



Four Penn Center
1600 John F Kennedy Blvd.
Philadelphia, PA 19103
215-587-1000 Main
215-587-1444 Fax
www.postschell.com

David B. MacGregor

dmacgregor@postschell.com
215-587-1197 Direct
215-320-4879 Fax
File #:

August 1, 2011

BY HAND

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED
2011 AUG - 1 PM 4:05
SECRETARY'S BUREAU

RE: Application of UGI Penn Natural Gas, Inc. for Approval of the Transfer by Sale of 9.0 Mile Natural Gas Pipeline, Appurtenant Facilities and Right of Way, Located in Mehoopany, PA, Docket No. A-2010-2213893; Affiliated Interest Filing of UGI Penn Natural Gas, Inc., Docket No. G-2010-2213894 - Compliance Filing

Dear Secretary Chiavetta:

UGI Penn Natural Gas, Inc. ("PNG") hereby submits this filing to comply with the five conditions set forth in the Opinion and Order entered by the Pennsylvania Public Utility Commission ("Commission") in the above-referenced matter on July 25, 2011 ("July 25 Order").

In accordance with the fifth condition discussed on pages 30-31 of the July 25 Order, please find enclosed for filing a revised Pipeline Interconnection, Operating and Emergency Services Agreement between PNG and UGI Energy Services, Inc. ("PNG-UGIES Interconnection Agreement"). Pursuant to the Commission's Opinion and Order, Section V(E) of this affiliate interest agreement, filed originally as Exhibit E to the Application, has been revised to establish a ceiling on Emergency Natural Gas Transactions resulting from any single Emergency to not exceed sixty consecutive days or sixty days within a twelve-month period, whichever applies first. Clean and black-line versions of the revised PNG-UGIES Interconnection Agreement are enclosed.

In accordance with the third condition discussed on page 29-30 of the July 25 Order, please find enclosed a revised Exhibit D to provide detailed information regarding the assets to be transferred and retained. Consistent with this condition, enclosed for filing is detailed information regarding (1) the assets to be transferred to UGIES and (2) the assets that will be

Rosemary Chiavetta

August 1, 2011

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retained by PNG relative to the Auburn Line, as those assets are known at this time. Please note that there is a small amount of construction spending relative to the assets being transferred and retained that currently resides in Account 107001 - Construction Work In Progress. PNG therefore will submit a final Exhibit D when the construction is complete and the line transferred. PNG represents that it will submit this final schedule to the Commission within 15 days of the completion of the transfer.

PNG further advises the Commission that it agrees to and will comply with the first, second, and fourth conditions identified on pages 28-30 of the July 25 Order :

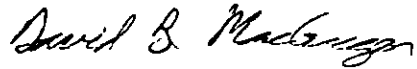
1. PNG distribution customers on the Auburn Line will continue to receive all consumer protections to which they are entitled, including, but not limited to, those under Chapter 14 of the Responsible Utility Customer Protection Act, 66 Pa.C.S. §§ 1401-1418, and the Commission's Regulations at 52 Pa. Code Chapter 56, §§ 56.1 56.231, as applicable for residential customers.
2. Customers and their associated Natural Gas Suppliers (NGSs) participating in retail choice shall not be charged additional transportation fees under the backhaul (displacement of supply) arrangement.
3. Within one day of the transfer of the Auburn Line facilities to UGIES, PNG will remove \$154,000 from base rates, as provided for in the Settlement, on an across the board basis to the benefit of all PNG customers. This will be accomplished through a reduction to the Company's monthly customer charges for all customer classes.

Accordingly, PNG has accepted and complied with the five conditions set forth in the July 25 Order, as evidenced by this letter and a previous letter filed with the Commission on July 20, 2011, a copy of which is enclosed for your convenience. PNG therefore requests that the Commission issue the requisite Certificate of Public Convenience authorizing the transfer by PNG of the Auburn Line and related assets to UGIES. .

Copies of this letter are being served as indicated in the attached Certificate of Service. Please do not hesitate to contact me should you have any questions or concerns regarding this matter.

Rosemary Chiavetta
August 1, 2011
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Respectfully Submitted,



David B. MacGregor

DBM/ctw

Enclosures

cc: Certificate of Service
Paul T. Diskin
Kent D. Murphy

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

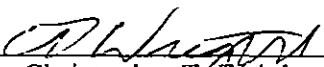
VIA E-MAIL AND FIRST CLASS MAIL

Charles Daniel Shields
Office of Trial Staff
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265

Sharon Webb
Office of Small Business Advocate
Commerce Building
300 North Second Street, Suite 1102
Harrisburg, PA 17101

James A. Mullins
Tanya J. McCloskey
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Date: August 1, 2011



Christopher T. Wright

RECEIVED
2011 AUG - 1 PM 4: 05
PA JUC
SECRETARY'S BUREAU

**Clean Version of the Revised
Pipeline Interconnection, Operating and Emergency
Services Agreement between UGI Penn Natural Gas, Inc.
and UGI Energy Services, Inc.**

RECEIVED

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PA PUC
SECRETARY'S BUREAU

**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 _____, 2011 (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."

