

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SECRETARY'S OFFICE
PUBLIC UTILITY COMMISSION

DEC 19 11 AM 1951

RECEIVED

In Re

APPLICATION OF ALLENTOWN-BETHLEHEM GAS COMPANY, CONSUMERS GAS COMPANY, THE HARRISBURG GAS COMPANY, LANCASTER COUNTY GAS COMPANY, LEBANON VALLEY GAS COMPANY, LUZERNE COUNTY GAS AND ELECTRIC CORPORATION AND THE PHILADELPHIA GAS WORKS COMPANY FOR THE APPROVAL OF THE TRANSFER OF ALL OF THEIR PROPERTY, RIGHTS, POWERS, FRANCHISES AND PRIVILEGES BY MERGER INTO THE UNITED GAS IMPROVEMENT COMPANY AS THE SURVIVING CORPORATION, FOR THE APPROVAL OF THE ACQUISITION BY THE UNITED GAS IMPROVEMENT COMPANY OF THE PROPERTY, RIGHTS, POWERS, FRANCHISES AND PRIVILEGES OF THE FOREGOING NAMED CORPORATIONS AND THE APPROVAL OF THE BEGINNING OF THE EXERCISE BY THE UNITED GAS IMPROVEMENT COMPANY OF SAID RIGHTS, POWERS, FRANCHISES AND PRIVILEGES

Application

Docket No. **A78254**

1. The names and addresses of the Applicants are:

Allentown-Bethlehem Gas Company
(hereinafter called "Allentown-Bethlehem")
516 Hamilton Street
Allentown, Pa.

Consumers Gas Company
(hereinafter called "Consumers")
441 Penn Street
Reading, Pa.

The Harrisburg Gas Company
(hereinafter called "Harrisburg")
14 South Market Square
Harrisburg, Pa.

Lancaster County Gas Company
(hereinafter called "Lancaster")
70 North Duke Street
Lancaster, Pa.

Lebanon Valley Gas Company
(hereinafter called "Lebanon")
7-11 North 9th Street
Lebanon, Pa.

Luzerne County Gas and Electric Corporation
(hereinafter called "Luzerne")
247 Wyoming Avenue
Kingston, Pa.

DOCKETED
JAN 11 1952
ENTRY No. *18*

RECORD
FOLDER

*FILED 12/20/51
ISSUED 12/20/51
No. 59336 - The United Gas Improvement Co.
10.00 - Read E. G. P.*

The Philadelphia Gas Works Company
(hereinafter called "P.G.W.")
1401 Arch Street
Philadelphia 5, Pa.

The United Gas Improvement Company
(hereinafter called "U.G.I.")
1401 Arch Street
Philadelphia 5, Pa.

Where all of the foregoing applicants are collectively hereinafter referred to, they will be designated as "Applicants."

2. The names and addresses of Applicants' attorneys

are:

Morgan, Lewis & Bockius
2107 Fidelity-Philadelphia Trust Building
Philadelphia 9, Pa.

Kenneth B. Anderson
1401 Arch Street
Philadelphia 5, Pa.

3. For detailed information with respect to the corporate history, the purposes for which formed, the charter territory, services rendered and capitalization of Applicants, see recitals 1 through 8 of Exhibit 1-A to Exhibit B attached hereto. Attention is likewise invited to joint Application on behalf of U.G.I. and P.G.W. being filed simultaneously herewith - see paragraph 22 below.

4. The number of consumers by classes to whom Applicants furnish public service is attached hereto as Exhibit A.

5. Balance sheets of the Applicants, as of October 31, 1951, are shown in columnar form in Exhibit 1-C-3 to Exhibit B attached hereto.

6. Income statements of the Applicants for the twelve months ended October 31, 1951, are shown in columnar form in Exhibit 1-C-4 to Exhibit B attached hereto.

7. All the annual reports, tariffs, certificates of notification, applications and certificates of valuation and applica-

tions for approval of the issuance of securities, and securities certificates filed with your Honorable Commission by Applicants and by their predecessor and constituent companies are made a part hereof by reference.

8. All of the property, rights, franchises and privileges now by law vested in Allentown, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne and P.G.W. are to be transferred by merger with and into U.G.I. as the surviving corporation, as provided by "An Act to provide for the merger and consolidation of certain corporations" approved May 3, 1909, and the various supplements and amendments thereto and by such other laws of the Commonwealth of Pennsylvania as may be thereunto applicable. The terms and conditions of the transfer are more fully described in the application of U.G.I. to the Securities and Exchange Commission marked Exhibit B attached hereto and made a part hereof together with the exhibits attached to such application.

9. The consideration for the transfer is set forth in the merger agreement, Exhibit 1-A to Exhibit B, and was determined by mutual agreement between the Boards of Directors of Applicants.

10. There is attached hereto, marked Exhibit C, statement showing, in columnar form, the plant accounts of the Applicants by functional groups as at October 31, 1951, and on a pro-forma basis, the similar data for U.G.I., giving effect to the transfer by merger herein proposed. Said Exhibit C likewise shows the amount of Depreciation Reserve related thereto. Reference is made to Original Cost Studies filed with the Commission at various times by the Applicants, which are incorporated herein by reference.

11. For information concerning the investment securities to be transferred, attention is invited to the merger agreement, Exhibit 1-A to Exhibit B.

12. A pro-forma balance sheet, as of October 31, 1951, of U.G.I., giving effect to the transfer, is shown in Exhibit 1-C-3 to Exhibit B attached hereto.

13. A pro-forma income account for the twelve months ended October 31, 1951, of U.G.I., giving effect to the transfer, is shown in Exhibit 1-C-4 to Exhibit B attached hereto.

14. In Exhibit 1-C-3 to Exhibit B, there is shown in columnar form the proposed adjustments to the consolidated accounts of U.G.I. and its Subsidiaries (using October 31, 1951, figures) giving effect to the transfer by merger herein proposed. The journal entries which U.G.I. will actually make to record the transfer in its accounts will be supplied.

15. There is attached hereto as Exhibit 2 to Exhibit B minutes of the meeting of the Board of Directors of U.G.I., authorizing the transfer by merger herein proposed.

16. The transfer herein proposed will have no effect upon the service to customers of Applicants.

17. The transfer herein proposed will have no effect upon the rates for service to customers of Applicants.

18. The transfer herein proposed will be financed by the exchange of capital stock, more fully described in the plan and the merger agreement, Exhibits 1 and 1-A to Exhibit B.

19. The transfer and merger herein referred to is necessary and proper for all of the reasons set forth in Exhibits 1 and 1-A to Exhibit B, being respectively the Comprehensive Plan of U.G.I. pursuant to 11(e) of the Public Utility Holding Act of 1935 and agreement for the merger of Allentown-Bethlehem, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne and P.G.W. with and into U.G.I. as the surviving corporation.

20. All the Applicants are affiliated with each other as is established by Exhibit 1-D to Exhibit B.

21. The Applicants have paid the special and general assessments made against them by your Honorable Commission pursuant to Section 1201 of the Public Utility Law. U.G.I., as the surviving corporation, will assume and pay the amounts of any and all lawful special and general assessments when due which your Honorable Commission may make pursuant to Section 1201 of said law.

22. Simultaneously with the filing of this Application, there is being filed with your Honorable Commission a joint Application of U.G.I. and P.G.W. seeking your Honorable Commission's approval of the transfer by P.G.W. to U.G.I. of the right to operate the facilities of Northern Liberties Gas Company. Such Application and this Application are inter-related and your Honorable Commission is respectfully requested to consolidate with this Application, for the purposes of hearing and/or disposition of this Application, the joint Application above referred to.

WHEREFORE, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation, The Philadelphia Gas Works Company and The United Gas Improvement Company pray your Honorable Commission to issue a Certificate or Certificates of Public Convenience under the provisions of sub-divisions (b), (c), (d) and (e) of Section 202 of the Public Utility Law, evidencing its approval of -

- (a) the transfer by merger of all (of) the property, rights, powers, franchises and privileges of Allentown-Bethlehem, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne and P.G.W. into U.G.I., all as more particularly set forth in this Application;
- (b) the acquisition by U.G.I. by merger into it of all of the rights, powers, franchises and privileges of Allentown-Bethlehem, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne and P.G.W.; and

(c) the beginning of the exercise by U.G.I. of all of the additional rights, powers, franchises and privileges of Allentown-Bethlehem, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne and P.G.W.

ALLENTOWN-BETHLEHEM GAS COMPANY

By *Paul Birch*
President

CONSUMERS GAS COMPANY

By *Allyn L. Taylor*
President

THE HARRISBURG GAS COMPANY

By *J. Richards*
President

LANCASTER COUNTY GAS COMPANY

By *Andrew S. Morgan*
President

LEBANON VALLEY GAS COMPANY

By *Philo*
President

LUZERNE COUNTY GAS AND ELECTRIC CORPORATION

By *Charles E. Tressan*
President

THE PHILADELPHIA GAS WORKS COMPANY

By *Hudson W. Reed*
President

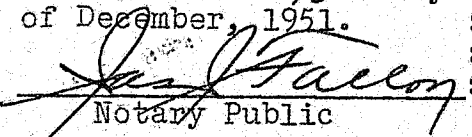
THE UNITED GAS IMPROVEMENT COMPANY

By *[Signature]*
President

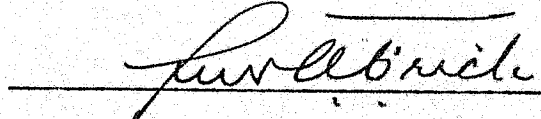
COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

JNO. A FRICK, being duly sworn according to law,
deposes and says that he is President of Allentown-Bethlehem Gas
Company; that he is duly authorized to make this affidavit; that
he has read the foregoing Application; that he is familiar with
the facts set forth therein and that such facts are true and cor-
rect to the best of his knowledge, information and belief.

Sworn to and subscribed :
before me this 18th day :
of December, 1951. :


Notary Public

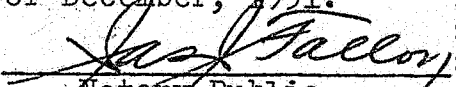
My Commission Expires January 21, 1953



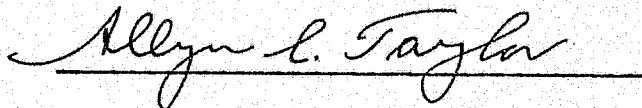
COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

ALLYN C. TAYLOR, being duly sworn according to law,
deposes and says that he is President of Consumers Gas Company;
that he is duly authorized to make this affidavit; that he has
read the foregoing Application; that he is familiar with the
facts set forth therein and that such facts are true and correct
to the best of his knowledge, information and belief.

Sworn to and subscribed :
before me this ^{18th} day :
of December, 1951. :


Notary Public :

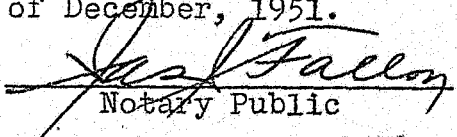
My Commission Expires January 21, 1953



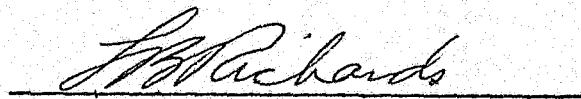
COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

L. B. RICHARDS, being duly sworn according to law,
deposes and says that he is President of Harrisburg Gas Company;
that he is duly authorized to make this affidavit; that he has
read the foregoing application; that he is familiar with the
facts set forth therein and that such facts are true and correct
to the best of his knowledge, information and belief.

Sworn to and subscribed :
before me this 18th day :
of December, 1951. :


Notary Public :

My Commission Expires January 21, 1953



COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

WM. NAILE, being duly sworn according to law,
deposes and says that he is President of Lebanon Valley Gas
Company; that he is duly authorized to make this affidavit;
that he has read the foregoing application; that he is familiar
with the facts set forth therein and that such facts are true
and correct to the best of his knowledge, information and belief.

Sworn to and subscribed :
before me this 18th day :
of December, 1951. :


Notary Public

My Commission Expires January 21, 1953



COMMONWEALTH OF PENNSYLVANIA :
: ss.
COUNTY OF PHILADELPHIA :

HUDSON W. REED, being duly sworn according to law, deposes and says that he is President of The Philadelphia Gas Works Company; that he is duly authorized to make this affidavit; that he has read the foregoing Application; that he is familiar with the facts set forth therein and that such facts are true and correct to the best of his knowledge, information and belief.

Sworn to and subscribed :
before me this 18th day :
of December, 1951. :

Hudson W. Reed

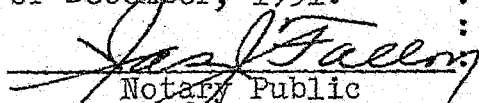
James J. Facon
Notary Public

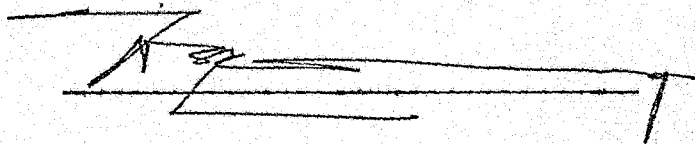
My Commission Expires January 21, 1953

COMMONWEALTH OF PENNSYLVANIA :
: ss.
COUNTY OF PHILADELPHIA :

WALTER E. LONG, being duly sworn according to law deposes and says that he is President of The United Gas Improvement Company; that he is duly authorized to make this affidavit; that he has read the foregoing Application; that he is familiar with the facts set forth therein and that such facts are true and correct to the best of his knowledge, information and belief.

Sworn to and subscribed :
before me this 18th day :
of December, 1951. :


Notary Public
My Commission Expires January 21, 1953



THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES

STATEMENT SHOWING NUMBER OF CUSTOMERS BY CLASSES TO WHOM

PUBLIC SERVICE IS FURNISHED

AT OCTOBER 31, 1951.

	Allenstown-Bethlehem Gas Company	Consumers Gas Company	Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The United Gas Improvement Company (A)	Total	Elimination	Consolidated
GAS										
Residential - General	60,989	36,566	43,132	21,037	9,552	16,622	3,646	191,544	-	191,544
Residential - Heating	3,100	2,940	4,263	1,347	57	-	121	11,828	-	11,828
Commercial - General	2,496	1,526	2,069	1,021	452	984	429	8,977	-	8,977
Commercial - Heating	185	70	149	71	8	-	67	550	-	550
Industrial - General	406	326	178	165	85	69	193	1,422	-	1,422
Industrial - Heating	-	-	-	-	3	-	29	32	-	32
Other Gas Utilities - Non-Affiliated	1	-	-	-	-	-	1	1	-	1
Other Gas Utilities - Affiliated	-	1	1	-	-	-	-	2	2	-
Interdepartmental	-	-	-	-	-	6	-	6	-	6
Total Gas	67,177	41,429	49,792	23,641	10,157	17,681	4,485	214,362	2	214,360
ELECTRIC										
Residential or Domestic	-	-	-	-	-	36,785	-	36,785	-	36,785
Rural	-	-	-	-	-	2,947	-	2,947	-	2,947
Commercial	-	-	-	-	-	4,359	-	4,359	-	4,359
Industrial	-	-	-	-	-	222	-	222	-	222
Public Street and Highway Lighting	-	-	-	-	-	27	-	27	-	27
Other Sales to Public Authorities	-	-	-	-	-	3	-	3	-	3
Other Non-Affiliated Electric Utilities	-	-	-	-	-	3	-	3	-	3
Non-Affiliated Railroads and Railways	-	-	-	-	-	1	-	1	-	1
Interdepartmental	-	-	-	-	-	11	-	11	-	11
Total Electric	-	-	-	-	-	44,358	-	44,358	-	44,358

(A) Assuming resumption of operation of Northern Liberties Gas Company (Part I of Plan)

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

IN THE MATTER
of
THE UNITED GAS IMPROVEMENT COMPANY,
Applicant,
Public Utility Holding Company Act
of 1935.

File No.

APPLICATION FOR AN ORDER OF THE SECURITIES
AND EXCHANGE COMMISSION FOR APPROVAL OF A
COMPREHENSIVE PLAN OF THE UNITED GAS IMPROVE-
MENT COMPANY, PURSUANT TO SECTION 11(e) AND
OTHER SECTIONS OF THE PUBLIC UTILITY HOLDING
COMPANY ACT OF 1935

1. The United Gas Improvement Company (hereinafter called "U.G.I."), a registered holding company under the Public Utility Holding Company Act of 1935 (hereinafter called the "Act"), desires to achieve greater efficiency and economy in the operation of U.G.I. and its system companies, to effect a tax saving, to enable the stockholders of U.G.I. to hold directly their investment in its subsidiary companies, to complete compliance by U.G.I. and its system companies with the provisions of Section 11 of the Act and for U.G.I. to cease to be a holding company. Accordingly, U.G.I. files herewith, marked Exhibit 1 and made a part hereof, a Comprehensive Plan dated December 18, 1951, (hereinafter called the "Plan") under Section 11(e) of the Act designed to accomplish that purpose.

