe index between one thousand two hundred sixty-seven (1,267) and one thousand four hundred (1,400).

B. Gatherer shall install and maintain throughout the term of the Agreement equipment that continuously monitors gas quality at all Intrastate Receipt Points. Such equipment shall be configured to automatically shut down gas flow at any one or more

Intrastate Receipt Points in the event that any natural gas received fails to satisfy the gas quality standards set forth in Section A, above.

C. Interconnecting Party reserves the right to take random gas sample tests as part of its inspection program. Gatherer agrees to cooperate with Interconnecting Party and the assigned sampling laboratory in acquiring samples under the supervision of Interconnecting Party employees available to witness that samples were pulled from one or more Intrastate Receipt Points. Gatherer will be notified in advance and will have the ability to witness gas sample testing at Gatherer operated Intrastate Receipt Points. The sampling laboratory will invoice Interconnecting Party for processing the specimens. All costs associated with obtaining samples, processing specimens, Interconnecting Party costs to witness the test, and obtaining the results, will be invoiced to Gatherer by Interconnecting Party. Interconnecting Party and Gatherer will both be provided with a copy of the results of any sample test.

ARTICLE IV
INTERCONNECTION FEE

As compensation for the operation, odorization, measurement and gas quality enforcement services performed by Gatherer pursuant to Articles I, II and III, Interconnecting Party shall pay to Gatherer a monthly interconnection fee of Five Thousand Dollars ($5,000) (the "Monthly Interconnection Fee") throughout the term of this Agreement. The first Monthly Interconnection Fee payment shall be due and payable by Interconnecting Party within ten (10) days after the Effective Date, with each succeeding payment due on the tenth calendar day of each month thereafter.

ARTICLE V
EMERGENCY TRANSPORTATION SERVICE

A. Prior to the start of each Gas Day, Interconnecting Party shall provide Gatherer with a written or electronic confirmation of its anticipated daily delivery requirements at each Delivery Point. For purposes of this Agreement, "Gas Day" shall mean a period of 24 consecutive hours beginning at 10:00 A.M. Eastern Clock Time, which includes the recognition of Day Light Saving Time. Interconnecting Party Customer shall promptly notify Gatherer of any known circumstances or conditions, other than variations in weather that may cause significant or abrupt changes in usage at each Delivery Point. All gas received by Gatherer from shippers on the Auburn Pipeline shall be delivered at the Delivery Points on a daily basis in accordance with the following delivery priority:

(i) Gas received into the Auburn Pipeline on the Gas Day will be delivered first to all of the Delivery Point interconnections with Interconnecting Party other than the Manning and Kane Delivery Points up to the level of Interconnecting Party's actual gas usage requirements at such Delivery Points.

(ii) After making deliveries under (i), above, any excess gas on the gas day will be delivered to the Manning and Kane Delivery Point interconnections with Interconnecting Party, up to 45,000 Dth/d.

B. In the event that an actual or expected shortage of gas supply at the Intrastate Receipt Points or any loss of capacity on the portions of the Auburn Pipeline between the Intrastate Receipt Points and the Delivery Points resulting from a Force Majeure Event (as defined in Article VI) or a facility outage of the Auburn Pipeline between the Intrastate Receipt Points and the Delivery Points planned by Gatherer would require Gatherer to curtail deliveries of gas or provide less than the projected level of service to Interconnecting Party at any Delivery Point (an "Emergency Event"), Gatherer shall, by mutual agreement with Interconnecting Party, sell, exchange or transport natural gas to Interconnecting Party utilizing gas received from Interconnecting Party at the Auburn Station (an "Emergency Natural Gas Transaction").

C. Before deliveries of emergency natural gas commence, a responsible official of the Interconnecting Party shall make reasonable efforts to provide Gatherer sufficient information to enable Gatherer to form a good faith belief that an emergency exists or is imminent. In addition, Interconnecting Party shall reimburse Gatherer for any applicable line loss required to transport the emergency natural gas.