WITNESSETH:

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
[RESERVED FOR FUTURE USE]**

**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 or sixty (60) days within a 12-month period, whichever condition applies first.

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
TERM AND TERMINATION

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. Interconnecting Party may terminate this Agreement at any time upon prior written notice to Gatherer if Gatherer, for any reason, ceases to operate the Auburn Pipeline in a manner that allows Interconnecting Party to continue to provide distribution service to its customers.

4. 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 due to Gatherer's failure to operate the Auburn Pipeline in a manner that allows Interconnecting Party to continue to provide distribution service to its customers, in accordance with Article VIII A 3, above, the ownership of the Auburn Pipeline will revert to Interconnecting Party. The transfer price payable from Interconnecting Party to Gatherer upon such reversion of ownership will be the depreciated original cost of the portion of the Auburn Pipeline originally transferred from Interconnecting Party to Gatherer, but in no event will the transfer price upon reversion exceed \$239,464..

D. In the event that this Agreement is terminated for any reason other than as set forth in Section c, above, 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

Delivery Point	Customer
District 1	10
	11
	12
	13
	14
District 2	4
	5
Farm Tap 1	1
Farm Tap 2	2
Farm Tap 3	3
Farm Tap 4	6
Farm Tap 5	7
Farm Tap 6	8
Farm Tap 7	9
P&G Plant	15
P&G Kane	16

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2011 AUG - 1 PM 4:06
SECRETARY'S BUREAU

**Blackline Version of the Revised
Pipeline Interconnection, Operating and Emergency
Services Agreement between UGI Penn Natural Gas, Inc.
and UGI Energy Services, Inc.**

RECEIVED

2011 AUG - 1 PM 4: 06

SECRETARY'S BUREAU

**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."

WITNESSETH:

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
[RESERVED FOR FUTURE USE]

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,

Deleted: 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. ¶

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 or sixty (60) days within a 12-month period, whichever condition applies first.

Deleted: , 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.

..... Deleted: ¶
¶

ARTICLE VIII
TERM AND TERMINATION

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. Interconnecting Party may terminate this Agreement at any time upon prior written notice to Gatherer if Gatherer, for any reason, ceases to operate the Auburn Pipeline in a manner that allows Interconnecting Party to continue to provide distribution service to its customers.

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4. 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 due to Gatherer's failure to operate the Auburn Pipeline in a manner that allows Interconnecting Party to continue to provide distribution service to its customers, in accordance with Article VIII A.3, above, the ownership of the Auburn Pipeline will revert to Interconnecting Party. The transfer price payable from Interconnecting Party to Gatherer upon such reversion of ownership will be the depreciated original cost of the portion of the Auburn Pipeline originally transferred from Interconnecting Party to Gatherer, but in no event will the transfer price upon reversion exceed \$239,464.

D. D. In the event that this Agreement is terminated for any reason other than as set forth in Section c, above, 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

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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]