2. The Plan is divided into four parts and provides in substance for (a) the conversion of U.G.I. into a Pennsylvania public utility company; (b) the merger into U.G.I. of all its public utility subsidiaries and for the dissolution of its

non-utility subsidiaries, U.G.I. to remain the surviving and continuing corporation and to conduct as one public utility operating company the operations now conducted by U.G.I. and its various subsidiaries in Pennsylvania; (c) the disposal by U.G.I. of its securities in non-subsidiary companies (except Delaware Coach Company); and (d) the obtaining of an order under the Act that U.G.I. has ceased to be a holding company and that its registration under the Act shall cease to be in effect. The Plan provides that U.G.I. will pay such expenses and remunerations in connection with the Plan and any amendments thereto that the Securities and Exchange Commission shall duly approve, determine, award, allow or allocate. The Plan also provides that its consummation, or any part thereof, is subject to the conditions and reservations set forth therein.

3. The Plan sets forth a description and capitalization of U.G.I. and its subsidiary companies and other pertinent information, including various financial and other exhibits, all of which are incorporated herein by reference.

4. The Board of Directors of U.G.I. has approved said Plan as fair and equitable to all persons affected thereby, and has authorized and directed the execution and filing in its name and on its behalf with the Securities and Exchange Commission of an application and any amendments thereto and such other documents and papers as may be required by or considered advisable under the provisions of the Act, in order that the Plan may be carried out, as is evidenced by extract from minutes adopted at a meeting of said Board held on December 18, 1951, a copy of which is attached hereto marked Exhibit 2 and made a part hereof.

5. U.G.I. requests the Commission to find that the proposed transactions set forth in parts 1, 2 and 3 of the Plan, and any amendments thereto, are necessary to effectuate the provisions of Section 11(b) of the Act and to be fair and equitable to the persons affected thereby, and to issue its order or orders as more particularly set forth below. U.G.I. further

requests the Commission under Section 11(e) of the Act, to apply to a court in accordance with the provisions of Section 18(f) of the Act, to enforce and carry out the terms and provisions of parts 1 and 2 of the Plan and any amendments thereto.

6. Name and address of persons authorized to receive notices and communications from the Securities and Exchange Commission:

W. E. Long, President,
1401 Arch Street,
Philadelphia 5, Pa.

Kenneth B. Anderson, Esq.,
1401 Arch Street,
Philadelphia 5, Pa.

7. Pursuant to Rule III(e) of the Commission's Rules of Practice, U.G.I. hereby advises the Commission that:

- (a) There should not be a recommended decision by a hearing officer;
- (b) There should not be a recommended decision by any other responsible officer of the Commission;
- (c) The staff of the Public Utilities Division of the Commission may assist in the preparation of the Commission's decision; and
- (d) The Commission's Order should become effective immediately upon its issuance.

WHEREFORE, U.G.I. respectfully requests the Commission to enter an order or orders -

- (a) pursuant to Section 11(e) and other applicable sections of the Act, together with requisite findings, approving parts 1, 2 and 3 of the Plan and any amendments thereto, and authorizing U.G.I. to carry out and consummate the proposed transactions set forth in such parts, in accordance with their terms, conditions and provisions;
- (b) containing findings and recitations conforming to the pertinent provisions and requirements of the Internal Revenue Code, as amended, including Supplement R of Chapter I and Section 1808(f) thereof;
- (c) granting and permitting to become effective any applications and declarations and any amendments thereto, pursuant to such Section 11(e) and other sections of the Act.
- (d) upon consummation of the proposed transactions under parts 1, 2 and 3 of said Plan and any amendments thereto, under Section 5(d) of the Act, that U.G.I. has ceased to be a holding company and that its registration under the Act has ceased to be in effect.
- (e) giving to U.G.I. such other and further relief as may in the premises be just and proper.

Pursuant to the requirements of the Act, U.G.I. has caused this instrument to be duly executed on its behalf by its authorized officers, this 18th day of December, 1951:

THE UNITED GAS IMPROVEMENT COMPANY,
By

W. E. LONG

President.

ATTEST:

JOHNS HOPKINS

Secretary.

COMPREHENSIVE PLAN OF
THE UNITED GAS IMPROVEMENT COMPANY
PURSUANT TO SECTION 11(e)
OF THE PUBLIC UTILITY HOLDING COMPANY ACT

Dated December 18, 1951.

COMPREHENSIVE PLAN OF
THE UNITED GAS IMPROVEMENT COMPANY
PURSUANT TO SECTION 11(e)
OF THE PUBLIC UTILITY HOLDING COMPANY ACT

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EXHIBITS

- A - Form of Agreement of Merger to be entered into between U.G.I. and its Utility Subsidiaries.
- B - Form of new U.G.I. First Mortgage.
- C-1 - Balance Sheet of U.G.I. at October 31, 1951.
- C-2 - Statement of Income of U.G.I. for the 12 months ending October 31, 1951.
- C-3 - Consolidating Balance Sheet of U.G.I. and Subsidiaries at October 31, 1951, with adjustment giving effect to Parts 1 and 2 of the Plan.
- C-4 - Consolidating Statement of Income for U.G.I. and Subsidiaries for the 12 months ending October 31, 1951, with adjustment giving effect to Parts 1 and 2 of the Plan.
- D - Chart showing Corporate and Financial Relations of U.G.I. and Subsidiaries as of October 31, 1951, and pro forma giving effect to Parts 1 and 2 of the Plan.

COMPREHENSIVE PLAN OF
THE UNITED GAS IMPROVEMENT COMPANY
PURSUANT TO SECTION 11(e)
OF THE PUBLIC UTILITY HOLDING COMPANY ACT

INTRODUCTORY STATEMENT

The United Gas Improvement Company (hereinafter called "U.G.I."), a Pennsylvania corporation and a registered holding company under the Public Utility Holding Company Act of 1935 (hereinafter called the "Act"), proposes this comprehensive Plan pursuant to Section 11(e) of the Act to fully comply with the provisions of Section 11(b) of the Act and for it to cease to be a holding company. U.G.I. believes this Plan is necessary and appropriate to effectuate the provisions of said Section 11(b) and is fair and equitable to the persons affected thereby. The Board of Directors of U.G.I. has approved this Plan and has directed that it be submitted to the Securities and Exchange Commission (hereinafter called "S.E.C.") pursuant to said Section 11(e).

U.G.I. registered as a holding company under the Act on March 29, 1938. S.E.C. instituted formal integration proceedings against U.G.I. and its subsidiaries on March 4, 1940, when S.E.C. issued a notice of and order for hearing, pursuant to Section 11(b)(1) of the Act. These proceedings have not been completed. Since January 1, 1941, U.G.I. has taken many substantial steps to effect compliance with the provisions of Section 11(b) of the Act. Some of these steps were taken to carry out two divestment orders imposed on U.G.I. in the years 1941 and 1942 by S.E.C. in such proceedings and other steps have been voluntarily taken. During the period January 1, 1941 to date the number of majority owned companies

comprising the U.G.I. system has been reduced from 56 to 9 and substantial investments in other companies have been disposed of. The drastic change in U.G.I. as a result of this divestment program is shown by the following:

At October 31, 1951, U.G.I.'s total assets per books on a consolidated basis amounted to \$97,239,789, compared with \$846,182,298 at December 31, 1940. For the twelve months ended October 31, 1951, U.G.I.'s net income on a corporate basis amounted to \$2,312,933, compared with \$26,391,349 for the calendar year 1940. U.G.I. has outstanding 1,230,740 shares of Capital Stock, exclusive of 9,219 shares reacquired by U.G.I., of the par value of \$13.50 per share with a stated capital of \$16,614,990, compared with 765,216 shares of \$5 Dividend Preferred Stock and 23,252,010 shares of Common Stock (all without par value) with an aggregate stated capital of \$279,258,154 at December 31, 1940.

U.G.I. believes that the time has now arrived when this comprehensive and final plan should be presented to S.E.C. to complete the integration proceedings, and to transform U.G.I. and its system companies into a single operating company and for it to cease to be a holding company under the Act.

DESCRIPTION AND CAPITALIZATION OF U.G.I. AND ITS SUBSIDIARIES

U.G.I. has engaged in business continuously under the laws of the Commonwealth of Pennsylvania since June 1, 1882. Its charter is perpetual. U.G.I.'s business is the ownership of and furnishing service to, its nine subsidiaries, (seven of which are public utility companies in Pennsylvania, one holds title to U.G.I.'s office building and certain other real estate, and one owns a chemical plant in Chester, Pa., leased for a long term), and ownership of investments in other than subsidiary company securities, principally preferred and common stocks of other utility operating companies. Its income consists almost entirely of dividends and interest from its

subsidiaries and these other companies.

At October 31, 1951, the utility subsidiaries of U.G.I., other than The Philadelphia Gas Works Company, served 209,877 gas customers in an area having an estimated population of 991,000, and 44,358 electric customers in an area having an estimated population of 151,500. At October 31, 1951, The Philadelphia Gas Works Company served 551,101 gas customers in the City of Philadelphia, having an estimated population of 2,090,000. For the twelve months ended October 31, 1951, U.G.I. had consolidated operating revenues of \$18,593,777, of which \$12,552,892 were from the sale of gas and \$4,786,856 from the sale of electricity.

The consolidated plant of U.G.I. at October 31, 1951, was stated at \$75,401,914. Against this plant account, there was a depreciation reserve of \$20,494,942, which was equal to 27.2% of the total plant account. In the period from January 1, 1946, to October 31, 1951, the consolidated subsidiaries of U.G.I. had gross expenditures for property additions of \$24,619,904.

U.G.I.'s present capitalization consists of 2,414,759 shares of authorized Capital Stock, par value \$13.50 per share, of which there are presently outstanding 1,230,740 shares, exclusive of 9,219 shares which have been reacquired by U.G.I. Each share is entitled to one vote. All unissued shares of such stock which are issued and sold originally for cash must first be offered as a matter of right to U.G.I.'s shareholders pro rata. U.G.I. has no preferred stock and no funded debt.

U.G.I. Utility Subsidiaries

Allentown-Bethlehem Gas Company

Allentown-Bethlehem Gas Company is a Pennsylvania public utility company engaged principally in the production and purchase of gas and its distribution and sale to the public

in parts of Lehigh, Northampton and Bucks Counties, Pennsylvania, comprising the cities of Allentown, Bethlehem and Easton, 21 boroughs and 22 townships. At October 31, 1951, it served 67,177 gas customers in an area having a population of approximately 300,000. In addition, it supplies gas for resale to the City Gas Company of Phillipsburg, New Jersey, a non-affiliated company. Allentown-Bethlehem Gas Company has notified that company of the cancellation as of December 31, 1952 of the service agreement under which gas is being supplied.

Allentown-Bethlehem Gas Company has outstanding in the hands of the public First Mortgage Bonds in the aggregate principal amount of \$5,189,000, consisting of \$2,219,000 principal amount of bonds of the 3-3/4% Series (interest reduced to 3% effective March 1, 1947) due 1965, \$1,470,000 principal amount of bonds of the 3-1/4% Series due 1968, and \$1,500,000 principal amount of bonds of the 3.348% Series due 1976. It has issued and outstanding 132,375 shares of its common capital stock, with a par value of \$50 per share, all of which is owned by U.G.I.

Consumers Gas Company

Consumers Gas Company is a Pennsylvania public utility company engaged principally in the production and purchase of gas and its distribution and sale to the public in parts of Berks County, Pennsylvania, comprising the City of Reading, 20 boroughs and 20 townships. At October 31, 1951, it served 41,429 gas customers in an area having a population of approximately 176,400. In addition, it supplies part of the gas required by Lebanon Valley Gas Company, an affiliated company. It leases and operates in the City of Reading certain properties and facilities owned by Reading Gas Company

for the manufacture and supply of gas under a lease agreement dated November 19, 1885, for a 99 year period from November 1, 1885.

Consumers Gas Company has no funded debt. It has outstanding a 4% Promissory Note in the principal amount of \$875,000 due September 1, 1953, to U.G.I., and in addition owes U.G.I. \$1,455,000 as open book account indebtedness, with an interest rate of 3-1/4% per annum. It has issued and outstanding 220,872 shares of capital stock with a par value of \$25 per share, of which 140,085 shares (63.42%) are owned by U.G.I. and the balance is owned by the public.

The Harrisburg Gas Company

The Harrisburg Gas Company is a Pennsylvania public utility company engaged principally in the production and purchase of gas and its distribution and sale to the public in parts of Dauphin, Cumberland, York and Lancaster Counties, Pennsylvania, comprising the City of Harrisburg, 16 boroughs and 21 townships. At October 31, 1951, it served 49,792 gas customers in an area having a population of approximately 190,000. In addition, it supplies a portion of the gas required by Lebanon Valley Gas Company, an affiliated company.

The Harrisburg Gas Company has outstanding in the hands of the public First Mortgage Bonds in the aggregate principal amount of \$4,020,000, consisting of \$2,035,000 principal amount of bonds of the 2-5/8% Series due 1971, \$985,000 principal amount of bonds of the 3-1/8% Series due 1971, and \$1,000,000 principal amount of bonds of the 3.15% Series due 1976. It owes its parent, U.G.I., \$1,245,000 as open book account indebtedness, which bears interest at the rate of 3-1/4% per annum. It has issued and outstanding 4,838 shares of 4-1/2% Preferred Stock with a par value of \$100 per share, all of which shares are outstanding in the hands of the public.

The holders of the 4-1/2% Preferred Stock are entitled to receive, in preference to the Common Stock, cumulative dividends at the rate of \$4.50 per share per annum, and in the event of any voluntary or involuntary liquidation, dissolution or winding up, \$100 per share plus accrued and unpaid dividends thereon. The shares of 4-1/2% Preferred Stock are redeemable at any time at the option of the Board of Directors at \$110 per share plus accrued and unpaid dividends thereon. The Harrisburg Gas Company also has issued and outstanding 41,433 shares of Common Stock without nominal or par value, with a stated capital of \$3,342,262, of which 29,225 shares, or 70.54%, are owned by U.G.I. and the balance is owned by the public.

Lancaster County Gas Company

Lancaster County Gas Company is a Pennsylvania public utility company engaged principally in the production and purchase of gas and its distribution and sale to the public in parts of Lancaster County, Pennsylvania, comprising the City of Lancaster, 4 boroughs and 6 townships. At October 31, 1951, it served 23,641 gas customers in an area having a population of approximately 100,000.

It owes its parent, U.G.I., \$1,050,000, as open book account indebtedness, which bears interest at the rate of 3-1/4% per annum. It has issued and outstanding 50,000 shares of capital stock of the par value of \$50 per share, all of which are owned by U.G.I.

Lebanon Valley Gas Company

Lebanon Valley Gas Company is a Pennsylvania public utility company engaged principally in the purchase of gas and its distribution and sale to the public in parts of Lebanon and Dauphin Counties, Pennsylvania, comprising the City of

Lebanon, 5 boroughs and 13 townships. At October 31, 1951, it served 10,157 gas customers in an area having a population of approximately 61,600. The Company purchases its entire output of gas from The Harrisburg Gas Company and Consumers Gas Company, affiliated companies referred to above.

It has issued and outstanding 19,800 shares of Common Stock with a par value of \$50 per share, all of which are owned by U.G.I.

Luzerne County Gas and Electric Corporation

Luzerne County Gas and Electric Corporation is a Pennsylvania public utility company engaged principally in the production and purchase of electricity and gas and their distribution and sale in parts of Luzerne County, Pennsylvania. Electric service only is furnished in 6 boroughs and 12 townships. Gas service only is furnished in the City of Hazleton, 1 borough and 1 township. Both electric and gas are served in the City of Nanticoke, 10 boroughs and 1 township. The total customers served at October 31, 1951, are 44,358 (electric) and 17,681 (gas) in an area having a population of approximately 203,200.

Luzerne County Gas and Electric Corporation has issued and outstanding \$6,549,000 principal amount of First Mortgage Bonds, 3-1/4% Series due 1966. It has also issued and outstanding 25,000 shares of 4-1/4% Preferred Stock, \$100 par value per share, all of which are outstanding in the hands of the public. The holders of the outstanding 4-1/4% Preferred Stock are entitled to receive, in preference to the Common Stock, cumulative dividends at the rate of \$4.25 per share per annum, and in the event of any voluntary or involuntary liquidation, dissolution or winding up \$100 per share plus accrued and unpaid dividends thereon. The shares of the 4-1/4% Preferred Stock are redeemable at any time at the option

of the Board of Directors at \$110 per share plus accrued and unpaid dividends thereon. It has issued and outstanding 176,694 shares of Common Stock without nominal or par value, with a stated capital of \$4,417,350, all of which are owned by U.G.I.