D. In the event that Gatherer and Interconnecting Party agree that an Emergency Natural Gas Transaction shall take the form of a sale of gas at one or more Delivery Points, the rates charged by Gatherer shall be agreed to between Gatherer and Interconnecting Party prior to the commencement of such sales. In the event that Gatherer and Interconnecting Party agree that an Emergency Natural Gas Transaction shall take the form of transportation of Interconnecting Party's gas from the receipt point interconnection with Tennessee to one or more Delivery Points, the rates charged for such transportation shall be equal to the average gathering rate per Dth (determined on a 100% load factor volumetric basis) charged by Gatherer to other shippers that customarily deliver gas to the Delivery Points. In the event that Gatherer and Interconnecting Party agree that an Emergency Natural Gas Transaction shall take the form of an exchange, the redelivery of gas received by Interconnecting Party under the exchange must occur within 180 consecutive days following the termination of Gatherer's deliveries under the Emergency Natural Gas Transaction.

E. Gatherer and Interconnecting Party shall make every reasonable attempt to minimize use of Emergency Natural Gas Transactions. Emergency Natural Gas Transactions resulting from any single Emergency Event shall not continue for more than sixty (60) consecutive days, except that such transaction may continue for an additional sixty (60) consecutive days if Interconnecting Party seeks and receives appropriate regulatory approvals for such continuation.

ARTICLE VI
FORCE MAJEURE

A. If either Party is rendered unable, wholly or in part, by a Force Majeure Event to receive gas (in the case of Interconnecting Party) or deliver gas (in the case of Gatherer) at the Delivery Points, the obligations of that Party, solely to the extent that such obligations are affected by a Force Majeure Event, will be suspended during the continuance of any inability so caused, but for no longer period and such cause shall be, as far as possible, remedied with all reasonable dispatch. Notwithstanding the foregoing, a Force Majeure Event that only impacts Gatherer's ability to deliver gas from any Intrastate Receipt Point to any Delivery Point but does not otherwise interfere with Gatherer's ability to deliver gas from other points of interconnection on the Auburn Pipeline to any Delivery Point shall not excuse Gatherer's obligation to undertake Emergency Natural Gas Transactions for Interconnecting Party in accordance with Article V Section B.

B. A "Force Majeure Event" shall mean an act of God, act of the public enemy, war, blockade, insurrection, riot, epidemic, landslide, lightning, earthquake, storm, flood, washout, arrest and restraints of governments and people, civil disturbance, fire, explosion, breakage or accident to the Tennessee Gas Pipeline System, the Auburn Pipeline or Interconnecting Party's downstream facilities that is not the result of a failure to operate or maintain such machinery or lines of pipe in accordance with prevailing industry standards, partial or entire failure of well or sources of supply of gas, and other causes, whether of the kind listed above or otherwise, not within the control of the Party claiming suspension and which by the exercise of reasonable diligence the Party is unable to prevent or overcome.

C. Neither Party shall be entitled to the benefit of the protections of a Force Majeure Event to the extent performance of the Party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch.

D. The Party whose performance is prevented by a Force Majeure Event must provide Notice to the other Party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of a Force Majeure Event to the other Party, the affected Party will be relieved of its obligation except as provided in Article V, from the onset of the Force Majeure Event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure Event, and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event.

ARTICLE VII
INDEMNITY/DAMAGES

A. Gatherer shall hold harmless, defend and indemnify Interconnecting Party and its parents and affiliates and its and their respective agents, officers, directors, representatives and employees (collectively, "Interconnecting Party Indemnified Parties") from and against any and all claims, actions, settlements, liabilities, losses, costs, damages, fines, judgments, demands and expenses (including, without limitation, fees and disbursements of counsel incurred by the Interconnecting Party Indemnified Parties in any action or proceeding between the indemnifying Party and one or more of the Interconnecting Party Indemnified Parties or between one or more of the Interconnecting Party Indemnified Parties and any third party or otherwise) (collectively "Claims") for injury to or death of persons or damage to or loss of property incurred by or asserted against any of the Interconnecting Party Indemnified Parties which (1) are caused by activities of, or due to the placement of materials by, Gatherer or its affiliates or its or their respective agents, officers, directors, representatives, employees, contractors or subcontractors (collectively, "Gatherer Representatives"); and/or or (2) otherwise result from actions or omissions of the Gatherer Representatives arising out of, relating to or incident to the performance of this Agreement. Interconnecting Party shall promptly notify Gatherer in writing of any such Claim for which Gatherer shall be requested to indemnify the Interconnecting Party Indemnified Parties hereunder.