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SECRETARY'S BUREAU

Revised Exhibit D

**Revised List of Assets to be
Transferred to UGI Energy Services, Inc.**

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SECRETARY'S BUREAU

Assets to be Transferred to UGIES

Assets

Plant Account	Ret Unit Size	Category Description	Asset Number	Asset Description	Date Placed In Service	Vintage Year	Units (Main is in ft)	Original Cost	Depreciation through July 2011	Net Book Value	
376208	Steel Mains 2"	Steel Mains 2"	370976	MP2011 Steel Mains 2"	01-Oct-2010	2011	13	74.49	1.04	73.45	
	Steel Mains 6"	Steel Mains 6"	370977	MP2011 Steel Mains 6"	01-Oct-2010	2011	28	1,461.15	20.46	1,440.69	
	Steel Mains 8"	Steel Mains 8"	370816	MP2011 Steel Mains 8"	01-Oct-2010	2011	43	16,191.40	226.68	15,964.72	
	Steel Mains 12"	Steel Mains 12"	370978	MP2011 Steel Mains 12"	01-Oct-2010	2011	183	18,949.02	265.29	18,683.73	
	Steel Valves 2"	Steel Valves 2"	370979	MP2011 Steel Valves 2"	01-Oct-2010	2011	1	2,778.04	38.89	2,739.15	
	Steel Valves 6"	Steel Valves 6"	370547	MP2011 Steel Valves 6"	01-Oct-2010	2011	1	4,154.78	58.17	4,096.61	
	Steel Valves 8"	Steel Valves 8"	370980	MP2011 Steel Valves 8"	01-Oct-2010	2011	1	12,050.03	168.70	11,881.33	
	Steel Valves 12"	Steel Valves 12"	370981	MP2011 Steel Valves 12"	01-Oct-2010	2011	3	69,309.83	970.34	68,339.49	
	Steel Mains 12"	Steel Mains 12"	CP11608499	MP1966 Steel Mains 12"	01-Oct-1965	1966	45,956	400,138.89	176,840.79	223,298.10	
	385008	Flow Meter	Flow Meter	371019	Daniel 8" orifice meter tube with senior fitting	23-Nov-2010	2011	1	39,606.11	673.30	38,932.81
Installation Charges		Installation Charges	371023	12" Barlow insulated flange assembly #BIJ-600-12 600#	23-Nov-2010	2011	1	7,834.57	133.19	7,701.38	
NONE		Indstrl Meas Stat Equip	371020	YZ System 7300 NJEX Gas Odorization System	23-Nov-2010	2011	1	74,420.76	1,265.15	73,155.61	
			371024	ABB Model 8206 gas chromatograph	23-Nov-2010	2011	1	19,483.62	331.22	19,152.40	
			371026	PSI ELECTROSTOP MONOLITHIC ISOL. FITTING .406 WALL API-X52	23-Nov-2010	2011	1	3,809.38	64.76	3,744.62	
			371027	AMETEK MODEL 5100 TDLAS MOISTURE ANALYZER	23-Nov-2010	2011	1	35,451.81	602.68	34,849.13	
			371028	GALVANIC APPLIED SERVICES SULPHUR ANALYZER	23-Nov-2010	2011	1	24,467.09	415.94	24,051.15	
			371029	GAS ANALYTICAL SERVICES O2 ANALYZER	23-Nov-2010	2011	1	4,969.89	84.49	4,885.40	
		Steel Valves 12"	Steel Valves 12"	371021	12" Wheateley Check Valve Model 9D-723-125148-121 600	23-Nov-2010	2011	1	14,119.56	240.03	13,879.53
		Strainers	Strainers	371022	12" Apollo Tee Strainer 600# 12-TSF-1440 flanged body	23-Nov-2010	2011	1	12,634.54	214.79	12,419.75
	Vaults-Metal	Vaults-Metal	371025	Cold Weather enclosure model 8000WE and accessories	23-Nov-2010	2011	1	12,063.64	205.08	11,858.56	
Total Asset Transfer								773,968.60	182,820.99	591,147.61	

CWIP

FERC Account			Project Number	Project Description Description				Cost as of July 28	Depreciation through July 2011	Net Book Value
107001			815085137800	UPGRADE MANNING DIST STATION #345, WASHINGTON TWP.				73,709.90	-	73,709.90
107001			815085151200	INSTALL 100 FT 12" STL HP MAIN DB, AUBURN CITY GATE STATION				124,383.48	-	124,383.48
107001			815085160800	INSTALL (1) 8" STEEL BALL VALVE, AUBURN LINE, AUBURN TWP.				6,176.45	-	6,176.45
107001			815085161200	INSTALL (3) 12" STEEL BALL VALVES, AUBURN LINE, AUBURN TWP.				17,469.27	-	17,469.27
Total CWIP Transfer								221,739.10	-	221,739.10
Total Asset & CWIP Transfer								995,707.70	182,820.99	812,886.71

Revised Exhibit D

**Revised List of Assets to be
Retained by UGI Penn Natural Gas, Inc.**

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Assets that will be Retained by PNG relative to the Auburn Line

Plant Account	Building	Category Description	Assot Number	Assot Description	Date Placed In Service	Vintage Year	Units	Original Cost	Acc. Depreciation through 7/31	Book Value
374108 - Land	LAND : AUBURN TWP. (CHARMIN)	LAND IN FEE	CP9325679	CHARLIE R. AND ROSE M. TYLER : SUSQUEHANNA COUNTY DEED BOOK 139, PAGE 117 : WILKES-BARRE	01-Oct-1965	1966	1	2,486.73		
	0266 : LAND WASH.ST. CHARMIN	LAND IN FEE	CP9325678	STEWART & NORMA MANNING : WYOMING COUNTY DEED BOOK 162, PAGE 156 : WILKES-BARRE	01-Oct-1965	1966	1	2,722.87		
Total for 374108 : Land								5,209.60	0.00	5,209.60