The Philadelphia Gas Works Company

The Philadelphia Gas Works Company is a Pennsylvania public utility company, which operates the municipal gas works owned by the City of Philadelphia, under an agreement dated October 5, 1938, as amended, between the City of Philadelphia and The Philadelphia Gas Works Company. Either party has the right to terminate this agreement on December 31, 1962, or at the expiration of any two-year period thereafter on 12 months notice prior to the date fixed for termination. As such operator, it produces and purchases gas and distributes and sells it to the public in the City of Philadelphia. U.G.I. guarantees the faithful performance of this agreement by The Philadelphia Gas Works Company. The municipally owned gas works of the City of Philadelphia has been operated under an agreement by either U.G.I. or its subsidiary, The Philadelphia Gas Works Company, since 1897. The operations of The Philadelphia Gas Works Company are not consolidated with those of the other U.G.I. subsidiaries, since the operation of the City owned gas property is on a service-at-cost basis at a fee fixed by the terms of the agreement.

By an agreement dated April 2, 1900, between Northern Liberties Gas Company and U.G.I., the latter was employed for a period of 99 years from June 30, 1900, as the agent of Northern Liberties Gas Company to operate its properties and to supply and distribute gas in that portion of the City of Philadelphia which was formerly known as the District of Northern Liberties. The Philadelphia Gas Works Company, under an

agreement dated May 14, 1937, between it and U.G.I., was substituted as such agent, with the consent of Northern Liberties Gas Company. U.G.I. guarantees full performance by The Philadelphia Gas Works Company of all obligations under the said 1937 agreement.

The Philadelphia Gas Works Company has no funded debt, but owes its parent, U.G.I., \$3,250,000 as open book account indebtedness, which bears interest at the rate of 4% per annum.

The Philadelphia Gas Works Company has issued and outstanding 50 shares of capital stock of the par value of \$100 per share, all of which are owned by U.G.I.

U.G.I. Non-Utility Subsidiaries

Ugite Sales Corporation

Ugite Sales Corporation is a Delaware corporation owning a chemical plant in Chester, Pennsylvania, which, as of July 1, 1945, was leased for a period of 17 years and 6 months at an aggregate rental of \$425,000, with an option to the tenant to purchase the property upon payment of the full rental plus \$175,000.

Ugite Sales Corporation owes its parent, U.G.I., as open book account indebtedness \$3,590,000, which is carried on U.G.I.'s books in the amount of \$185,000.

Ugite Sales Corporation has issued and outstanding 2,500 shares of capital stock without nominal or par value with a stated capital of \$250,000, all of which are owned by U.G.I.

The Utilities Realty Company

The Utilities Realty Company is a Pennsylvania business corporation, which owns the general office building in Philadelphia, Pennsylvania, of U.G.I. and certain other properties.

The Utilities Realty Company owes its parent, U.G.I., \$2,180,000 as open book account indebtedness.

The Utilities Realty Company has issued and outstanding 76,160 shares of capital stock with a par value of \$50 per share, all of which are owned by U.G.I.

U.G.I. Investments
in Other Than Subsidiary Companies

In addition to its subsidiary companies, U.G.I. owns minority interests in certain companies which are not subsidiaries. The investment in the securities of these companies, a substantial portion of which was received in exchange for U.G.I.'s former investments in holding companies which were reorganized under the Act, is carried on U.G.I.'s books at \$4,728,908. These companies together with the type, amount and percentage of class of their securities owned by U.G.I. are as follows:

<u>Name of Company</u>	<u>Security</u>	<u>Shares or Amount</u>	<u>% of Class</u>
Central Illinois Light Co.....	Common Stock.....	35,340 shs.....	3.926
Consumers Power Company	Common Stock.....	63,612 shs.....	1.132
Delaware Power & Light Co.....	Common Stock.....	37,355 shs.....	2.295
Niagara Mohawk Power Corp.....	Class A Stock	145,000 shs.....	---
Philadelphia Electric Co.....	Common Stock.....	16,543 shs.....	0.154
Public Service Electric and Gas Co....	Preference Common...	36,801 shs.....	---
Public Service Electric and Gas Co....	Common Stock.....	4,861 shs.....	0.070
Delaware Coach Company.....	Note.....	\$916,666.67.....	---

PURPOSE AND SUMMARY OF THE PLAN

The purpose of the Plan is to achieve greater efficiency and economy in the operation of U.G.I. and its system companies, to effect a tax saving, to enable the stockholders of U.G.I. to hold directly their investment in its subsidiary companies, to complete compliance by U.G.I. and its system companies with the provisions of Section 11 of the Act and for U.G.I. to cease to be a holding company.

The Plan is divided into four parts and provides in substance for (1) the conversion of U.G.I. into a Pennsylvania public utility company; (2) the merger into U.G.I. of all its public utility subsidiaries and for the dissolution of its non-utility subsidiaries, U.G.I. to remain the surviving and continuing corporation and to conduct as one public utility operating company the operations now conducted by U.G.I. and its various subsidiaries in Pennsylvania; (3) the disposal by U.G.I. of its securities in non-subsidiary companies (except Delaware Coach Company); and (4) the obtaining of an order under the Act that U.G.I. has ceased to be a holding company and that its registration under the Act shall cease to be in effect.

T H E P L A N

PART 1

CONVERSION OF U.G.I. INTO A PENNSYLVANIA PUBLIC UTILITY COMPANY

U.G.I. is a Pennsylvania business corporation, subject to the provisions of the Pennsylvania Business Corporation Law with respect to corporate action and procedures, such as mergers and consolidations with other companies. On the other hand, its public utility subsidiaries, being subject to the jurisdiction of the Pennsylvania Public Utility Commission, are subject to the provisions of the Pennsylvania General Corporation Law of 1874, as amended and supplemented, with respect to such matters. In order that the merger of U.G.I. and its public utility subsidiaries, referred to in Part 2 below, may be legally accomplished, it is necessary that U.G.I. first become a Pennsylvania public utility company. Therefore, U.G.I., as a first step, proposes that it become a public utility com-

pany by resuming the operation of the Northern Liberties Gas Company properties which are presently being operated by The Philadelphia Gas Works Company. This would be accomplished by U.G.I. and The Philadelphia Gas Works Company terminating the existing agreement between them, dated May 14, 1937, pursuant to which The Philadelphia Gas Works Company was substituted for U.G.I. as agent to operate the properties of Northern Liberties Gas Company and to supply and distribute gas in that portion of the City of Philadelphia which was formerly known as District of Northern Liberties. Upon such termination taking place, the July 2, 1900 agreement between U.G.I. and Northern Liberties Gas Company and all its provisions would be restored and continued in full force and effect, and U.G.I. as agent thereunder would resume the conduct of the Northern Liberties Gas Company business and the operation of its gas properties upon and subject to all the terms and provisions of the July 2, 1900 contract. As a result of this step, U.G.I. and its public utility subsidiaries would be qualified to merge under the Pennsylvania Merger and Consolidation Act of 1909, as amended, the action proposed under Part 2 herein.

PART 2

MERGER INTO U.G.I. OF ITS PUBLIC UTILITY SUBSIDIARIES AND DISSOLUTION OF ITS NON-UTILITY SUBSIDIARIES

Upon the consummation of Part 1 of this Plan, U.G.I. proposes, subject to appropriate corporate proceedings under the Pennsylvania Merger and Consolidation Act of 1909, as amended, including the affirmative vote of the holders of at least a majority of the outstanding shares of the capital stock of U.G.I., that its public utility subsidiaries, i.e.:

Allentown-Bethlehem Gas Company,
Consumers Gas Company,
The Harrisburg Gas Company,
Lancaster County Gas Company,
Lebanon Valley Gas Company,
Luzerne County Gas and Electric Corporation, and
The Philadelphia Gas Works Company,

be merged into U.G.I., U.G.I. to be and remain the surviving corporation. U.G.I. will recommend to the Boards of Directors of its respective subsidiary companies so named that the directors of each of said subsidiaries shall approve and enter into a joint agreement substantially in the form annexed hereto as Exhibit A, under the corporate seal of each said subsidiary, for the merger of such companies into U.G.I. on the terms and conditions therein stated, and U.G.I. will vote its holdings of the capital or common stocks of each such subsidiary in favor thereof. The merger will become effective when the agreement of merger is delivered to and approved by the Department of State of the Commonwealth of Pennsylvania.

U.G.I. further proposes and the merger agreement, among other things, shall provide that - on the effective date of the merger -

(a) All the rights, privileges and franchises of the constituent companies shall vest in U.G.I., and all the estate and property, real and personal, and rights of action of each of said constituent companies shall be transferred to and vested in U.G.I.;

(b) The assets and liabilities of each of the utility subsidiaries shall be taken up on the books of U.G.I., the surviving corporation, at the amounts at which they are respectively carried on the books of the subsidiaries when the merger becomes effective, except that intercompany indebtedness between U.G.I. and its subsidiaries would be eliminated as assets and liabilities, and except that the items of capitalization

would not be taken up (earned surplus would not be considered as an item of capitalization for this purpose and would be taken up);

(c) U.G.I., the surviving corporation, shall have an authorized capital stock of 2,464,759 shares, consisting of 50,000 shares of Preferred Stock of the par value of \$100 per share, including a series of 25,000 shares of 4-1/4% Preferred Stock, having the rights, privileges and preferences set forth in the merger agreement, referred to above, and 2,414,759 shares of Common Stock of the par value of \$13.50 per share. The 4-1/4% Preferred Stock shall have the right to receive, in preference to the Common Stock, cumulative dividends at the rate of \$4.25 per share per annum, and, in the event of voluntary or involuntary liquidation, dissolution or winding up, \$100 per share plus accrued and unpaid dividends thereon. The shares of 4-1/4% Preferred Stock will be redeemable at any time at the option of the Board of Directors at \$110 per share plus accrued and unpaid dividends thereon. They will have no conversion or subscription rights. The holders of such Preferred Stock shall have no right to vote except in the special situations referred to in the preferences set forth in the merger agreement.

The holders of the new U.G.I. Common Stock shall have the same rights as the holders of the present U.G.I. Capital Stock, except as such rights are limited by the rights of the holders of the new Preferred Stock.

The treatment to be afforded the outstanding securities of U.G.I. and the constituent corporations shall be as follows:

First Mortgage Bonds:

As described above, first mortgage bonds of subsidiaries are outstanding as follows:

<u>Company</u>	<u>Principal Amount</u>	<u>Series</u>
Allentown-Bethlehem Gas Company	\$ 2,219,000	3-3/4% (now 3%) Series due 1965
"	1,470,000	3-1/4% Series due 1968
"	1,500,000	3.348% Series due 1976
The Harrisburg Gas Company	2,035,000	2-5/8% Series due 1971
"	985,000	3-1/8% Series due 1971
"	1,000,000	3.15% Series due 1976
Luzerne County Gas and Electric Corp.	6,549,000	3-1/4% Series due 1966
Total	<u>\$15,758,000</u>	

The aggregate principal amount of the various series of these bonds will be reduced, through operation of their respective sinking funds, to the effective date of the merger.

U.G.I. proposes to execute and deliver to Fidelity-Philadelphia Trust Company, Philadelphia, Pa., as Trustee, a new first mortgage, to be dated as of the effective date of the merger, which will be a lien on substantially all of the property of U.G.I. The new mortgage will provide for seven series of bonds to be issued thereunder immediately, all to be dated as of the effective date of the merger, and which series, respectively, shall have the same interest rates, interest payment dates, maturity dates, redemption prices, sinking fund and tax provisions as the various series set forth above. The aggregate principal amount of bonds of each new series to be issued initially shall be the aggregate principal amount, respectively, of bonds of the old series described above, to be outstanding on the effective date of the merger.

The new mortgage will contain provisions complying with the Trust Indenture Act of 1939 and other provisions which S.E.C. has heretofore found appropriate, including provisions for an annual minimum maintenance fund and the issuance of additional bonds (except for \$ * principal amount of new bonds which may be issued and delivered against the order of the U.G.I. Treasurer), up to 60% of the bondable value of property additions, provided net earnings are equal to at least

two times the annual interest requirements of all bonds outstanding and of the additional bonds then to be issued.

The new U.G.I. mortgage shall be in substantially the form annexed hereto as Exhibit B, and the form of the bonds to be issued thereunder shall be in substantially the form set out in said new first mortgage.

The holders of the outstanding first mortgage bonds of the subsidiaries referred to above, shall be required to surrender them in negotiable form to U.G.I. for cancellation when the merger becomes effective and shall receive in exchange therefor a like principal amount of new U.G.I. first mortgage bonds of a series corresponding to the series surrendered, together with accrued interest, if any, on their old bonds up to the effective date of the merger. The various indentures of mortgage and the supplements thereto of Allentown-Bethlehem Gas Company, The Harrisburg Gas Company and Luzerne County Gas and Electric Corporation, each securing respectively the outstanding bonds issued by said companies, shall be cancelled and discharged as of the effective date of the merger.

Preferred Stocks:

As described above, preferred stocks of subsidiaries are outstanding as follows:

<u>Company</u>	<u>No. Shares</u>	<u>Amount</u>	<u>Description</u>
The Harrisburg Gas Company	4,838	\$ 483,800	4-1/2% Preferred Stock (par \$100)
Luzerne County Gas and Electric Corporation	25,000	2,500,000	4-1/4% Preferred Stock (par \$100)
Total		<u>\$2,983,800</u>	

The Harrisburg Gas Company's 4-1/2% Preferred Stock shall be redeemed on or about the effective date of the merger at the redemption price of \$110 per share plus accrued and unpaid dividends thereon. The holders of the certificates representing the

Luzerne County Gas and Electric Corporation's 4-1/4% Preferred Stock shall be required to surrender them for cancellation when the merger becomes effective, and shall receive in exchange new U.G.I. 4-1/4% Preferred Stock on the following basis: 1 share of new U.G.I. 4-1/4% Preferred Stock plus accrued and unpaid dividends, to the effective date of the merger, on the Luzerne Preferred Stock, for 1 share of Luzerne County Gas and Electric Corporation 4-1/4% Preferred Stock. On such date dividends will commence to accrue on the new U.G.I. Preferred Stock, so that there shall be no loss of dividends on the exchange.

Common Stocks:

The stockholders of U.G.I. shall surrender the certificates representing the shares of U.G.I. Capital Stock held by them when the merger becomes effective, and shall receive in exchange therefor certificates representing a like number of shares of new Common Stock of U.G.I.

With respect to Allentown-Bethlehem Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company, where the capital or common stock is all owned by U.G.I., each share of stock outstanding shall be cancelled and no securities of U.G.I., as the surviving corporation, shall be issued in its place.

With respect to Consumers Gas Company and The Harrisburg Gas Company, where some of their outstanding capital or common stock is held by minority interests, each share of such stock owned by U.G.I. shall be cancelled without the issuance of securities in its place, and stockholders other than U.G.I. shall be required to surrender for cancellation the certificates representing such stock owned and shall be entitled to receive in exchange U.G.I. Common Stock on the following basis: 8/10ths of a share of new U.G.I. Common Stock for each

share of Consumers Gas Company Capital Stock; 4 shares of new U.G.I. Common Stock for each share of The Harrisburg Gas Company Common Stock.

Each holder of the Capital Stock of Consumers Gas Company who would be entitled to a fractional share of the new Common Stock of U.G.I., as above provided, shall in lieu thereof receive cash, determined as follows: The average of the daily closing sales price of U.G.I. Common Stock (bid price, if no sales are made) on the New York Stock Exchange for the period of one calendar week immediately following the effective date of the merger, shall be considered the value of the whole shares of the new U.G.I. Common Stock, which value per share shall be used as the basis for computing the value of fractional shares and the amount of cash to be distributed in lieu thereof.

On and after the effective date of the merger, all certificates representing outstanding shares of the common or capital stock of any subsidiary merged into U.G.I. and all outstanding bonds of any such subsidiary shall represent no rights other than the rights of the holders thereof to receive, on surrender thereof for cancellation as set forth above, the shares or bonds of U.G.I. or cash hereinabove stated as the exchange therefor; all other rights of such stockholders or bondholders against or with respect to U.G.I. or such subsidiaries shall cease, determine and become void.

U.G.I. in its discretion may appoint an exchange agent or agents under and for the purposes of Part 2 of the Plan in connection with the distributions of new securities and cash in exchange for present securities of U.G.I. and its utility subsidiaries, as more particularly described above. In case of any such appointment, U.G.I. may deposit with the ex-

change agent or agents the stock certificates, bonds and cash exchangeable to stockholders or bondholders on surrender of their stock certificates or bonds for cancellation, as above provided. U.G.I. may in such case deposit with the exchange agent or agents dividends paid upon shares of the new U.G.I. Preferred and Common Stocks, which shall be held without interest for the persons who shall be entitled to receive the stock to which such dividends relate.