B. Interconnecting Party shall hold harmless, defend and indemnify Gatherer and its parent and affiliates and its and their respective agents, officers, directors, representatives and employees (collectively, "Gatherer Indemnified Parties") from and against all Claims for injury to or death of persons or damage to or loss of property incurred by or asserted against any of the Gatherer Indemnified Parties which (1) are caused by activities of, or due to the placement of materials by, Interconnecting Party or its affiliates or its or their respective agents, officers, directors, representatives, employees, contractors or subcontractors (collectively, "Interconnecting Party Representatives"); and/or (2) otherwise result from the actions or omissions of the Interconnecting Party Representatives arising out of, relating to or incident to the performance of this Agreement. Gatherer shall promptly notify Interconnecting Party in writing of any such Claim for which Interconnecting Party shall be requested to indemnify the Gatherer Indemnified Parties hereunder.

C. Without limitation of the foregoing, if damage occurs to the Auburn Pipeline or the Delivery Points which Interconnecting Party shall be obligated to indemnify Gatherer hereunder, Interconnecting Party shall reimburse Gatherer for all reasonable costs and expenses Gatherer incurs associated with Gatherer's repair and replacement of any lost natural gas. The method and timing of the repair of such damage and replacement of any lost natural gas shall be determined by Gatherer in its sole discretion, reasonably exercised.

D. Without limitation of the foregoing, if damage occurs to Interconnecting Party's facilities in the vicinity of any Delivery Point for which Gatherer shall be obligated to indemnify Interconnecting Party hereunder, then Gatherer shall reimburse Interconnecting Party for all reasonable costs and expenses Interconnecting Party incurs associated with Gatherer's repair and replacement of any lost natural gas. The method and timing of the repair of such damage and replacement of any lost natural gas shall be determined by Interconnecting Party in its sole discretion, reasonably exercised.

E. The indemnification obligations set forth in this Article VII shall include, without limitation, indemnification against Claims made by any third party for special, consequential or punitive damages.

ARTICLE VIII
<u>TERM AND TERMINATION</u>

A. This Agreement shall become effective on the date first written above and shall continue in force and effect unless and until terminated as follows:

1. Upon default by either Party in the performance of any provision, condition or requirement herein, the other Party may give notice in writing to the Party in default, specifying the default. Unless such default is cured within sixty (60) days, this Agreement may be terminated by written notice at the option of the Party serving such notice of default upon the termination date specified in such written notice (the "Termination Date").

2. Either Party (hereinafter the "Terminating Party") may terminate this Agreement forthwith by written notice to the other Party (hereinafter the "Impaired Party") if any of the following shall occur:

   a. Impaired Party is subject to a change of corporate control such that the majority of its stock and assets are not owned *directly or indirectly by UGI Corporation.*

b. Impaired Party dissolves, liquidates or terminates its separate corporate existence except under circumstances involving a merger or consolidation with an affiliate;

c. Proceedings are commenced by or against Impaired Party for any relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension, and, if such proceedings have commenced against Impaired Party, such proceedings shall not have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue) within ninety (90) *days after such proceeding shall have commenced*;

d. A decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of Impaired Party or of a substantial part of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of ninety (90) days, or any substantial part of the property of Impaired Party shall be sequestered or attached and shall not be returned to the possession of Impaired Party or released from such attachment within ninety (90) days thereafter; or

e. Impaired Party shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due.

3. By mutual agreement of the Parties in writing.

B. Termination of this Agreement shall not relieve either Party from any obligation accruing or accrued prior to the date of such termination, nor shall such termination deprive a Party not in default of any remedy otherwise available to it. The indemnities of the Parties set forth in Article VII shall survive the termination of this Agreement.

C. In the event that this Agreement is terminated for any reason Interconnecting Party shall have the option to re-acquire such portions of the Auburn Pipeline as Interconnecting Party may require to assure the continuity of its retail services, by providing written notice to Gatherer within five days following the Termination Date. Interconnecting Party shall pay Gatherer the net book value at the time that the purchase option granted hereunder is exercised. Exercise of the option granted to Interconnecting Party shall be subject to the receipt of all required regulatory approvals for the transferred assets, upon terms and conditions acceptable to both

Gatherer and Interconnecting Party. The parties will cooperate on any regulatory filings required to effectuate the transfer of the Auburn Pipeline.