375008 - Structures and Improvements	0264 : AUBURN CITY GATE BLDG	DOOR	CP11768626	Install Door, Frame and hardware.	01-Oct-2002	2003	1	1,925.50			
		FENCE & GATES	CP11768615	Chain Link Fence, Gates	01-Oct-1965	1966	1	5,540.33			
		REGULATOR STATION BUILDING	CP11768625	Parkline Building Complete	01-Oct-1995	1996	1	42,320.27			
		ROADWAYS/PARKING LOT	CP11768820	Crushed Stone, Grading	01-Oct-1965	1966	1	825.09			
		ROOF	CP11768627	Install Roof (20' X 20') at Auburn	01-Oct-2002	2003	1	1,475.19			
		WALL STRUCTURE	CP11768628	Install Concrete Block Wall at Aubu	01-Oct-2002	2003	1	875.50			
		Total for 0264 : AUBURN CITY GATE BLDG						6	52,961.88	22,604.41	30,357.47
		0265 : AUBURN TELEMET BLDG	MISCELLANEOUS CORRECTION/RECLASS	CP11768630	Miscellaneous Corrections	01-Oct-1999	2000	1	1,461.06		
		Total for 0265 : AUBURN TELEMET BLDG						1	1,461.06	1,431.64	29.42
		0266 : MANNING R/S BLDG.	FENCE & GATES	CP11768633	Chain Link Fence, Gates	01-Oct-1965	1966	1	3,927.00		
	REGULATOR STATION BUILDING		CP11768631	Steel Building	01-Oct-1965	1966	1	1,767.77			
			CP11768635	Shelter (for Generator & Equip.)	01-Oct-1996	1997	1	7,941.21			
	ROADWAYS/PARKING LOT		CP11768632	Grading	01-Oct-1965	1966	1	544.82			
		Total for 0266 : MANNING R/S BLDG	WINDOW	CP11768634	Window Security Enclosure	01-Oct-1993	1994	1	1,907.50		
								5	16,088.30	16,088.30	0.00
	0425:MANNING TELEMETERING BLDG	REGULATOR STATION BUILDING	CP11768527	Building Complete	01-Oct-1982	1983	1	11,954.32			
	Total for 0425:MANNING TELEMETERING BLDG						1	11,954.32	8,601.28	3,353.04	
	0426 : MANNING METERING BLDG	REGULATOR STATION BUILDING	CP11768728	Type S3 Building Complete	01-Oct-1982	1983	1	2,656.51			
		SPACE HEATER	CP11768729	Heater	01-Oct-1982	1983	1	308.95			
	Total for 0426 : MANNING METERING BLDG						2	2,965.46	2,133.08	832.38	
Total for 375008 : Structures and Improvements								85,431.02	50,858.72	34,572.30	

376108 - Mains - Plastic	PG ENERGY DISTRIBUTION PLANT	MP1993 Plastic - Direct Bury - 4.00"	CP9256887	PLASTIC \- DIRECT BURY \- 4.00"		1993		5,889.04		
	PG ENERGY DISTRIBUTION PLANT	MP1993 Plastic - Direct Bury - 2.00"	CP9256836	PLASTIC \- DIRECT BURY \- 2.00"		1933		12,887.09		
	PG ENERGY DISTRIBUTION PLANT	MP2001 Plastic - Direct Bury - 6.00"	CP13999149	PLASTIC \- DIRECT BURY \- 6.00"		2001		311,959.20		

	CP9112828	Foxboro Type 28 Orifice Meter w/ a 3-valve Manifold, Range 0-100"-0-1000", S.N.:	01-Oct-1965	1966	1	508.75
	CP9112836	Fire Extinguisher	01-Oct-1965	1966	1	98.96
	CP9112837	Lyon Chart Desk	01-Oct-1965	1966	1	62.94
	CP9112838	Metering Equipment	01-Oct-1965	1966	1	182.30
	CP9112839	Small Valves	01-Oct-1965	1966	1	253.39
	CP9112840	Piping and Fittings	01-Oct-1965	1966	1	512.38
	CP9112841	Miscellaneous	01-Oct-1965	1966	1	712.10
	CP9112879	Installation Labor and Fabricating	01-Oct-1965	1966	1	8,846.40
	CP9112884	Company Labor and Incidentals	01-Oct-1965	1966	1	1,872.79
Regulator 1"	CP9112779	1" No. 041 Rockwell Field Regulator	01-Oct-1965	1966	3	61.60
Steel Valves 0.50"	CP9112787	1/2" No. 2224 Nordstrom Valve	01-Oct-1965	1966	6	259.00
Steel Valves 1.00"	CP9112786	1" No. 2224 Nordstrom Valve	01-Oct-1965	1966	3	155.03
	CP9112790	1" Fisher Relief Valve	01-Oct-1965	1966	1	12.29
	CP9112788	2"x1"x2" Grove High Pressure Reducing Core	01-Oct-1965	1966	2	149.37
	CP9112832	2" 600lb. ASA Grove Full Opening Ball Valve	01-Oct-1965	1966	1	204.82
Steel Valves 3"	CP9112785	3" No. 2245 Nordstrom Valve	01-Oct-1965	1966	1	224.38
Steel Valves 4"	CP9112783	4" No. 2245 Nordstrom Valve	01-Oct-1965	1966	3	997.55
	CP9112784	4" No. 2045 Nordstrom Valve	01-Oct-1965	1966	1	239.00
	CP9112791	4 1/2" U.S. Pressure Gauges-Variou Ranges	01-Oct-1965	1966	8	103.03
	CP9112829	4" 600lb. ASA Grove Ball Valve w/ Gear Operator w/ Mechanical Stops and Handwheel	01-Oct-1965	1966	2	1,128.96
	CP9112830	4" 600lb. ASA W.K.M. Gate Valve	01-Oct-1965	1966	1	904.59
	CP9112831	4" 600lb. ASA Charles-Wheatley Check Valve, Series 60	01-Oct-1965	1966	1	233.24
Steel Valves 8"	CP9112780	8"x6"x8" Grove class 600 Flanged Steel Valve, Gear Operated, S.N.: 10545-1 thru	01-Oct-1965	1966	3	3,128.16
Steel Valves 12"	CP9112782	12" A.S.A. 300 Grove Handwheel Operated Valve S.N.: 104365-2	01-Oct-1965	1966	1	2,021.85
Inle/Outlet Piping	CP9112806	Calibration Spools and Gears for Computer to increase efficiency	01-Oct-1966	1967	1	131.69
Installation Charges	CP9112800	Steel Stack Head to prevent pilot failure	01-Oct-1966	1967	1	35.32
	CP9112801	Company made Desiccators to prevent freezing of pilot failure	01-Oct-1966	1967	2	524.59
	CP9112808	National Tank Co. 36" O.D.x10'-0" Shell Length Indirect Gas Fired Heater w/ 7500	01-Oct-1970	1971	1	3,809.57
	CP9112809	Foundation for Tank	01-Oct-1970	1971	1	983.85
	CP9112810	Joyce Western Corp.-Fabricating and Installation	01-Oct-1970	1971	1	5,933.90
	CP9112811	Company Engineering and Incidentals	01-Oct-1970	1971	1	2,045.81
	CP9112885	One-Half the cost of Tennessee Gas Pipeline Co. for additional facilities to incr	01-Oct-1970	1971	1	1,365.00
	CP9112812	This Heater was installed in 1971 under W.O. 0635 (2024)	01-Oct-1973	1974	1	541.80