Any stock, bonds or cash remaining in the hands of U.G.I. or the exchange agent or agents at the expiration of five years after the effective date of the merger, other than new U.G.I. Common Stock held for exchange for outstanding U.G.I. Capital Stock, will become the property of U.G.I. as a capital contribution thereto, and the persons otherwise entitled to such stock, bonds or cash (except as aforesaid), as the case may be, will thereafter have no right to or claim against U.G.I. or any other persons whatsoever with respect thereto.

Ugite Sales Corporation, a Delaware corporation, will be dissolved by unanimous written consent of its stockholder, the U.G.I., under the provisions of Section 39 of the Delaware Corporation Law. Its outstanding capital stock will be cancelled, its property transferred and conveyed to U.G.I. and its assets and liabilities will be taken up on the books of U.G.I., except that intercompany indebtedness between U.G.I. and Ugite Sales Corporation will be eliminated.

The Utilities Realty Company, a Pennsylvania business corporation, will be dissolved under the provisions of Article XI of the Pennsylvania Business Corporation Law. Its outstanding capital stock, all owned by U.G.I., would be cancelled, its property transferred and conveyed to U.G.I. and

its assets and liabilities would be taken up on the books of U.G.I., except that intercompany indebtedness between U.G.I. and The Utilities Realty Company would be eliminated.

There are attached hereto and made part hereof, as Exhibits C-1, C-2, C-3 and C-4, the following:

- C-1 - Balance Sheet of U.G.I. at October 31, 1951,
- C-2 - Statement of Income of U.G.I. for the 12 months ending October 31, 1951,
- C-3 - Consolidating Balance Sheet of U.G.I. and subsidiaries at October 31, 1951, with adjustment giving effect to Parts 1 and 2 of the Plan, and
- C-4 - Consolidating Statement of Income for U.G.I. and subsidiaries for the 12 months ending October 31, 1951, with adjustment giving effect to Parts 1 and 2 of the Plan.

There is annexed hereto and made part hereof, as Exhibit D, a chart showing the corporate and financial relations of U.G.I. and subsidiaries as of October 31, 1951, and pro forma giving effect to Parts 1 and 2 of the Plan.

PART 3

DISPOSITION OF SECURITIES OWNED BY U.G.I. IN COMPANIES OTHER THAN SUBSIDIARIES

Reference was made on page 10 above to U.G.I.'s ownership of minority interests in certain companies which are not subsidiaries. U.G.I.'s position has been that its continued investment in these securities was of a temporary nature, pending their sale and use of the proceeds for additional investment in U.G.I. subsidiaries for expansion and improvements, necessary working capital, permanent investment in additional utility properties which would fit in naturally with properties already owned and other corporate purposes. U.G.I. believed it was desirable to continue to retain these investments in sound public utility operating companies of the type it owns, with their relatively large yields, in lieu of holding the proceeds of their sales in cash or in government securities, with their low yields; and as such securities are readily marketable, they could be converted into cash as needs would arise.

S.E.C. recently concluded, however, that U.G.I. could not retain such holdings under the standards of Section 11(b)(1) of the Act, and by its Order of June 15, 1951, ordered U.G.I., pursuant to Section 11(b)(1) of the Act, to sever its relationships with the companies hereinafter designated by disposing or causing the disposition, in any appropriate manner not in contravention of the applicable provisions of the Act or the Rules and Regulations promulgated thereunder, of its direct and indirect ownership, control and holding of securities issued by Central Illinois Light Company, Consumers Power Company, Delaware Power & Light Company, Niagara Mohawk Power Corporation, Philadelphia Electric Company, Public Service Electric and Gas Company and Delaware Coach Company.

To comply with this order, U.G.I. proposes to dispose of the securities which it owns in the above named companies (except Delaware Coach Company), within one year from the effective date of the merger proposed in Part 2 hereof. The procedure provided by Rule U-44(c) will be followed.

With respect to the Note of Delaware Coach Company, U.G.I. proposes that S.E.C. amend its Order of June 15, 1951, to permit retention of this Note upon the ground that it is a non-voting, self-liquidating security, not readily disposable except at a financial sacrifice on the part of U.G.I., and that it was only acquired by U.G.I. in a transaction to comply with the provisions of Section 11 of the Act.*

PART 4

U.G.I. TO CEASE TO BE A HOLDING COMPANY
AND ITS REGISTRATION UNDER THE ACT
TO CEASE TO BE IN EFFECT

Upon the completion of the transactions above specified under Parts 1 to 3 hereof, U.G.I. will in all respects

* The acquisition of this Note is more fully described in the S.E.C. Findings and Opinion authorizing it - Holding Company Act Release No. 10477 (1951). The principal amount owing on this Note is now \$916,666.67 due to payment on December 1, 1951 of \$83,333.33 - the annual installment due and payable on December 1 of each year.

have complied not only with S.E.C.'s Order of June 15, 1951, (which is its only outstanding Section 11 disposal order relating to U.G.I.), but also with all provisions of the Act. U.G.I. will then be a public utility operating company incorporated under the laws of the Commonwealth of Pennsylvania and doing business solely within such Commonwealth, subject to the jurisdiction of the Pennsylvania Public Utility Commission. It will not have a single subsidiary.

Accordingly, U.G.I. will be entitled to and proposes that it receive an order of S.E.C. under Section 5(d) of the Act, declaring that it has ceased to be a holding company and that its registration under the Act has ceased to be in effect.

FEEES AND EXPENSES

U.G.I. will pay such fees, expenses and remunerations in connection with the Plan and any amendments thereto as S.E.C. shall duly approve, determine, award, allow or allocate.

CONDITIONS AND RESERVATIONS

The consummation of the Plan or any part thereof is subject to the following conditions and reservations:

1. The carrying out of the various parts of the Plan is subject to the securing of all necessary approvals or consents of the stockholders and directors of U.G.I. and its subsidiary companies and to the necessary approvals and consents of governmental bodies, agencies or authorities having jurisdiction over the various transactions.

2. That S.E.C. shall find the proposed transactions set forth in Parts 1, 2 and 3 of the Plan necessary to effectuate the provisions of Section 11(b) of the Act and to be fair and equitable to the persons affected thereby.

3. That S.E.C. shall enter an order or orders, (i) approving the various parts of the Plan; and (ii) containing findings and recitations conforming to the pertinent provisions and requirements of the Internal Revenue Code, as amended, including Supplement R of Chapter I and Section 1808(f) of Chapter II thereof.

4. That S.E.C., pursuant to the request of U.G.I. contained in the Application submitting this Plan, shall apply to a Court, in accordance with the provisions of subsection (f) of Section 18 of the Act, to enforce and carry out the terms and provisions of Parts 1 and 2 of the Plan, and such Court, after notice and opportunity for hearing, shall enter a decree or order approving Parts 1 and 2 of the Plan as fair and equitable and as appropriate to effectuate the provisions of Section 11 of the Act, and shall have taken action to enforce and to carry out the terms and provisions of Parts 1 and 2 of the Plan, and such decree or order is no longer subject to judicial review.

5. That any corporate action in connection with the Plan or the several parts thereof which may be deemed necessary by counsel for U.G.I. shall have been carried out in a manner satisfactory to counsel for U.G.I.

6. Pending the approval of the Plan, U.G.I. and its subsidiaries may dispose of any securities or other assets and use the proceeds thereof or take other action in a manner consistent with the provisions of the Act and other applicable provisions of law.

AMENDMENTS

Until approved by S.E.C., the Plan may be withdrawn, modified, or amended in any respect or particular by U.G.I. After being approved by S.E.C. and before being approved by the Court, the Plan may be withdrawn, modified, or amended in

any respect or particular by U.G.I. with the approval of S.E.C. After being approved by the Court, but before the Plan has been consummated, the Plan may be withdrawn, modified, or amended in any respect or particular by U.G.I. with the approval of S.E.C. and the Court. No amendment to the Plan shall be effective without the consent and agreement of U.G.I.

Any reference to the "Plan" herein shall mean this Plan or as it may be subsequently modified or amended.

THE UNITED GAS IMPROVEMENT COMPANY.
By

(s) W. E. Long

President.

December 18, 1951.

EXHIBIT A

MERGER AGREEMENT

AGREEMENT FOR THE MERGER OF ALLENTOWN-BETHLEHEM GAS COMPANY, CONSUMERS GAS COMPANY, THE HARRISBURG GAS COMPANY, LANCASTER COUNTY GAS COMPANY, LEBANON VALLEY GAS COMPANY, LUZERNE COUNTY GAS AND ELECTRIC CORPORATION, AND THE PHILADELPHIA GAS WORKS COMPANY WITH AND INTO THE UNITED GAS IMPROVEMENT COMPANY AS THE SURVIVING CORPORATION

AGREEMENT OF MERGER made and entered into this day
of , 1952, by and among ALLENTOWN-BETHLEHEM GAS COMPANY
(hereinafter called "Allentown-Bethlehem"), Cyrus S. Fleck, John A.
Frick, James W. Fuller, 4th, Fred B. Hoffft, Henry T. Koch, Russell K.
Laros, W. E. Long, L. P. Neuweiler and F. J. Rutledge, the Directors
thereof; CONSUMERS GAS COMPANY (hereinafter called "Consumers"),
Jere H. Barr, Wellington M. Bertolet, Stanley Bright, John S. Giles,
Fred B. Hoffft, Irvin F. Impink, W. E. Long, F. J. Rutledge, and
A. C. Taylor, the Directors thereof; THE HARRISBURG GAS COMPANY (here-
inafter called "Harrisburg"), Albert L. Allen, George R. Bailey,
Fred B. Hoffft, Ritchie Lawrie, Jr., W. E. Long, Leonard B. Richards
and F. J. Rutledge, the Directors thereof; LANCASTER COUNTY GAS
COMPANY (hereinafter called "Lancaster"), Kenneth B. Anderson, Fred
B. Hoffft, W. E. Long, Andrew S. Morgan and M. H. Parkinson, the
Directors thereof; LEBANON VALLEY GAS COMPANY (hereinafter called
"Lebanon"), John S. Bashore, Keefer L. Baum, Fred B. Hoffft, Gideon
R. Kreider, Jr., Wm. Naile, F. J. Rutledge and Charles B. Webb, the
Directors thereof; LUZERNE COUNTY GAS AND ELECTRIC CORPORATION (here-
inafter called "Luzerne"), Fred B. Hoffft, W. E. Long, M. H. Parkinson,
F. J. Rutledge and Charles E. Warsaw, the Directors thereof; THE
PHILADELPHIA GAS WORKS COMPANY (hereinafter called "Philadelphia"),
H. Bruce Andersen, Thomas S. Lever, W. G. Murfit, John V. Postles,
Hudson W. Reed, F. J. Rutledge and Frank H. Trembly, the Directors
thereof; and THE UNITED GAS IMPROVEMENT COMPANY (hereinafter called
"U.G.I."), Wm. W. Bodine, Frederick R. Drayton, John A. Frick,

W. E. Long, Benjamin F. Pepper, Hudson W. Reed, Leonard B. Richards, T. Leaming Smith and Clarence A. Warden, Jr., the Directors thereof; each of the companies named above being a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania.

WHEREAS, Allentown-Bethlehem:

(a) is a merged and consolidated corporation duly organized under "An Act authorizing the merger and consolidation of certain corporations" approved May 3, 1909 and the supplements and amendments thereto by Agreement of Merger and Consolidation dated June 23, 1930 by and among Allentown-Bethlehem Gas Company, East Penn Gas Light Company, and Highland Gas Company, Letters Patent having been duly granted September 9, 1930;

(b) is duly possessed of the right to manufacture and supply gas to the public in certain cities, boroughs and townships within the Counties of Bucks, Lehigh and Northampton, Pennsylvania, as more particularly described in (i) said Agreement by and among Allentown-Bethlehem Gas Company, East Penn Gas Light Company, and Highland Gas Company dated June 23, 1930 and the Agreements of Merger and Consolidation forming said constituent corporations, all of which Agreements are duly filed in the Office of the Secretary of the Commonwealth of Pennsylvania, and (ii) Indentures dated November 10, 1931, January 18, 1945 and January 24, 1945 by which Allentown-Bethlehem acquired respectively all the property and franchises of Silverdale Gas Company, Hamburg Gas Company, and Northampton County Gas Company, said Indentures being recorded respectively in the Office for Recording of Deeds in and for Bucks County in Deed Book No. 602, page 557, in the Office for Recording of Deeds in and for Berks County in Deed Book No. 908, page 387, and in the Office for Recording of Deeds in and for Northampton County in Miscellaneous Book No. 103, page 16;

(c) has an authorized capital stock of 200,000 Common capital shares each having a par value of \$50, or \$10,000,000 in the aggregate, of which 132,375 shares, or \$6,618,750 in the aggregate, are issued and outstanding; and

(d) has an authorized indebtedness of \$10,000,000 and has First Mortgage Bonds issued and outstanding consisting of \$2,219,000 of 3-3/4% Series (reduced to 3% effective March 1, 1947) due September 1, 1965, \$1,470,000 of 3-1/4% Series due December 1, 1968, and \$1,500,000 of 3.348% Series due June 1, 1976, or \$5,189,000 in the aggregate;

AND WHEREAS, Consumers:

(a) is a merged and consolidated corporation duly organized under "An Act authorizing the merger and consolidation of certain corporations" approved May 3, 1909 by Agreement of Merger and Consolidation dated February 27, 1913 by and between Birdsboro Gas Company and The Consumers Gas Company, Letters Patent having been duly granted March 20, 1913;

(b) is duly possessed of the right to manufacture and supply gas to the public in the City of Reading and in certain boroughs and townships within the County of Berks, Pennsylvania, as more particularly described in (i) said Agreement dated February 27, 1913, which has been duly filed in the Office of the Secretary of the Commonwealth of Pennsylvania, and (ii) an Indenture dated May 9, 1950 by which Consumers acquired all the property and franchises of Lancaster-Consumers Gas Company, said Indenture being recorded in the Office for Recording of Deeds in and for Lancaster County in Deed Book W, Volume 40, page 10;

(c) has an authorized capital stock of 280,000 shares each having a par value of \$25, or \$7,000,000 in the aggregate, of which 220,872 shares, or \$5,521,800 in the aggregate, are issued and outstanding; and

(d) has an authorized indebtedness of \$5,000,000;

AND WHEREAS, Harrisburg:

(a) is a merged and consolidated corporation duly organized under "An Act authorizing the merger and consolidation of certain corporations" approved May 3, 1909 and the supplements and amendments thereto by Agreement of Merger and Consolidation dated July 28, 1924 by and between Harrisburg Gas Company and Dauphin County Gas Company, Letters Patent having been duly granted October 2, 1924;

(b) is duly possessed of the right to manufacture and supply gas to the public in the City of Harrisburg and in certain boroughs and townships within the Counties of Cumberland, Dauphin, and Lancaster, and in one township within the County of York, Pennsylvania, as more particularly described in (i) said Agreement by and between Harrisburg Gas Company and Dauphin County Gas Company dated July 28, 1924 and the Agreements of Merger and Consolidation forming said constituent corporations, all of which Agreements are duly filed in the Office of the Secretary of the Commonwealth of Pennsylvania, and (ii) Indentures dated January 18, 1945, February 1, 1949, May 4, 1950 and September 20, 1951 by which Harrisburg acquired respectively all the property and franchises of Elizabethtown and Marietta Gas Company, Cumberland Valley Gas Company, Cumberland County Gas Company, and Central Cumberland Gas Company, said Indentures being recorded respectively in the Office for Recording of Deeds in and for Lancaster County in Deed Book A, Volume 37, page 207, in the Office for Recording of Deeds in and for Cumberland County in Deed Book A, Volume 14, page 112, in said Office in Miscellaneous Book 92, page 466, and in said Office in Deed Book U, Vol. 14, page 253.