ARTICLE IX
COMPLIANCE WITH LAWS AND REGULATIONS

This Agreement is subject to all valid statutes and rules and regulations of any duly constituted federal or state authority or regulatory body having jurisdiction. The Parties shall be entitled to regard all laws, orders, rules and regulations issued by any federal, state or local regulatory or governmental body as valid and may act in accordance therewith until such time as same shall have been invalidated by final judgment (no longer subject to judicial review) of a court of competent jurisdiction. Interconnecting Party will reasonably cooperate with Gatherer in preparing or prosecuting any legal or regulatory filings that Gatherer deems necessary or advisable for the operation of the Auburn Pipeline or to carry out the obligations of this Agreement. Neither Party will be in default as a result of compliance with laws and regulations. Nothing contained herein, however, shall be construed as affecting any Party's right(s) to contest the validity or applicability of any such law, order rule or regulation.

ARTICLE X
MISCELLANEOUS

A. Notices. Unless otherwise indicated in this Agreement, any notice or other communication shall be in writing and shall be addressed as follows:

If to Gatherer:

UGI Energy Services, Inc.

One Meridian Boulevard, Suite 2C01
Wyomissing, PA 19610
Facsimile: (610) 373-7999

Attention: Vice President – Midstream Assets and Services

If to Interconnecting Party:

UGI Penn Natural Gas, Inc.
2525 N. 12th Street, Suite 360
Reading, PA 19605
Facsimile: (610) 796-3519

Attention: Vice President - Supply

Notices may be given by hand, facsimile transmission, or nationally recognized courier. Notices shall be deemed given upon the date the notice is sent. Either Party may change its address or facsimile number for notices hereunder by providing written notice of such change to the other Party.

B. Assignment. Any assignment of rights or delegation of obligations hereunder by either Party shall be void and of no force or effect without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Any purported assignment undertaken without the other Party's consent shall be void and not relieve the assigning Party of its obligations under this Agreement.

C. Waiver. No waiver by either Party of any one or more defaults by the other Party in the performance of any provision of this Agreement shall operate or be construed as a waiver of any other existing and/or future defaults under this Agreement, whether of a like or different character.

D. Captions, Exhibits. The captions to each of the various articles are included only for convenience of reference and shall have no effect on, or be deemed a part of, the text of this Agreement. Exhibit A hereto is hereby incorporated herein by reference and made a part of this Agreement.

F. Amendments. This Agreement may be amended only by written instrument signed by both Parties.

G. Entire Agreement. The terms and provisions contained herein constitute the entire agreement of the Parties and there are no agreements, understandings, warranties, representations, covenants, obligations, promises, assurances or conditions precedent or subsequent or otherwise, except those expressly set out in this Agreement.

H. Applicable Law. THIS AGREEMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES WITH RESPECT TO SUCH AGREEMENT ARE SUBJECT TO ALL APPLICABLE LAWS, RULES, AND REGULATIONS AND SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA WITHOUT REGARD TO THE RULES OF THAT STATE CONCERNING CONFLICTS OF LAW. BOTH PARTIES HEREBY AGREE TO WAIVE ANY SUCH RIGHT OF JURY TRIAL OR HEARING TO THE FULLEST EXTENT ALLOWED BY LAW

H. Savings Clause. If any provision of this Agreement is adjudicated or otherwise found to be against public policy, void or unenforceable, then the provision shall be deleted or modified, in keeping with the express intent of the Parties, as necessary to render the remainder of this Agreement valid and enforceable. All deletions or modifications shall be the minimum required to effectuate the foregoing.

I. Joint Preparation. Every provision of this Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

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IN WITNESS OF THE FOREGOING, duly authorized representatives of Gatherer and Interconnecting Party hereby execute duplicate originals of this Agreement as of the date first above written.

UGI ENERGY SERVICES, INC.

By ______**SPECIMEN – NOT FOR EXECUTION**______
Peter Terranova
Vice President

UGI PENN NATURAL GAS, INC.

By: ______**SPECIMEN – NOT FOR EXECUTION**______
Robert Beard
Vice President

EXHIBIT A

LOCATION OF DELIVERY POINTS

[Include Map]