	Steel Valves 6"	CP9112886	Replace 6" Valve at Auburn City Gate Station	01-Oct-1977	1978	1	981.47		
	Transmitter	CP9112813	Bristol Pressure Transmitter 0/1200 PSIG S.N.: 82A25756	01-Oct-1982	1983	1	1,055.30		
	Gas Heater	CP9112817	Sivalls 36"x10" Horiz. Indirect Heater 750,000 BTU/Hr. S.N.: 49997	01-Oct-1984	1985	1	16,288.33		
	Installation Charges	CP9112888	Bristol Temperature Recorder	01-Oct-1984	1985	1	2,082.10		
	Pressure Controllers	CP9112816	Grove Mdl. 820 Pressure Reducing Pilot	01-Oct-1984	1985	4	8,092.98		
		CP9112818	6"x4"x6" Orbit Valve	01-Oct-1984	1985	1	2,626.02		
	Transmitter	CP9112819	Bristol Signature Transmitter S.N.: 85A-09772	01-Oct-1984	1985	1	881.62		
	Installation Charges	CP9112893	Dial-O-Graph Chart Drive Spares 24hr. Rotation S.N.: E46934	01-Oct-1985	1986	1	287.05		
		CP9112895	AGM Converter Unit	01-Oct-1987	1988	1	355.00		
		CP9112820	120 gallon vertical odorant tank	01-Oct-1989	1990	1	6,619.42		
		CP9112821	Ametek Model Temperature Controller S.N.: 21KM4645	01-Oct-1989	1990	1	1,589.03		
		CP9112822	Haz Loc Electric Heater	01-Oct-1994	1995	1	1,161.38		
		CP9112823	Fiberglass Shelter	01-Oct-1994	1995	1	10,202.55		
		CP9112824	Odorant Injection System/7200/CSU S.N.: No748	01-Oct-1994	1995	1	19,120.41		
		CP9112825	Generac Model generator S.N.: SG030-A165 0N18CBYYY	01-Oct-1994	1995	1	15,180.79		
		CP9112826	Miscellaneous Correct/Reclass-Unrecorder Retire Charges	01-Oct-1994	1995	1	<4,830.02>		
	Chart Recorder	CP9112737	Smart View Paperless Recorder	01-Oct-1997	1998	1	5,081.10		
	Gas Heater	CP9112749	Bruest Model 1800 Single Coil instrument Gas Heater	01-Oct-1997	1998	4	5,000.79		
	Installation Charges	CP9112741	Rosemount Communicator w/ Hand Held Software	01-Oct-1997	1998	1	4,441.66		
		CP9112743	Card Part for Radio Control System	01-Oct-1997	1998	1	2,476.00		
		CP9112748	3/8 ODx.035 Wallx10'	01-Oct-1997	1998	4	1,367.74		
	Transmitter	CP9112744	Differential Pressure Transmitter	01-Oct-1997	1998	1	2,592.11		
		CP9112745	Differential Pressure Transmitter	01-Oct-1997	1998	1	2,464.46		
	Odorant Tank	CP13989830	Odorant Tank	01-Oct-2001	2002	1	35,286.03		
	Regulation Station Equipment	CP14003965	Analyzer	01-Oct-2001	2002	1	6,777.64		
		CP14004099	Atmospheric Monitor Device	01-Oct-2002	2003	1	1,808.77		
	Inlet/Outlet Piping	CP13989832	Inlet/Outlet Piping	01-Oct-2004	2005	1	15,577.51		
	Steel Valves 2"	CP13989834	2" Steel Valves	01-Oct-2004	2005	1	1,628.42		
	Steel Valves 6"	CP13989835	6" Steel Valves	01-Oct-2004	2005	2	17,450.30		
	MISCELLANEOUS CORRECTIONS	CP9112802	Miscellaneous Correct/Reclass-for 1966 charges	01-Oct-1966	1967	1	<240.63>		
	Total for 0300 : AUBURN CITY GATE STAT.					108	249,351.99		
Total for 378008 : Measuring & Regulating Equipment - General							249,351.99	88,261.24	161,090.75