(c) has an authorized capital stock of 25,000 shares of Preferred Stock each having a par value of \$100 per share, or \$2,500,000 in the aggregate, of which 5,000 shares have been established as a series and designated as $4\frac{1}{2}\%$ Preferred Stock and 4,838

shares thereof, or \$483,800 in the aggregate, are issued and outstanding, and of 60,000 Common shares, no par value, of which 41,433 shares, with a stated capital of \$3,342,262 in the aggregate, are issued and outstanding; and

(d) has an authorized indebtedness of \$10,000,000, and has issued and outstanding First Mortgage Bonds to the extent of \$2,035,000 of 2-5/8% Series due May 1, 1971, \$985,000 of 3-1/8% Series due May 1, 1971, and \$1,000,000 of 3.15% Series due May 1, 1976, or \$4,020,000 in the aggregate;

AND WHEREAS, Lancaster:

(a) was duly incorporated under "An Act to provide for the incorporation and regulation of certain corporations" approved April 29, 1874 and the supplements and amendments thereto, by Letters Patent duly granted January 20, 1949;

(b) is duly possessed of the right to manufacture and supply gas to the public in the City of Lancaster and in certain boroughs and townships within the County of Lancaster, Pennsylvania, as more particularly described in its Charter duly filed in the Office of the Secretary of the Commonwealth of Pennsylvania; and

(c) has an authorized and outstanding capital stock of 50,000 shares each having a par value of \$50, or \$2,500,000 in the aggregate;

AND WHEREAS, Lebanon:

(a) is a merged and consolidated corporation duly organized under "An Act authorizing the merger and consolidation of certain corporations" approved May 3, 1909 and the supplements and amendments thereto, by Agreement of Merger and Consolidation dated December 22, 1925 by and among Lebanon Gas & Fuel Company, Annville and Palmyra Gas and Fuel Company, and Hummelstown Gas & Fuel Company, Letters Patent having been duly granted October 1, 1926;

(b) is duly possessed of the right to manufacture and supply gas to the public in the City of Lebanon and one borough and certain townships within the County of Lebanon and in one borough and certain townships within the County of Dauphin, Pennsylvania, as more particularly described in (i) said Agreement dated December 22, 1925, which has been duly filed in the Office of the Secretary of the Commonwealth of Pennsylvania, and (ii) Indentures dated March 24, 1930 and June 16, 1931 by which Lebanon acquired respectively all the property and franchises of South Londonderry Township Gas Company and Myerstown Gas & Fuel Company, said Indentures being recorded respectively in the Office for Recording of Deeds in and for Lebanon County in Corporation Deed Book, Volume 6, page 109, and in said Office and Book at page 287; and

(c) has an authorized capital stock of 4,842 Preferred shares each having a par value of \$50, or \$242,100 in the aggregate, no such shares being now outstanding, and of 20,000 Common shares each having a par value of \$50, or \$1,000,000 in the aggregate, of which 19,800 shares or \$990,000 in the aggregate are issued and outstanding;

AND WHEREAS, Luzerne:

(a) is a merged and consolidated corporation duly organized under "An Act authorizing the merger and consolidation of certain corporations", approved May 3, 1909 and the supplements and amendments thereto, by Agreement of Merger and Consolidation dated as of September 1, 1924 by and among Luzerne County Gas & Electric Company, Luzerne County Gas and Electric Corporation, Ross Township Electric Co., New Columbus Electric Company, Fairmount Township Electric Co., and Huntington Township Electric Company, Letters Patent having been duly granted December 22, 1924;

(b) is duly possessed of the right to manufacture and supply gas and electricity to the public in certain cities, boroughs, and townships within the County of Luzerne, Pennsylvania, as more

particularly described in said Agreement dated as of September 1, 1924 and in the Agreements of Merger and Consolidation dated June 22, 1911 and as of November 1, 1922 forming the two constituent corporations, each known as Luzerne County Gas & Electric Company, all of which Agreements are duly filed in the Office of the Secretary of the Commonwealth of Pennsylvania;

(c) has an authorized capital stock of 36,000 shares of Preferred Stock each having a par value of \$100, or \$3,600,000 in the aggregate, of which 25,000 shares have been established as a series and designated as 4-1/4% Preferred Stock, or \$2,500,000 in the aggregate, all of which 25,000 shares are issued and outstanding, and of 176,694 Common shares, no par value, all of which are issued and outstanding, with a stated capital of \$4,417,350 in the aggregate; and

(d) has an authorized indebtedness of \$100,000,000, and has issued and outstanding \$6,549,000 of First Mortgage Bonds, 3-1/4% Series due January 1, 1966;

AND WHEREAS, Philadelphia:

(a) was duly incorporated under "An Act to provide for the incorporation and regulation of certain corporations" approved April 29, 1874 and the supplements and amendments thereto, by Letters Patent duly granted July 14, 1927;

(b) is duly possessed of the right to manufacture and supply gas to the public in the City and County of Philadelphia, Pennsylvania, as more particularly described in its Charter duly filed in the Office of the Secretary of the Commonwealth of Pennsylvania;

(c) has an authorized and outstanding capital stock of 50 shares each having a par value of \$100, or \$5,000 in the aggregate; and

(d) has an authorized indebtedness of \$10,000,000;

AND WHEREAS, U.G.I.:

(a) is a merged and consolidated corporation duly organized under "An Act authorizing the merger and consolidation of certain corporations" approved May 3, 1909 and the supplements and amendments thereto by Agreement of Merger and Consolidation dated May 4, 1925 by and between The United Gas Improvement Company and The American Gas Company, Letters Patent having been duly granted August 21, 1925;

(b) is duly possessed of the right to manufacture and supply gas to the public as more particularly described in said Agreement dated May 4, 1925, which has been duly filed in the Office of the Secretary of the Commonwealth of Pennsylvania; and

(c) has an authorized capital stock of 2,414,759 shares each having a par value of \$13.50, or \$32,599,246.50 in the aggregate, of which there have been issued 1,239,959 shares, there are presently held in the U.G.I. treasury 9,219 shares, and there are now outstanding 1,230,740 shares, or an aggregate of \$16,614,990;

AND WHEREAS, each and every of the corporations, parties hereto, may, as recited above, transact the same or a similar line of business and are so doing;

AND WHEREAS, U.G.I. owns, with power to vote, more than fifty per centum of the outstanding voting stock of each of the other parties hereto, namely Allentown-Bethlehem, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne, and Philadelphia;

AND WHEREAS, it is the desire of all the parties hereto that Allentown-Bethlehem, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne, and Philadelphia be merged with and into U.G.I. as the surviving corporation as provided by "An Act to provide for the merger and consolidation of certain corporations" approved May 3, 1909 and the various supplements and amendments thereto and by such other laws of the Commonwealth of Pennsylvania as may be thereunto applicable;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that the parties hereto, in consideration of the premises and of the terms and conditions hereinafter set forth and of other good and valuable considerations, have mutually agreed and do hereby mutually agree, pursuant to said Act of May 3, 1909 and the various supplements and amendments thereto, that Allentown-Bethlehem, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne, and Philadelphia shall be merged with and into U.G.I. which shall be the surviving corporation, and that all the rights, privileges and franchises (except to the extent hereinafter otherwise provided) and all the estate and property now vested in each of the parties hereto so merged shall be possessed by and vested in U.G.I. as the surviving corporation under the following terms and conditions and with the following mode of carrying said merger into effect:

1. The name, style and title of the corporation surviving from said merger shall be The United Gas Improvement Company, hereinafter called "the Company".

2. The number of the first Directors of the Company as the surviving corporation shall be and their names and addresses shall be:

Name

Address

who shall continue to serve until their successors are duly elected and qualified pursuant to the By-Laws of the Company.

3. The number of the first Officers of the Company as the surviving corporation shall be and their names and addresses shall be:

who shall continue to serve until their successors are duly elected and qualified, under the conditions specified by the By-Laws of the Company.

4. The Directors of the Company shall be elected annually by the stockholders entitled to vote therefor at a meeting to be held at such time and place as may be lawfully prescribed by its By-Laws and shall serve for one year and until their successors are duly elected and qualified.

The Directors shall meet after each annual meeting of the stockholders, and shall choose such officers as may be authorized and directed by the By-Laws of the Company and deemed necessary, who shall serve for one year and until their successors are duly elected and qualified.

5. The principal office of the Company shall be located in the City and County of Philadelphia, Pennsylvania, until such time as it may be changed by proper corporate action duly taken.

6. The By-Laws of U.G.I., party hereto, shall be the By-Laws of the Company and may be made, amended, repealed and added to from time to time by the Directors of the Company subject, however, to the general right of the stockholders to amend or repeal any By-Law, whether made, amended, repealed or added to by the Directors or otherwise, and to limit the authority of the Directors conferred by this article.

7. The authorized capital stock of the Company shall consist of 50,000 shares of Preferred stock each having a par value of \$100, including a series of 25,000 shares of 4-1/4% Preferred stock, or \$5,000,000 in the aggregate, and 2,414,759 shares of Common stock each having a par value of \$13.50, or \$32,599,246.50 in the aggregate.

The rights, privileges, limitations, preferences and voting powers, and prohibitions, restrictions and qualifications of the voting and other rights and powers of the shares of the capital stock

of the Company shall be those set forth in "Appendix A" hereto attached and made part hereof.

The authorized shares of stock of the Company not needed in converting the stock of the corporations, parties hereto, into that of the Company may be issued and disposed of from time to time by the Board of Directors of the Company to such persons and upon such terms and conditions as in their absolute discretion they may deem advisable, but in no event at less than the par value thereof.

8. Each share of the capital stock of Lancaster and Philadelphia and each share of the Common capital stock of Allentown-Bethlehem, Lebanon and Luzerne outstanding when the merger becomes effective shall thereupon be cancelled, and no securities of the Company shall be issued in lieu thereof.

Each share of the capital stock of Consumers which is owned by U.G.I. when the merger becomes effective shall thereupon be cancelled, and no securities of the Company shall be issued in lieu thereof.

Each share of the capital stock of Consumers owned by others than U.G.I. when the merger becomes effective shall thereupon be surrendered and cancelled and in lieu and in stead thereof the holders of such stock shall receive 8/10ths of a share of the Common capital stock, par value \$13.50 per share, of the Company for each share of the capital stock of Consumers held by them, provided, however, that those holders of such stock who would be entitled to a fractional share of the Common capital stock of the Company, shall receive in lieu of such fractional share cash determined as follows: The average of the daily closing sales price of the Common capital stock of the Company (bid price, if no sales are made) on the New York Stock Exchange for the period of one calendar week immediately following the effective date of the merger shall be considered the value of a whole share of the Common capital stock of the Company, which value per share shall be

used as the basis for computing the value of fractional shares and the amount of cash to be distributed in lieu thereof.

Each share of the Common capital stock of Harrisburg which is owned by U.G.I. when the merger becomes effective shall thereupon be cancelled, and no securities of the Company shall be issued in lieu thereof.

Each share of the Common capital stock of Harrisburg owned by others than U.G.I. when the merger becomes effective shall thereupon be surrendered and cancelled and in lieu and in stead thereof the holders of such stock shall receive four shares of the Common capital stock, par value \$13.50 per share, of the Company for each share of the Common capital stock of Harrisburg held by them.

Each share of the capital stock of U.G.I. outstanding when the merger becomes effective shall thereupon be surrendered and cancelled and in lieu and in stead thereof the holders of such stock shall receive one share of the Common capital stock of the Company for each share of the capital stock of U.G.I. held by them.

9. Each share of the $4\frac{1}{2}\%$ Preferred stock of Harrisburg, par value \$100 per share, outstanding when the merger becomes effective shall thereupon be redeemed at \$110 per share plus an amount equal to accrued and unpaid dividends thereon, in accordance with the provisions of the contract between Harrisburg and the holders of said Preferred stock specifying the terms and conditions of the issuance thereof by Harrisburg.

Each share of the $4\frac{1}{4}\%$ Preferred stock of Luzerne, par value \$100 per share, outstanding when the merger becomes effective shall thereupon be surrendered and cancelled, and in lieu and in stead thereof the holders of such stock shall receive one share of the $4\frac{1}{4}\%$ Preferred stock of the Company, par value \$100 per share, having the rights, privileges, limitations, preferences, and voting powers set

forth in Appendix A hereto, plus accrued and unpaid dividends to the effective date of the merger on the shares surrendered, for each share of such Preferred stock of Luzerne held by them.

10. After the merger becomes effective, (i) all certificates representing shares of the capital stock of Lancaster and Philadelphia, of the Common capital stock of Allentown-Bethlehem, Lebanon, and Luzerne, and of the capital stock of Consumers and Common capital stock of Harrisburg owned by U.G.I. when the merger becomes effective shall represent no rights whatsoever; (ii) all certificates representing shares of the capital stock of Consumers and of the Common capital stock of Harrisburg owned when the merger becomes effective by others than U.G.I. shall represent no rights other than the rights of the holders thereof to receive, on surrender and cancellation thereof as set forth in paragraph 8 above, the shares of the Common capital stock of the Company or cash therein stated as the exchange therefor; and (iii) all certificates representing shares of the Preferred stock of Luzerne outstanding when the merger becomes effective shall represent no rights other than the rights of the holders thereof to receive, on surrender and cancellation thereof as set forth in paragraph 9 above, the shares of Preferred stock of the Company therein stated as the exchange therefor. All other rights of all such stockholders shall, when the merger becomes effective, cease, determine and become void.

The Company may in its discretion appoint an exchange agent or agents in connection with the distribution of the securities and/or cash provided for in paragraphs 8 and 9 above, and may deposit with such exchange agent or agents the stock certificates and/or cash distributable upon surrender of the securities cancelled as aforesaid when the merger becomes effective, together with dividends paid upon shares of the Preferred and Common capital stock of the Company, which dividends shall be held without interest for the persons who shall be

entitled to receive the stock to which such dividends relate. Any stock or cash remaining in the hands of the Company or the exchange agent or agents at the expiration of five (5) years after the effective date of the merger (other than Common capital stock of the Company held for exchange for U.G.I. capital stock) will become the property of the Company as a capital contribution thereto and the persons then otherwise entitled to such stock (other than Common capital stock of the Company as aforesaid) shall thereafter have no right to or claim against the Company or any other persons whatsoever with respect thereto.

11. The charter power of U.G.I. to contract with others to build, construct or maintain any work, public or private, and all rights, privileges and franchises pertaining thereto, shall be surrendered upon consummation of the merger in order that the Company (as the surviving corporation) shall not be authorized to transact dissimilar lines of business.

12. The assets and liabilities of each of Allentown-Bethlehem, Consumers, Harrisburg, Lancaster, Lebanon, Luzerne, and Philadelphia shall be taken up on the books of the Company at the amounts at which they are respectively carried on the books of each such constituent corporation when the merger becomes effective, except that inter-company indebtedness existing at that time between any such constituent corporation and U.G.I. and the items of capitalization (exclusive of earned surplus) of each such constituent corporation shall be eliminated. The books of U.G.I. shall remain and be the books of the Company.

The aggregate amount of the net assets of all the corporations, parties hereto, which shall be available for the payment of dividends immediately prior to the merger, to the extent that the value thereof is not capitalized by this Agreement, shall continue to be available for the payment of dividends by the Company thereafter.

13. The authorized indebtedness of the Company of the type required to be authorized by its stockholders shall, after the merger

becomes effective, be in the amount of \$135,000,000, said amount representing the aggregate of the authorized indebtedness heretofore authorized by the stockholders of certain of the corporations, parties hereto, as recited above. Said authorized indebtedness of the Company may from time to time be increased pursuant to law.

14. This Agreement shall be submitted to the stockholders of each of the corporations, parties hereto, at separate special meetings, or at any annual meetings, of the time, place, and object of which respective meetings written notice shall not less than ten (10) days before any such annual or special meeting be given to each stockholder of record of each such corporation. At said meetings this Agreement shall be considered and a vote of the stockholders in person or by proxy shall be taken by ballot for the adoption or rejection of the same, each share of stock entitling the holder thereof to one (1) vote. If a majority in amount of the entire capital stock of each of said corporations, parties hereto, shall vote in favor of this Agreement, then that fact shall be certified by the Secretary of each corporation under the corporate seal thereof and such certificates, together with one of the originals of this Agreement, or a copy thereof, and a certificate or certificates from the proper department or departments evidencing payment by each such corporation other than U.G.I. of all bonus, taxes, and other charges as required by law, shall be delivered to the Department of State of the Commonwealth of Pennsylvania.

Upon the filing of the foregoing and compliance with any other applicable provisions of law, and upon approval of this Agreement by said Department of State, the said merger shall be deemed to have taken place and the said corporations, parties hereto, to be one corporation, namely The United Gas Improvement Company, which Surviving Corporation shall possess all the rights, privileges and franchises theretofore vested in each of said constituent corporations except to the extent provided in paragraph 11 above and all the estate and

property, real and personal, and rights of action of each of said corporations shall be deemed and taken to be transferred to and vested in The United Gas Improvement Company as the Surviving Corporation without any further act or deed.

It is the intention of the parties hereto that the franchise privileges of said Surviving Corporation shall coincide with the aggregate of the franchise privileges of each of the constituent corporations, parties hereto, as the same shall exist when the merger becomes effective.

15. If at any time the Surviving Corporation shall deem or be advised that any further transfers, assignments, assurances in law or other acts or things are necessary or desirable to vest or confirm in the Surviving Corporation the title to any property or assets of any of the merged corporations, each such merged corporation and the proper officers and directors thereof shall and will execute any and all such proper transfers, assignments, conveyances, assurances in law, and do all other acts and things necessary or proper to vest or confirm title to such property and assets in the Surviving Corporation and otherwise to carry out the purposes and intent of this Agreement.