380108 - Services - Plastic	MP2001 Plastic DB - Full - 6"	CP11583143	PLASTIC DB \- FULL \- 6"	01-Oct-2000	2001	6,200	6,318.57		
	MP2001 Plastic DB - Full - 4"	CP11583142	PLASTIC DB \- FULL \- 4"	01-Oct-2000	2001	1,045	9,460.61		
Total for 380108 : Services - Plastic							6,318.57	5,064.80	1,253.77

380208 - Services -		MP1966 Other DB - Full - 10"	CP11748772	Charmin Route 87	01-Oct-1965	1966	2,970	25,881.54		
Total for 380208 : Services - Other								25,881.54	0.00	25,881.54

381008 - Meters				Meters				37,296.61		
Total for 381008 : Meters								37,296.61	25,529.70	11,766.91

385008 - Industrial Measuring & Regulating Equipment	3001 : MANNING C & I R/S	Filters	CP9314606	Balston Coalescing Filter 300# Class Model #AKH-0880-DX	01-Oct-1999	2000	1	20,758.75		
		Flow Meter	CP9314237	Gas Turbine Flow Computer consisting of: Panel Mount Enclosure 24VDC Power Input	01-Oct-1990	1991	1	3,949.40		
		Gas Heater	CP9314569	National Tank Co. 48" O.D.x12'-0" Indirect Gas Heater at 1,000,000 B.T.U. per ho	01-Oct-1969	1970	1	6,704.60		
		Inlet/Outlet Piping	CP9314560	12" Steel Pipe	01-Oct-1965	1966	16	76.43		
			CP9314561	10" Steel Pipe	01-Oct-1965	1966	7	482.92		
			CP9314562	8" Steel Pipe	01-Oct-1965	1966	1	387.18		
			CP9314563	6" Steel Pipe	01-Oct-1965	1966	1	129.86		
			CP9314574	6" Steel Pipe	01-Oct-1969	1970	1	367.56		
			CP9314600	8" Linestopper	01-Oct-1999	2000	1	4,226.69		
		Installation Charges	CP9314564	Miscellaneous Material and Fittings	01-Oct-1965	1966	1	214.70		
			CP9314565	Joyce Western Corp.-Fabricating Material	01-Oct-1965	1966	1	1,354.65		
			CP9314568	Company Labor and Incidentals	01-Oct-1965	1966	1	995.66		
			CP9314571	Foundation for Heater	01-Oct-1969	1970	1	1,195.95		
			CP9314575	Joyce Western Corp.-Installing Heater	01-Oct-1969	1970	1	9,788.38		
			CP9314576	Company Labor and Incidentals	01-Oct-1969	1970	1	2,510.70		
			CP9314577	Joyce Western-Fabrication	01-Oct-1982	1983	1	1,613.48		
			CP9314578	Company Labor and Incidentals	01-Oct-1982	1983	1	470.96		
			CP9314581	Misc. M&S	01-Oct-1982	1983	1	1,100.77		
			CP9314584	Stracham Welders	01-Oct-1982	1983	1	279.29		
			CP9314585	Company Labor and Incidentals	01-Oct-1982	1983	1	255.88		
			CP9314586	Stracham Welding	01-Oct-1983	1984	1	281.25		
			CP9314587	Company Labor and Incidentals	01-Oct-1983	1984	1	66.55		
		MISCELLANEOUS CORRECTIONS	CP9314592	Miscellaneous Correct/Reclass-6" Kerotest Valve in 1966-Over Retirement	01-Oct-1995	1996	2	<560.96>		
			CP9314596	Miscellaneous Correct/Reclass-6" Kerotest Valve in 1966-Over Retirement	01-Oct-1998	1999	1	<280.48>		
			CP9314599	Miscellaneous Correct/Reclass-6" Grove Model 83 Regulator in 1983-Over Retirement	01-Oct-1998	1999	4	<7,240.25>		
		Pressure Controllers	CP9314582	Grove Mod. 829 Pressure Reducing Pilots	01-Oct-1982	1983	4	771.08		
		Regulator 2"	CP9314580	11509NR Mod. 829 Pilot Regulator	01-Oct-1982	1983	8	1,608.40		
		Regulator 4"	CP9314601	4" Mooney 300# SP Flowgrid Regulators S.N.: 41371; 41372; 41373; 41374	01-Oct-1999	2000	4	24,881.43		
		Steel Valves 0.50"	CP9314583	1/2" MxF Anderson Valves	01-Oct-1982	1983	14	1,615.21		
		Steel Valves 1.00"	CP9314558	1" No. 2224 Nordstrom Valve	01-Oct-1965	1966	1	112.05		
Steel Valves 2"	CP9314572	2" Rockwell Valve No. 2224	01-Oct-1969	1970	1	114.38				