16. All expenses incident to completion of the merger contemplated by this Agreement shall be paid by the Company.

IN WITNESS WHEREOF, the parties hereto have duly executed these presents as of the day and year first above written.

ALLENTOWN-BETHLEHEM GAS COMPANY,

Attest:

(SEAL)

Secretary.

By

President.

CYRUS S. FLECK (SEAL)

JOHN A. FRICK (SEAL)

JAMES W. FULLER, 4th (SEAL)

FRED B. HOFFT (SEAL)

HENRY T. KOCH (SEAL)

RUSSELL K. LAROS (SEAL)
W. E. LONG (SEAL)
L. P. NEUWEILER (SEAL)
F. J. RUTLEDGE (SEAL)
Directors.

CONSUMERS GAS COMPANY,

Attest:

By

(SEAL) _____
Secretary.

President.

JERE H. BARR (SEAL)
WELLINGTON M. BERTOLET (SEAL)
STANLEY BRIGHT (SEAL)
JOHN S. GILES (SEAL)
FRED B. HOFFT (SEAL)
IRVIN F. IMPINK (SEAL)
W. E. LONG (SEAL)
F. J. RUTLEDGE (SEAL)
A. C. TAYLOR (SEAL)
Directors.

THE HARRISBURG GAS COMPANY,

Attest:

By

(SEAL) _____
Secretary.

President.

ALBERT L. ALLEN (SEAL)
GEORGE R. BAILEY (SEAL)
FRED B. HOFFT (SEAL)
RITCHIE LAWRIE, JR. (SEAL)
W. E. LONG (SEAL)
LEONARD B. RICHARDS (SEAL)
F. J. RUTLEDGE (SEAL)
Directors.

LANCASTER COUNTY GAS COMPANY,

Attest:

By

(SEAL) _____ Secretary.

President.

KENNETH B. ANDERSON (SEAL)

FRED B. HOFFT (SEAL)

W. E. LONG (SEAL)

ANDREW S. MORGAN (SEAL)

M. H. PARKINSON (SEAL)

Directors.

LEBANON VALLEY GAS COMPANY,

Attest:

By

(SEAL) _____ Secretary.

President.

JOHN S. BASHORE (SEAL)

KEEFER L. BAUM (SEAL)

FRED B. HOFFT (SEAL)

GIDEON R. KREIDER, JR. (SEAL)

WM. NAILE (SEAL)

F. J. RUTLEDGE (SEAL)

CHARLES B. WEBB (SEAL)

Directors.

LUZERNE COUNTY GAS AND ELECTRIC CORPORATION,

Attest:

By

(SEAL) _____ Secretary.

President.

FRED B. HOFFT (SEAL)

W. E. LONG (SEAL)

M. H. PARKINSON (SEAL)

F. J. RUTLEDGE (SEAL)

CHARLES E. WARSAW (SEAL)

Directors.

THE PHILADELPHIA GAS WORKS COMPANY,

Attest:

By

(SEAL) _____
Secretary.

President.

H. BRUCE ANDERSEN (SEAL)

THOMAS S. LEVER (SEAL)

W. G. MURFIT (SEAL)

JOHN V. POSTLES (SEAL)

HUDSON W. REED (SEAL)

F. J. RUTLEDGE (SEAL)

FRANK H. TREMBLY (SEAL)

Directors.

THE UNITED GAS IMPROVEMENT COMPANY,

Attest:

By

(SEAL) _____
Secretary.

President.

WM. W. BODINE (SEAL)

FREDERICK R. DRAYTON (SEAL)

JOHN A. FRICK (SEAL)

W. E. LONG (SEAL)

BENJAMIN F. PEPPER (SEAL)

HUDSON W. REED (SEAL)

LEONARD B. RICHARDS (SEAL)

T. LEAMING SMITH (SEAL)

CLARENCE A. WARDEN, JR. (SEAL)

Directors.

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the
-subscriber, a notary public in and for said County and Commonwealth,
personally came _____, Secretary of
ALLENTOWN-BETHLEHEM GAS COMPANY, and who is personally known to me;
and he, being by me duly sworn; did depose and say that he is and
at the time of execution of said instrument was the
Secretary of the said Company; that he knows the corporate seal of
said Company and that the seal affixed to the foregoing instrument
as such is said corporate seal; that the foregoing instrument was
duly sealed and delivered by _____, President
of said Company, as and for the act and deed of said Company for the
uses and purposes therein mentioned, by order of the Board of Directors
of said Company; that the names of the said _____ as
President and of _____ as Secretary
of said Company, subscribed to the foregoing instrument in attestation
of its due execution and delivery are of their and each of their re-
spective handwritings; and that the persons who executed the foregoing
instrument as Directors of said Company are in fact all the Directors
of said Company.

Sworn to and subscribed:
before me the day and :
year aforesaid. :
: :
:

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally appeared Cyrus S. Fleck, John A. Frick, James W. Fuller, 4th,
Fred B. Hoffft, Henry T. Koch, Russell K. Laros, W. E. Long, L. P.
Neuweiler, and F. J. Rutledge, Directors of ALLENTOWN-BETHLEHEM GAS
COMPANY, to me severally known to be persons described in, and who
severally executed the foregoing instrument, who in due form of law
acknowledged the same to be their act and deed as Directors of ALLENTOWN-
BETHLEHEM GAS COMPANY, to the end that the same might be recorded as
such.

Witness my hand and notarial seal the day and year above
written.

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA:
: SS.
COUNTY OF PHILADELPHIA

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally came _____, Secretary of
CONSUMERS GAS COMPANY, and who is personally known to me; and he, being
by me duly sworn, did depose and say that he is and at the time of
execution of said instrument was the _____ Secretary of the said
Company; that he knows the corporate seal of said Company and that the
seal affixed to the foregoing instrument as such is said corporate
seal; that the foregoing instrument was duly sealed and delivered by
_____,
President of said Company, as and
for the act and deed of said Company for the uses and purposes therein
mentioned, by order of the Board of Directors of said Company; that
the names of the said _____ as _____ President and of
_____ as
Secretary of said Company,
subscribed to the foregoing instrument in attestation of its due
execution and delivery are of their and each of their respective hand-
writings; and that the persons who executed the foregoing instrument
as Directors of said Company are in fact all the Directors of said
Company.

Sworn to and subscribed:
before me the day and :
year aforesaid. :
:
:
:

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA:
: SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally appeared Jere H. Barr, Wellington M. Bertolet, Stanley
Bright, John S. Giles, Fred B. Hofftt, Irvin F. Impink, W. E. Long,
F. J. Rutledge, and A. C. Taylor, Directors of CONSUMERS GAS COMPANY,
to me severally known to be persons described in, and who severally
executed the foregoing instrument, who in due form of law acknowledged
the same to be their act and deed as Directors of CONSUMERS GAS COMPANY,
to the end that the same might be recorded as such.

Witness my hand and notarial seal the day and year above
written.

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the subscriber, a notary public in and for said County and Commonwealth, personally came _____, Secretary of THE HARRISBURG GAS COMPANY, and who is personally known to me; and he, being by me duly sworn, did depose and say that he is and at the time of execution of said instrument was the _____ Secretary of the said Company; that he knows the corporate seal of said Company and that the seal affixed to the foregoing instrument as such is said corporate seal; that the foregoing instrument was duly sealed and delivered by _____, President of said Company, as and for the act and deed of said Company for the uses and purposes therein mentioned, by order of the Board of Directors of said Company; that the names of the said _____ as _____ President and of _____ as _____ Secretary of said Company, subscribed to the foregoing instrument in attestation of its due execution and delivery are of their and each of their respective handwritings; and that the persons who executed the foregoing instrument as Directors of said Company are in fact all the Directors of said Company.

Sworn to and subscribed:
before me the day and :
year aforesaid. :
: :
:

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the subscriber, a notary public in and for said County and Commonwealth, personally appeared Albert L. Allen, George R. Bailey, Fred B. Hofft, Ritchie Lawrie, Jr., W. E. Long, Leonard B. Richards, and F. J. Rutledge, Directors of THE HARRISBURG GAS COMPANY, to me severally known to be persons described in, and who severally executed the foregoing instrument, who in due form of law acknowledged the same to be their act and deed as Directors of THE HARRISBURG GAS COMPANY, to the end that the same might be recorded as such.

Witness my hand and notarial seal the day and year above written.

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the subscriber, a notary public in and for said County and Commonwealth, personally came _____ Secretary of LANCASTER COUNTY GAS COMPANY, and who is personally known to me; and he, being by me duly sworn, did depose and say that he is and at the time of execution of said instrument was the _____ Secretary of the said Company; that he knows the corporate seal of said Company and that the seal affixed to the foregoing instrument as such is said corporate seal; that the foregoing instrument was duly sealed and delivered by _____ President of said Company, as and for the act and deed of said Company for the uses and purposes therein mentioned, by order of the Board of Directors of said Company; that the names of the said _____ as _____ President and of _____ as _____ Secretary of said Company, subscribed to the foregoing instrument in attestation of its due execution and delivery are of their and each of their respective hand-writings; and that the persons who executed the foregoing instrument as Directors of said Company are in fact all the Directors of said Company.

Sworn to and subscribed:
before me the day and :
year aforesaid. :

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the subscriber, a notary public in and for said County and Commonwealth, personally appeared Kenneth B. Anderson, Fred B. Hoffft, W. E. Long, Andrew S. Morgan, and M. H. Parkinson, Directors of LANCASTER COUNTY GAS COMPANY, to me severally known to be persons described in, and who severally executed the foregoing instrument, who in due form of law acknowledged the same to be their act and deed as Directors of LANCASTER COUNTY GAS COMPANY, to the end that the same might be recorded as such.

Witness my hand and notarial seal the day and year above written.

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the subscriber, a notary public in and for said County and Commonwealth, personally came _____, Secretary of LEBANON VALLEY GAS COMPANY, and who is personally known to me; and he, being by me duly sworn, did depose and say that he is and at the time of execution of said instrument was the _____ Secretary of the said Company; that he knows the corporate seal of said Company and that the seal affixed to the foregoing instrument as such is said corporate seal; that the foregoing instrument was duly sealed and delivered by _____, President of said Company, as and for the act and deed of said Company for the uses and purposes therein mentioned, by order of the Board of Directors of said Company; that the names of the said _____ as _____ President and of _____ as _____ Secretary of said Company, subscribed to the foregoing instrument in attestation of its due execution and delivery are of their and each of their respective handwritings; and that the persons who executed the foregoing instrument as Directors of said Company are in fact all the Directors of said Company.

Sworn to and subscribed:
before me the day and :
year aforesaid. :
:
:
:

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the subscriber, a notary public in and for said County and Commonwealth, personally appeared John S. Bashore, Keefer L. Baum, Fred B. Hoffft, Gideon R. Kreider, Jr., Wm. Naile, F. J. Rutledge, and Charles B. Webb, Directors of LEBANON VALLEY GAS COMPANY, to me severally known to be persons described in, and who severally executed the foregoing instrument, who in due form of law acknowledged the same to be their act and deed as Directors of LEBANON VALLEY GAS COMPANY, to the end that the same might be recorded as such.

Witness my hand and notarial seal the day and year above written.

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally came _____ Secretary of
LUZERNE COUNTY GAS AND ELECTRIC CORPORATION, and who is personally
known to me; and he, being by me duly sworn, did depose and say that
he is and at the time of execution of said instrument was the
Secretary of the said Company; that he knows the corporate seal of
said Company and that the seal affixed to the foregoing instrument as
such is said corporate seal; that the foregoing instrument was duly
sealed and delivered by _____ President
of said Company, as and for the act and deed of said Company for the
uses and purposes therein mentioned, by order of the Board of Directors
of said Company; that the names of the said _____
as _____ President and of _____ as
Secretary of said Company, subscribed to the foregoing instrument in
attestation of its due execution and delivery are of their and each
of their respective handwritings; and that the persons who executed the
foregoing instrument as Directors of said Company are in fact all the
Directors of said Company.

Sworn to and subscribed:
before me the day and :
year aforesaid. :
:
:
:

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally appeared Fred B. Hofft, W. E. Long, M. H. Parkinson, F. J.
Rutledge, and Charles E. Warsaw, Directors of LUZERNE COUNTY GAS AND
ELECTRIC CORPORATION, to me severally known to be persons described
in, and who severally executed the foregoing instrument, who in due
form of law acknowledged the same to be their act and deed as Directors
of LUZERNE COUNTY GAS AND ELECTRIC CORPORATION, to the end that the
same might be recorded as such.

Witness my hand and notarial seal the day and year above
written.

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally came _____ Secretary of
THE PHILADELPHIA GAS WORKS COMPANY, and who is personally known to me;
and he, being by me duly sworn, did depose and say that he is and at
the time of execution of said instrument was the _____ Secretary
of the said Company; that he knows the corporate seal of said Company
and that the seal affixed to the foregoing instrument as such is said
corporate seal; that the foregoing instrument was duly sealed and
delivered by _____ President of said
Company, as and for the act and deed of said Company for the uses and
purposes therein mentioned, by order of the Board of Directors of
said Company; that the names of the said _____ as
President and of _____ as Secretary
of said Company, subscribed to the foregoing instrument in attestation
of its due execution and delivery are of their and each of their
respective handwritings; and that the persons who executed the forego-
ing instrument as Directors of said Company are in fact all the
Directors of said Company.

Sworn to and subscribed:
before me the day and :
year aforesaid. :
:
:
:

Notary Public
My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally appeared H. Bruce Andersen, Thomas S. Lever, W. G. Murfit,
John V. Postles, Hudson W. Reed, F. J. Kutledge, and Frank H. Trembly,
Directors of THE PHILADELPHIA GAS WORKS COMPANY, to me severally
known to be persons described in, and who severally executed the fore-
going instrument, who in due form of law acknowledged the same to be
their act and deed as Directors of THE PHILADELPHIA GAS WORKS COMPANY,
to the end that the same might be recorded as such.

Witness my hand and notarial seal the day and year above
written.

Notary Public
My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally came _____, Secretary of
THE UNITED GAS IMPROVEMENT COMPANY, and who is personally known to me;
and he, being by me duly sworn, did depose and say that he is and at
the time of execution of said instrument was the _____ Secretary
of the said Company; that he knows the corporate seal of said Company
and that the seal affixed to the foregoing instrument as such is said
corporate seal; that the foregoing instrument was duly sealed and
delivered by _____, President of said Company,
as and for the act and deed of said Company for the uses and purposes
therein mentioned, by order of the Board of Directors of said Company;
that the names of the said _____ as President
and of _____ as Secretary of said Com-
pany, subscribed to the foregoing instrument in attestation of its due
execution and delivery are of their and each of their respective
handwritings; and that the persons who executed the foregoing instru-
ment as Directors of said Company are in fact all the Directors of
said Company.

Sworn to and subscribed:
before me the day and :
year aforesaid. :
:
:

Notary Public

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA: : SS.
COUNTY OF PHILADELPHIA :

On this _____ day of _____, 195____, before me, the sub-
scriber, a notary public in and for said County and Commonwealth,
personally appeared Wm. W. Bodine, Frederick R. Drayton, John A. Frick,
W. E. Long, Benjamin F. Pepper, Hudson W. Keed, Leonard B. Richards,
T. Leaming Smith, and Clarence A. Warden, Jr., Directors of THE UNITED
GAS IMPROVEMENT COMPANY, to me severally known to be persons described
in, and who severally executed the foregoing instrument, who in due
form of law acknowledged the same to be their act and deed as Directors
of THE UNITED GAS IMPROVEMENT COMPANY, to the end that the same might
be recorded as such.

Witness my hand and notarial seal the day and year above
written.

Notary Public

My Commission expires:

APPENDIX A

The rights, privileges, limitations, preferences and voting powers, and prohibitions, restrictions and qualifications of the voting and other rights and powers of the shares of the capital stock of the Company shall be as follows:

1. The shares of the Preferred Stock may be divided into and issued in series, from time to time, as herein provided. Each series shall be designated so as to distinguish the shares thereof from the shares of all other series. All shares of the Preferred Stock of all series shall be of equal rank and all shares of any particular series of the Preferred Stock shall be identical except as to the date or dates from which dividends thereon shall be cumulative as provided in paragraph 2 hereof. The shares of the Preferred Stock of different series, subject to any applicable provision of law, may vary as to the following terms, which shall be fixed in the case of each such series, at any time prior to the issuance of the shares thereof, in the manner provided in paragraph 7 hereof:

(a) The annual dividend rate (within such limits as shall be permitted by law) for the particular series and the date from which dividends shall be cumulative on all shares of such series issued on or prior to the record date for the first dividend for such series;

(b) The redemption price or prices, if any, for the particular series;

(c) The amount or amounts per share for the particular series, payable to the holders thereof upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, which may be different for voluntary and involuntary liquidation, dissolution or winding up;

(d) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the particular series; and

(e) The conversion, participating or other special rights, and the qualifications, limitations or restrictions thereof, if any, of the particular series.

Each share of the Common Stock shall be equal in all respects to every other share of the Common Stock.

2. The holders of each series of the Preferred Stock at the time outstanding shall be entitled to receive, but only when and as declared by the Board of Directors, out of funds legally available for the payment of dividends, cumulative preferential dividends, at the annual dividend rate for the particular series fixed therefor as herein provided, payable quarter-yearly on the fifteenth days of January, April, July and October in each year, to stockholders of record on the respective dates, not exceeding seventy (70) days and not less than ten (10) days, preceding such dividend payment dates, fixed for the purpose by the Board of Directors. No dividends shall be declared on any series of the Preferred Stock in respect of any quarter-yearly dividend period unless there shall likewise be declared on all shares of all series of the Preferred Stock, at the time outstanding, like proportionate dividends, ratably, in proportion to the respective annual dividend rates fixed therefor, in respect of the same quarter-yearly dividend period, to the extent that such shares are entitled to receive dividends for such quarter-yearly dividend period. The term "quarter-yearly dividend period" shall mean the quarter-yearly period ending on the last days of March, June, September and December, respectively, in each year. The dividends on shares of all series of the Preferred Stock shall be cumulative. In the case of all shares of each particular

series, the dividends on shares of such series shall be cumulative

(a) if issued on or prior to the record date for the first dividend on the shares of such series, then from the date for the particular series fixed therefor as herein provided;

(b) if issued during the period commencing immediately after a record date for a dividend and terminating at the close of the payment date for such dividend, then from such dividend payment date; and

(c) otherwise from the quarter-yearly dividend payment date next preceding the date of issue of such shares;

so that unless dividends on all outstanding shares of each series of the Preferred Stock, at the annual dividend rate and from the dates for accumulation thereof fixed as herein provided shall have been paid or declared and set apart for payment for all past quarter-yearly dividend periods, but without interest on accrued dividends, no dividends shall be paid or declared and no other distribution shall be made on the Common Stock, and no Common Stock shall be purchased or otherwise acquired for value by the Company. Any accumulation of dividends on the Preferred Stock shall not bear interest. The holders of the Preferred Stock of any series shall not be entitled to receive any dividends thereon other than the dividends referred to in this paragraph 2.

3. The Company, by action of its Board of Directors, may redeem the whole or any part of any series of the Preferred Stock, at any time or from time to time, at the redemption price of the shares of the particular series fixed therefor as herein provided, together with a sum in the case of each share of each series so to be redeemed, computed at the annual dividend rate for the series of which the particular share is a part from the date from which dividends on such share became cumulative to the date fixed for such redemption, less the aggregate of the dividends theretofore or on such redemption date paid thereon or declared and set aside for payment thereon. Notice of every such redemption shall be given by

publication at least once in a daily newspaper printed in the English language and published and of general circulation in the city of Philadelphia, Pennsylvania, the first publication in such newspaper to be at least thirty (30) days and not more than ninety (90) days prior to the date fixed for such redemption. At least thirty (30) days' and not more than ninety (90) days' previous notice of every such redemption shall also be mailed to the holders of record of the shares of the Preferred Stock so to be redeemed, at their respective addresses as the same shall appear on the books of the Company; but no failure to mail such notice nor any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of the Preferred Stock so to be redeemed. In case of the redemption of a part only of any series of the Preferred Stock at the time outstanding, the shares to be redeemed shall be selected by lot or pro rata, in such manner as the Board of Directors may determine, by an independent bank or trust company selected for that purpose by the Board of Directors of the Company. The Board of Directors shall have full power and authority, subject to the limitations and provisions herein contained, to prescribe the manner in which and the terms and conditions upon which the shares of the Preferred Stock shall be redeemed from time to time. If such notice of redemption shall have been duly given by publication, and if on or before the redemption date specified in such notice all funds necessary for such redemption shall have been set aside by the Company, separate and apart from its other funds, in trust for the account of the holders of the shares to be redeemed, so as to be and continue to be available therefor then, notwithstanding that any certificate for such shares so called for redemption shall not have been surrendered for cancellation, from and after the date fixed for redemption, the shares represented thereby shall no longer be deemed outstanding, the right to receive dividends thereon shall cease to accrue and all rights with respect to such shares so called for

redemption shall forthwith on such redemption date cease and terminate except only the right of the holders thereof to receive, out of the funds so set aside in trust, the amount payable upon redemption thereof, without interest; provided, however, that the Company may, after giving notice by publication of any such redemption as hereinbefore provided or after giving to the bank or trust company hereinafter referred to irrevocable authorization to give such notice by publication, and, at any time prior to the redemption date specified in such notice, deposit in trust, for the account of the holders of the shares to be redeemed, funds necessary for such redemption with a bank or trust company in good standing, organized under the laws of the United States of America or of the Commonwealth of Pennsylvania, doing business in the city of Philadelphia, Pennsylvania, having capital, surplus and undivided profits aggregating at least \$2,000,000, designated in such notice of redemption, and, upon such deposit in trust, all shares with respect to which such deposit shall have been made shall no longer be deemed to be outstanding, and all rights with respect to such shares shall forthwith cease and terminate, except only the right of the holders thereof to receive, out of the funds so deposited in trust, from and after the date of such deposit, the amount payable upon the redemption thereof, without interest, provided further that notice of such right shall be included in the notice of redemption hereinabove provided for. If at any time the Company shall have failed to pay dividends in full on any outstanding shares of the Preferred Stock, thereafter and until dividends in full on all shares of the Preferred Stock outstanding shall have been paid, or declared and set aside for payment, for all past quarter-yearly dividend periods, but without interest on accrued dividends, the Company shall not redeem any shares of the Preferred Stock unless all the shares of the Preferred Stock outstanding are redeemed and shall not purchase or otherwise acquire for value any shares of the Preferred Stock except in accordance with an offer (which may vary as to the terms offered with respect to shares of

different series of the Preferred Stock) made in writing or by publication (as determined by the Board of Directors) to all holders of shares of the Preferred Stock. Nothing herein contained shall limit any legal right of the Company to purchase or otherwise acquire any shares of the Preferred Stock at not exceeding the price at which the same may be redeemed. All or any shares of Preferred Stock at any time redeemed, purchased or acquired by the Company may thereafter, in the discretion of the Board of Directors, be re-issued or otherwise disposed of at any time or from time to time to the extent and in the manner now or hereafter permitted by law, subject, however, to the limitations herein imposed upon the issue of shares of the Preferred Stock.

4. Before any amount shall be paid to, or any assets distributed among, the holders of the Common Stock upon any liquidation, dissolution or winding up of the Company, and after paying or providing for the payment of all creditors of the Company, the holders of all shares of each series of the Preferred Stock at the time outstanding shall be entitled to be paid in cash the amount for the shares of the particular series fixed therefor as herein provided, together with a sum in the case of each such share of each series, computed at the annual dividend rate for the series of which the particular share is a part, from the date from which dividends on such share became cumulative to the date fixed for the payment of such distributive amount, less the aggregate of the dividends theretofore or on such date paid thereon or declared and set aside for payment thereon; but no payments on account of such distributive amounts shall be made to the holders of shares of any series of the Preferred Stock unless there shall likewise be paid at the same time to the holders of shares of each other series of the Preferred Stock at the time outstanding like proportionate distributive amounts, ratably, in proportion to the full distributive amounts to which they are respectively entitled as herein provided. The holders of the Preferred Stock of any series shall not be entitled to receive any amounts with respect thereto upon any liquidation, dissolution

or winding up of the Company other than the amounts referred to in this paragraph. Neither the consolidation or merger of the Company with or into any other corporation or corporations, nor the sale or transfer by the Company of all or any part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the Company for the purposes of this paragraph.

5. Whenever the full dividends on the shares of all series of the Preferred Stock at the time outstanding for all past quarter-yearly dividend periods shall have been paid or declared and set apart for payment, then such dividends (payable in cash, stock or otherwise), as may be determined by the Board of Directors may be declared and paid on the Common Stock, but only out of funds legally available for the payment of such dividends.

6. In the event of any liquidation, dissolution or winding up of the Company, all assets and funds of the Company remaining after paying or providing for the payment of all creditors of the Company and after paying or providing for the payment to the holders of shares of all series of the Preferred Stock of the full distributive amounts to which they are respectively entitled, as herein provided, shall be divided among and paid to the holders of the Common Stock according to their respective shares.

7. The Company may, at any time or from time to time, within the then total authorized amount of the Preferred Stock of all series, increase the authorized amount of any series of the Preferred Stock or of any Preferred Stock which is not part of a then existing series, establish or reestablish any unissued shares of the Preferred Stock as shares of the Preferred Stock of any series or as Preferred Stock which is not part of a then existing series, create one or more additional series of the Preferred Stock, fix the authorized amount of any series (which amount shall be subject to change from time to time by like action), and fix the designations and the terms of any series of the Preferred Stock in the respects in which the shares of any series may vary from the shares of other series of the Preferred Stock as provided in paragraph 1 hereof, by the vote of the holders

of a majority of the total number of shares of the Common Stock of the Company then outstanding given at a meeting called for that purpose in accordance with the provisions of paragraph 12 hereof. In case and to the extent that, under the laws of Pennsylvania at the time in effect, the Board of Directors of the Company shall be authorized by law to create new series of the Preferred Stock or to fix the amounts, designations, and terms of the shares of any series of the Preferred Stock or to take any other action with respect to the Preferred Stock of the Company specified in this paragraph 7, no action of stockholders of the Company with respect thereto shall be required under the provisions of this paragraph 7 and all action authorized by the provisions of this paragraph 7 to be taken by vote of the holders of the Common Stock may be taken by vote of the Board of Directors of the Company.

8. (A) So long as any shares of the Preferred Stock of any series are outstanding, the Company shall not, without the consent (given in writing or by vote at a meeting called for that purpose in accordance with the provisions of paragraph 12 hereof) of the holders of at least two-thirds of the total number of shares of the Preferred Stock of all series then outstanding:

(a) Create or authorize any kind of stock (other than a series of the Preferred Stock) ranking prior to or on a parity with the Preferred Stock, or create or authorize any obligation or security convertible into shares of stock of any such kind; or

(b) Amend, alter, change or repeal any of the express terms of the Preferred Stock or of any series of the Preferred Stock then outstanding in a manner substantially prejudicial to the holders thereof; provided, however, that if any such amendment, alteration, change or repeal would be substantially prejudicial to the holders of shares of one or more, but not all of the series of the Preferred Stock at the time outstanding, such consent shall be required only from the holders of two-thirds of the total number of outstanding shares of all series so affected.

(B) So long as any shares of the Preferred Stock of any series are outstanding, the Company shall not, without the consent (given in writing or by vote at a meeting called for that purpose in accordance with the provisions of paragraph 12 hereof) of the holders of a majority of the total number of shares of the Preferred Stock of all series then outstanding:

(a) Increase the total authorized number of shares of the Preferred Stock of all series; or

(b) Issue any additional shares of any series of the Preferred Stock, or of any kind of stock (other than a series of the Preferred Stock) ranking prior to or on a parity with the Preferred Stock, unless the net earnings of the Company applicable to the payment of dividends on shares of the Preferred Stock, after provision for depreciation and all taxes chargeable as operating expense and determined in accordance with sound accounting practice, for any twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the calendar month within which such additional shares of stock shall be issued, shall have been at least two (2) times the dividend requirements for a twelve (12) months' period upon the entire amount of the Preferred Stock to be outstanding immediately after the proposed issue of such additional shares of Preferred Stock and of other kinds of stock (other than a series of the Preferred Stock) ranking prior to or on a parity with the Preferred Stock, and unless the gross income of the Company for said period, determined in accordance with sound accounting practice (but in any event after deducting the amount for said period charged by the Company on its books to depreciation expense and all taxes), applicable for the payment of interest shall have been at least one and one-half ($1\frac{1}{2}$) times the aggregate of such dividend requirements and of the interest charges for said period on the entire amount of the indebtedness to be likewise outstanding;

but excluding from each of the foregoing computations interest charges on all indebtedness and dividends on all stocks which are to be retired through the issue of such additional shares of Preferred Stock. Where such additional shares of Preferred Stock are to be issued in connection with the acquisition of new property the net earnings of the property to be so acquired may be included on a pro forma basis in the foregoing computation, computed on the same basis as the net earnings of the Company; or

(c) Issue any additional shares of any series of the Preferred Stock, unless the capital of the Company represented by its Common Stock together with its surplus as then stated on its books of account shall in the aggregate be at least equal to the involuntary liquidating value of the Preferred Stock to be outstanding immediately after the proposed issue of such additional shares of Preferred Stock, excluding from the foregoing computation all indebtedness and stock which are to be retired in connection with the issue of such additional shares of Preferred Stock, provided that no portion of the surplus of the Company which shall be used to meet the requirements of this paragraph (c) shall, after the issue of such additional shares of Preferred Stock and until such additional shares or a like number of other shares of Preferred Stock shall have been retired, be available for dividends or other distribution upon the Common Stock; or

(d) Issue any unsecured notes, debentures or other securities representing unsecured indebtedness, or assume any such unsecured securities, for purposes other than the refunding of outstanding unsecured securities theretofore issued or assumed by the Company or the reacquisition, redemption or other retirement of any indebtedness, authorized by the Securities and Exchange Commission under the provisions of the Public Utility Holding Company Act of 1935 or by any successor commission or other regulatory authority of the United States of America

having jurisdiction over the reacquisition, redemption or other retirement of such indebtedness, or the reacquisition, redemption or other retirement of all outstanding shares of the Preferred Stock, if, immediately after such issue or assumption, the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness issued or assumed by the Company and then outstanding, including the unsecured securities then to be issued or assumed, would exceed ten per centum (10%) of the aggregate of (i) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the Company and then to be outstanding, and (ii) the capital and surplus of the Company as then to be stated on the books of account of the Company; or

(e) Merge or consolidate with or into any other corporation or corporations, unless such merger or consolidation, or the exchange, issuance or assumption of all securities to be issued or assumed in connection with any such merger or consolidation, shall have been ordered, exempted, approved, or permitted by the Securities and Exchange Commission under the provisions of the Public Utility Holding Company Act of 1935 or by any successor commission or other regulatory authority of the United States of America having jurisdiction in the premises; provided that the provisions of this clause (e) shall not apply to a purchase or other acquisition by the Company of franchises or assets of another corporation pursuant to the provisions of Section 23 of the Act of the General Assembly of the Commonwealth of Pennsylvania, approved April 29, 1874, P. L. 73, as amended, or other similar Acts, or otherwise in any manner which does not involve a statutory merger or consolidation.

(C) So long as any shares of the Preferred Stock of any series are outstanding the Company shall not pay any dividends on or make any other distribution to the holders of shares of its Common Stock

if after giving effect to such payment or distribution the capital of the Company represented by its Common Stock together with its surplus as then stated on its books of account shall in the aggregate be less than the involuntary liquidating value of all shares of its then outstanding Preferred Stock.

9. No holder of shares of any series of the Preferred Stock shall be entitled as such as a matter of right to subscribe for or purchase any part of any new or additional issue of stock, or securities convertible into stock, of any class, series or kind whatsoever, whether now or hereafter authorized, and whether issued for cash, property, services, by way of dividends, or otherwise.

10. (A) At all meetings of the stockholders of the Company the holders of shares of Common Stock shall be entitled to one vote for each share of Common Stock held by them respectively except as herein otherwise expressly provided. The holders of shares of the Preferred Stock shall have no right to vote and shall not be entitled to notice of any meeting of stockholders of the Company nor to participate in any such meeting except as herein otherwise expressly provided and except for those purposes, if any, for which said rights cannot be denied or waived under some mandatory provision of law which shall be controlling.

(B) If and when dividends payable on the Preferred Stock shall be in default in an amount equivalent to or exceeding four (4) full quarter-yearly dividends on all shares of all series of the Preferred Stock then outstanding, and until all dividends then in default shall have been paid or declared and set apart for payment, the holders of all shares of the Preferred Stock, voting separately as one class, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the holders of the Common Stock, voting separately as a class, shall be entitled to elect the remaining directors of the Company, anything herein or in the By-Laws to the contrary notwithstanding. The terms of office, as directors, of all persons who may be directors of the Company at the time shall terminate upon the election of a majority

of the Board of Directors by the holders of the Preferred Stock, except that if the holders of the Common Stock shall not have elected the remaining directors of the Company, then, and only in that event, the directors of the Company, as constituted just prior to the election of a majority of the Board of Directors by the holders of the Preferred Stock, shall elect the remaining directors of the Company. Thereafter, while such default continues and the majority of directors are being elected by the holders of the Preferred Stock, the remaining directors, whether elected by directors, as aforesaid, or whether originally or later elected by holders of the Common Stock, shall continue in office until their successors are elected by holders of the Common Stock and qualify.