	CP9314573	2" Globe Valve	01-Oct-1969	1970	1	44.71
Steel Valves 3"	CP9314579	3" Grove Valves	01-Oct-1982	1983	4	1,965.82
Steel Valves 3.50"	CP9314559	3 1/2" Crosby Gauge-Various Range	01-Oct-1965	1966	6	52.65
Steel Valves 4"	CP9314555	4" No. 143 Nordstrom Valve	01-Oct-1965	1966	1	46.63
	CP9314588	4" Grove B-4 Ball Valves, Class 300	01-Oct-1991	1992	6	13,597.36
	CP9314605	4" Mooney Relief Valve 300# Class FG-40	01-Oct-1999	2000	1	4,358.27
Steel Valves 8"	CP14003959	Grove Valve 8"	01-Oct-2003	2004	1	7,649.19
Temperature & Pressure Compensators	CP14004077	Transducers	01-Oct-2001	2002	1	2,387.70
Total for 3001 : MANNING C & I R/S					97	108,334.80
3002 : CHARMIN						
Gas Heater	CP9314748	Catalytic Heaters	01-Oct-1978	1979	2	453.56
Inlet/Outlet Piping	CP9314624	12" Steel Pipe	01-Oct-1965	1966	1	299.07
	CP9314625	8" Steel Pipe	01-Oct-1965	1966	1	55.20
	CP9314626	6" Steel Pipe	01-Oct-1965	1966	1	173.84
	CP9314736	12" Bare Steel Piping	01-Oct-1998	1999	1	1,079.49
	CP9314737	8" Bare Steel Piping	01-Oct-1998	1999	1	393.05
	CP9314744	4" Bare Steel Piping	01-Oct-1998	1999	1	401.35
Installation Charges	CP9314627	Joyce Western Corp.-Fabricating Material	01-Oct-1965	1966	1	2,681.76
	CP9314628	Company Labor and Incidentals	01-Oct-1965	1966	1	1,153.31
	CP9314634	Company constructed Desiccators	01-Oct-1966	1967	2	524.59
	CP9314638	Misc. Equipment	01-Oct-1982	1983	1	0.01
	CP9314646	Install/Fabr.	01-Oct-1984	1985	1	3,309.40
	CP9314647	Misc. Material	01-Oct-1984	1985	1	682.79
	CP9314648	Company Labor and Incidentals	01-Oct-1984	1985	1	2,832.01
	CP9314679	QX 1 Frame & Power Supply	01-Oct-1986	1987	1	100.00
	CP9314696	Spare Parts for #2235M-PCB#1	01-Oct-1986	1987	1	1,150.00
	CP9314728	Transfer from Acct. 381-Install Factoring Totalizers Model 2403-220	01-Oct-1986	1987	3	2,762.31
	CP9314745	Quiet In-Line Silencers	01-Oct-2000	2001	2	15,712.60
	CP9314749	38M Rotary Meter	01-Oct-1967	1968	1	186.41
Pressure Index	CP9314631	8" American Volume & Pressure Gauge S.N.: SN-27957M	01-Oct-1965	1966	1	157.54
	CP9314632	8" American Volume & Pressure Gauge S.N.: SN-27956M	01-Oct-1965	1966	1	157.54
Regulator 2"	CP9314264	2" Mooney FG-3 SP Regulators, 150# Class Flanged S.N.: 24678 and 24679	01-Oct-1995	1996	2	7,486.17
Regulator 4"	CP9314733	4" 300# SP Flowgrid Regulator S.N.: 41371-41375	01-Oct-1998	1999	4	19,456.97
Regulator 6"	CP9314615	6" No. 63-6300 Fisher Back Pressure Regulator S.N.: 4064387	01-Oct-1965	1966	1	405.01
	CP9314616	6" No. 63-6300 Fisher Back Pressure Regulator S.N.: 4064388	01-Oct-1965	1966	1	405.00
	CP9314635	6" Grove Mdl. 83 FlexFlo Regulator	01-Oct-1984	1985	4	6,948.48
Steel Valves 0.75"	CP9314642	3/4" S.S. Ball Valves	01-Oct-1984	1985	5	141.13
Steel Valves 4"	CP9314623	4" No. 143 Nordstrom Valve	01-Oct-1965	1966	1	0.01
Steel Valves 6"	CP9314263	6" Daniel Ball Valve, Class 300, WxF S.N.: 96-0296-01-01/02	01-Oct-1995	1996	2	10,598.70
	CP9314617	6" No. 265 Nordstrom Valve	01-Oct-1965	1966	4	840.44

			CP9314622	6" No. 3475 Rockwell Permatum Semi-Steel Multiport Valve	01-Oct-1965	1966	1	245.70			
			CP9314644	6" EV-11 WExRF ANSI 300	01-Oct-1984	1985	2	2,475.02			
			CP9314645	6" EV-11 8" WExWE ANSI 300	01-Oct-1984	1985	2	2,786.82			
			CP9314732	6" 300# WxF Vitron Valve S.N.: M240710-04M	01-Oct-1998	1999	2	13,780.76			
		Steel Valves 8"	CP9314731	8" 300# WxF Vitron Valve S.N.: M231210-15M	01-Oct-1998	1999	2	20,662.71			
		Steel Valves 12"	CP9314730	12" 150# WxF Vitron Valve S.N.: M240750-03M	01-Oct-1998	1999	1	15,473.36			
			CP9314735	12" 150# Dual Port Steel Flowgrid Valve	01-Oct-1998	1999	1	28,259.38			
		Volume Index	CP9314629	American B.V.I. 120 Base Volume Index S.N.: 17028	01-Oct-1965	1966	1	657.08			
			CP9314630	American B.V.I. 120 Base Volume Index S.N.: 17027	01-Oct-1965	1966	1	657.08			
		Total for 3002 : CHARMIN					63	165,545.65			
Total for 385008 : Industrial Measuring & Regulating Equipment								273,880.45	139,635.13	134,245.32	

**Copy of July 20, 2011 Letter Submitted by
UGI Penn Natural Gas, Inc.**

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PA 2011
SECRETARY'S BUREAU



Four Penn Center
1600 John F Kennedy Blvd.
Philadelphia, PA 19103
215-587-1000 Main
215-587-1444 Fax
www.postschell.com

David B. MacGregor

dmacgregor@postschell.com
215-587-1197 Direct
215-320-4879 Fax
File #:

July 20, 2011

BY HAND

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: Application of UGI Penn Natural Gas, Inc. for Approval of the Transfer by Sale of 9.0 Mile Natural Gas Pipeline, Appurtenant Facilities and Right of Way, Located in Mehoopany, PA, Docket No. A-2010-2213893;

Affiliated Interest Filing of UGI Penn Natural Gas, Inc., Docket No. G-2010-2213894

Dear Secretary Chiavetta:

On July 14, 2011, the Pennsylvania Public Utility Commission ("Commission") adopted at its Public Meeting the Motion of Commissioner Cawley in the above-referenced proceeding. The Motion directs that an Order be entered adopting the Recommended Decision of Administrative Law Judge Dennis J. Buckley approving the Joint Stipulation in Settlement, Application, and Affiliate Interest Agreement subject to five (5) minor modifications. The Motion provides that the Parties to the Joint Stipulation in Settlement shall be permitted to file comments to these modifications within five (5) business days of the entry of an Order.

The Office of Trial Staff ("OTS"), the Office of Consumer Advocate ("OCA"), and UGI Penn Natural Gas, Inc. ("PNG") were signatories to the Joint Stipulation. PNG has reviewed the Commissioner Cawley's Motion and has no objection to the modifications. On July 14, 2011, Counsel for OTS and OCA have advised PNG that they do not object to any of the modifications contained in the Motion and that they do not intend to file comments in opposition to the modifications.

Based on the foregoing, the Parties to the Joint Stipulation do not intend to file comments in opposition to the modifications set forth in Commissioner Cawley's Motion. As a result, the


Rosemary Chiavetta
July 20, 2011
Page 2

Parties to the Joint Stipulation submit that the comment period provided for in the Motion is no longer needed or necessary.

PNG therefore respectfully requests that an appropriate Commission Order be promptly entered in this matter reflecting that the Parties to the Joint Stipulation do not object to any of the modifications set forth in Commissioner Cawley's Motion, and that said modifications are thus incorporated into the terms and Conditions of the Joint Stipulation.

Copies of this letter are being served as indicated in the attached Certificate of Service. Please do not hesitate to contact me should you have any questions or concerns regarding this matter.

Respectfully Submitted,


David B. MacGregor,
Counsel for UGI Penn Natural Gas, Inc.

DBM/ctw

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

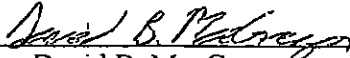
VIA E-MAIL AND FIRST CLASS MAIL

Charles Daniel Shields
Office of Trial Staff
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265

Sharon Webb
Office of Small Business Advocate
Commerce Building
300 North Second Street, Suite 1102
Harrisburg, PA 17101

James A. Mullins
Tanya J. McCloskey
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Date: July 20, 2011



David B. MacGregor