(C) If and when all dividends then in default on the shares of Preferred Stock then outstanding shall be paid or declared and set apart for payment (and such dividends shall be declared and paid out of any funds legally available therefor as soon as reasonably practicable), the holders of the Preferred Stock shall thereupon be divested of any special right with respect to the election of directors provided in subparagraph (B) hereof, and the voting power of the holders of shares of Preferred Stock and the holders of shares of Common Stock shall revert to the status existing before the occurrence of such default; but always subject to the same provisions for vesting such special rights in the holders of the Preferred Stock in case of further like default or defaults in dividends thereon. Upon the termination of any such special voting right upon payment or setting apart for payment of all accumulated and defaulted dividends on such Preferred Stock, the terms of office of all persons who may have been elected directors of the Company by vote of the holders of the Preferred Stock, as a class, pursuant to such special voting right shall forthwith terminate, and the resulting vacancies shall be filled by the vote of a majority of the remaining directors.

(D) In case of any vacancy in the office of a director occurring among the directors elected by the holders of Preferred Stock, as a class, pursuant to the foregoing provisions of subparagraph (B)

hereof, the remaining directors elected by the holders of Preferred Stock may elect, by affirmative vote of a majority thereof, or the remaining director so elected if there be but one, a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant. Likewise in case of any vacancy in the office of a director occurring among the directors not elected by the holders of the Preferred Stock, the remaining directors not elected by the holders of the Preferred Stock, may elect, by affirmative vote of a majority thereof, or the remaining director so elected if there be but one, a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant.

(E) Whenever under the provisions of subparagraph (B) hereof, the right shall have accrued to the holders of the Preferred Stock to elect directors, the Board of Directors shall within ten (10) days after delivery to the Company at its principal office of a request to such effect signed by any holder of Preferred Stock entitled to vote, call a special meeting of all stockholders to be held within forty (40) days from the delivery of such request for the purpose of electing directors. At all meetings of stockholders held for the purpose of electing directors during such times as the holders of shares of the Preferred Stock shall have the special right, voting separately as one class, to elect directors pursuant to subparagraph (B) hereof, the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of a majority of the outstanding shares of all series of the Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of stock of either such class shall not prevent the election at any such meeting or adjournment thereof of directors by the other such class if the necessary quorum of the holders of stock

of such other class is present in person or by proxy at such meeting or adjournment thereof; and provided further that in the event a quorum of the holders of the Common Stock is present but a quorum of the holders of the Preferred Stock is not present then the election of the directors elected by the holders of the Common Stock shall not become effective and the directors so elected by the holders of the Common Stock shall not assume their offices and duties until the holders of the Preferred Stock, with a quorum present, shall have elected the directors they shall be entitled to elect; and provided further that in the absence of a quorum of the holders of stock of either such class, a majority of those holders of the stock of such class who are present in person or by proxy shall have power to adjourn the election of the directors to be elected by such class from time to time without notice other than announcement at the meeting until the requisite amount of holders of such other class shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date for the mailing of notice of the next annual meeting of the Company or special meeting in lieu thereof.

(F) Except when some mandatory provision of law shall be controlling and except as otherwise provided in clause (b) of paragraph 8 (A) hereof and, as regards the special rights of any series of the Preferred Stock, as provided in the resolutions creating such series, whenever shares of two or more series of the Preferred Stock are outstanding, no particular series of the Preferred Stock shall be entitled to vote as a separate series on any matter and all shares of the Preferred Stock of all series shall be deemed to constitute but one class for any purpose for which a vote of the stockholders of the Company by classes may now or hereafter be required.

11. From time to time, and without limitation of other rights and powers of the Company as provided by law, the Company may reclassify its capital stock and may create or authorize one or more classes or kinds of stock ranking prior to or on a parity with or subordinate to the Preferred Stock or may increase the authorized amount of the

Preferred Stock or of the Common Stock or of any other class of stock of the Company or may amend, alter, change or repeal any of the rights, privileges, terms and conditions of shares of the Preferred Stock or of any series thereof then outstanding or of shares of the Common Stock or of any other class of stock of the Company, upon the vote, given at a meeting called for that purpose in accordance with the provisions of paragraph 12 hereof, of the holders of a majority of the shares of stock then entitled to vote thereon or upon such other vote of its stockholders then entitled to vote thereon as may be provided by law; provided that the consent of the holders of shares of the Preferred Stock (or of any series thereof) required by the provisions of subparagraphs (A) and (B) of paragraph 8 hereof, if any such consent be so required, shall have been obtained; and provided further that the rights, privileges, terms and conditions of shares of the Common Stock shall not be subject to amendment, alteration, change or repeal without the consent (given in writing or by vote at a meeting called for that purpose in accordance with the provisions of paragraph 12 hereof) of the holders of a majority of the total number of shares of the Common Stock then outstanding.

12. Notice of any meeting of stockholders of the Company, or of the holders of any class or series of stock, required or authorized hereunder or by law, setting forth the purpose or purposes of such meeting, shall be mailed by the Company, not less than ten (10) days prior to such meeting, to all stockholders (at their respective addresses appearing on the books of the Company) entitled to vote thereat of record as of a date fixed by the Board of Directors of the Company, not exceeding forty (40) days in advance of such meeting, for the purpose of determining the stockholders entitled to notice of and to vote at such meeting, unless such notice shall have been waived, either before or after the holding of such meeting, by all stockholders entitled to notice thereof and to vote thereat. Any action authorized to be taken at a meeting called for that purpose in accordance with the provisions of this paragraph 12 may be taken either at a special meeting, or at any regular or annual meeting provided that notice of

such proposed action is included in the notice of such regular or annual meeting. Except where some mandatory provision of law shall be controlling, no other, longer or additional notice need be given of any such meeting and all holders of shares of stock of the Company, by becoming such, hereby consent to the holding of any such meeting upon notice given as hereinbefore provided and thereby waive, to the full extent permitted by law, any right to require the giving of or to receive any such other, longer or additional notice.

13. The Company may, at any time, and from time to time, issue and dispose of any of the authorized and unissued shares of the Preferred Stock and Common Stock for such consideration as may be fixed by the Board of Directors, subject to any provisions of law then applicable, and subject to the provisions of any resolutions of the stockholders of the Company entitled to vote thereon relating to the issue and disposition of such shares.

14. The holders of shares of the Common Stock shall have the prior right, in proportion to the number of shares of Common Stock held by them respectively, to purchase additional shares of Common Stock and securities convertible into Common Stock issued by the Company upon original issuance and sale for cash. Such prior rights shall be exercisable only at the price at which such stock or securities are to be sold as fixed at the time by the Board of Directors of the Company and only within such period of time as shall be prescribed at the time by the Board of Directors of the Company but not less than fifteen (15) days following the mailing to such stockholders of notice of their right to purchase such additional shares. Except as above provided in this paragraph 14, no holder of shares of the Common Stock shall be entitled as such as a matter of right to subscribe for or purchase any part of any new or additional issue of stock, or securities convertible into stock, of any class whatsoever, whether now or hereafter authorized, and whether issued for cash, property, services, by way of dividends, or otherwise.

FORM OF NEW U.G.I. FIRST MORTGAGE

(To be supplied by Amendment)

THE UNITED GAS IMPROVEMENT COMPANY

BALANCE SHEET - OCTOBER 31, 1951

ASSETS AND OTHER DEBITS

INVESTMENTS (At cost or less):		
Investment Securities and Advances:		
Subsidiary Companies, Majority-Owned:		
Consolidated -----	\$34,650,049	
Other Companies -----	4,728,908	
Miscellaneous Investments -----	8,288	\$39,387,245
SPECIAL FUND (Contra) -----		40,691
CURRENT ASSETS:		
Cash, Demand Deposits in Banks -----	940,995	
Special Deposits -----	41,288	
Temporary Cash Investments -		
U.S. Treasury Securities (At cost) -----	1,501,406	
Accounts Receivable -----	8,823	
Accrued Interest Receivable -----	83,059	
Dividends Receivable -----	363,416	
Other Current Assets -----	9,133	2,948,120
PREPAYMENTS -----		1,568
DEFERRED CHARGES -----		28,032
TOTAL ASSETS AND OTHER DEBITS -----		<u>\$42,405,656</u>

LIABILITIES AND OTHER CREDITS

CAPITAL STOCK - \$13.50 PAR VALUE:		
Authorized -----	2,414,759 Shares	
Issued -----	1,239,959 Shares	
Less - Reacquired -----	9,219 Shares	
Outstanding -----	1,230,740 Shares	\$16,614,990
SURPLUS:		
Earned -----	\$20,163,573	
Reserved for Possible Losses on Investments -	3,844,921	
Capital (Arising in connection with change of Capital Stock from No Par to Par and reacquisition of Capital Stock in exchange for investment securities) -----	826,989	24,835,483
Total Capital Stock and Surplus -----		<u>41,450,473</u>
CURRENT LIABILITIES:		
Accounts Payable -----	6,876	
Dividends Declared -----	645,553	
Accrued Taxes:		
Federal Income -----	\$132,279	
Federal Excess Profits -----	-	
Other Federal -----	784	
Commonwealth of Pennsylvania --	52,724	185,787
Other Current Liabilities -----	12,412	
Liability for Redemption of \$13.50 Par Scrip	11,105	861,733
RESERVES:		
Prior Years' Taxes -----	52,375	
Special Fund (Contra) -----	40,691	
Other -----	384	93,450
TOTAL LIABILITIES AND OTHER CREDITS -----		<u>\$42,405,656</u>

See Notes to Financial Statements, which are an
integral part of this Balance Sheet.

THE UNITED GAS IMPROVEMENT COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Investment Securities:

The term "cost" as applied to Investment Securities represents the sum of: (a) cash outlay, (b) amounts based upon par or stated value of the Company's capital stocks issued in exchange for securities, and (c) amounts recorded in prior years, for shares of stock received from certain majority owned subsidiaries as dividends or other distributions on the basis of charges against surplus earned by those subsidiaries subsequent to dates that they were acquired by the Company.

2. Contingent Liabilities of The U.G.I. Company:

(a) The Company is guarantor of \$2,752,000 principal amount of long-term debt and interest thereon of companies no longer affiliated, all of which is covered by indemnification agreements of others.

(b) An agreement dated July 2, 1900, provided for the employment of the Company by Northern Liberties Gas Company as its agent to operate its properties and supply and distribute gas in that portion of the City of Philadelphia which was formerly known as the District of Northern Liberties.

By an agreement dated May 14, 1937, between the Company and The Philadelphia Gas Works Company (a subsidiary), the latter company was substituted as agent under the agreement dated July 2, 1900. Concurrently, the Northern Liberties Gas Company consented to this substitution and the Company guaranteed full performance by The Philadelphia Gas Works Company of all obligations under the agency agreement. The Company also guaranteed full payment to the Northern Liberties Gas Company of \$39,000 annually and payments for such taxes and assessments, as required in the agreement, for a period of 99 years from July 2, 1900.

(c) The Company, under agreement of suretyship, guarantees the faithful performance by The Philadelphia Gas Works Company of its obligations, under agreement with the City of Philadelphia, for the operation of the municipal gas works.

Interim Statement
Subject to Adjust-
ment and Audit.

THE UNITED GAS IMPROVEMENT COMPANY

STATEMENT OF INCOME

For Twelve Months Ended October 31, 1951

INCOME:

Dividends:

Subsidiaries, Majority Owned, Consolidated -----	\$1,748,553
Other Companies -----	911,954
Total -----	<u>2,660,507</u>

Interest:

Subsidiaries, Majority Owned, Consolidated -----	323,559
Other Companies -----	36,666
Total -----	<u>360,225</u>

Income from Special Fund -----	1,363
Income from Temporary Cash Investments, Royalties, etc. -----	<u>214,718</u>

Total Income -----	<u>3,236,813</u>
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EXPENSES, OTHER THAN INCOME TAXES:

Salaries, Office Rentals, Supplies, Etc. -----	506,242
General Expenses -----	<u>172,576</u>
Sub-Total -----	<u>678,818</u>
Provision for Federal Taxes, Other than Income Taxes -----	3,997
Provision for Pennsylvania State and Municipal Taxes -----	<u>79,825</u>
Sub-Total -----	<u>83,822</u>

Total Expenses, Other than Income Taxes -----	<u>762,640</u>
---	----------------

Net Operating Income, Before Income Taxes -----	2,474,173
---	-----------

OTHER DEDUCTIONS FROM INCOME -----	<u>31,791</u>
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Net Income, Before Income Taxes -----	2,442,382
---------------------------------------	-----------

PROVISION FOR INCOME TAXES -----	<u>128,086</u>
----------------------------------	----------------

Net Income -----	2,314,296
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INCOME APPROPRIATED TO SPECIAL FUND RESERVE -----	<u>1,363</u>
---	--------------

Balance Available for Capital Stock and Surplus -----	<u>\$2,312,933</u>
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See notes to Financial Statements, which are an integral part of this Statement.
Said notes are attached to Exhibit C-1.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

*Signed
copy*

RECEIVED

orig

MAR 6 2 50 PM 1952

In Re

APPLICATION OF THE UNITED GAS IMPROVEMENT
COMPANY, ALLENTOWN-BETHLEHEM GAS COMPANY,
CONSUMERS GAS COMPANY, THE HARRISBURG GAS
COMPANY, LANCASTER COUNTY GAS COMPANY,
LEBANON VALLEY GAS COMPANY, LUZERNE COUNTY
GAS AND ELECTRIC CORPORATION AND THE
PHILADELPHIA GAS WORKS COMPANY FOR APPROVAL
OF (1) THE TRANSFER BY MERGER OF ALL THE
PROPERTY, RIGHTS, POWERS, FRANCHISES AND
PRIVILEGES OF THE SEVEN LAST-NAMED COMPANIES
INTO THE UNITED GAS IMPROVEMENT COMPANY;
(2) THE ACQUISITION BY THE UNITED GAS
IMPROVEMENT COMPANY BY MERGER INTO IT OF ALL
RIGHTS, POWERS, FRANCHISES AND PRIVILEGES OF
THE SAID SEVEN LAST-NAMED COMPANIES, AND (3)
THE BEGINNING OF THE EXERCISE BY THE UNITED
GAS IMPROVEMENT COMPANY OF ALL THE ADDITIONAL
RIGHTS, POWERS, FRANCHISES AND PRIVILEGES OF
THE SAID SEVEN LAST-NAMED COMPANIES NECESSARY
AND PROPER FOR FURNISHING GAS SERVICE TO THE
PUBLIC IN THE TERRITORIES IN WHICH THE SAID
SEVEN LAST-NAMED COMPANIES NOW FURNISH SERVICE :

SECRETARY'S OFFICE
PUBLIC UTILITY COMM.

Application Docket
No. A 78264

AMENDMENT NO. 1 TO APPLICATION

To The Honorable Pennsylvania Public Utility Commission, Harrisburg,
Pennsylvania.

The undersigned respectfully request that the Application
which they filed with the Commission at the above Application Docket
Number, be amended by the supplying of Amendment No. 1 to Exhibit B.

Dated: March 5, 1952

ALLENTOWN-BETHLEHEM GAS COMPANY

By *Thos M. Hoff*
Vice-President

CONSUMERS GAS COMPANY

By *Thos M. Hoff*
Vice-President

THE HARRISBURG GAS COMPANY

By *Thos M. Hoff*
Vice-President

LANCASTER COUNTY GAS COMPANY

By *Thos M. Hoff*
Vice-President

DOCKETED
MAR 7 1952

RECORD
FOLDER

LEBANON VALLEY GAS COMPANY

By

[Handwritten Signature]

Vice-President

LUZERNE COUNTY GAS AND ELECTRIC
CORPORATION

By

[Handwritten Signature]

Vice-President

THE PHILADELPHIA GAS WORKS COMPANY

By

[Handwritten Signature]

President

~~THE UNITED GAS IMPROVEMENT COMPANY~~

By

[Handwritten Signature]

President

COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF PHILADELPHIA)

FRED B. HOFFT, being duly sworn according to law, deposes and says that he is Vice-President of Consumers Gas Company; that he is duly authorized to make this affidavit; that he has read the foregoing Amendment that he is familiar with the facts set forth therein and that such facts are true and correct to the best of his knowledge, information and belief.

Fred Hoff

Sworn to and subscribed :
before me this 5th day :
of March, 1952. :

Jess Faellon
Notary Public

My Commission expires January 21, 1953

COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF PHILADELPHIA)

FRED B. HOFFT, being duly sworn according to law, deposes and says that he is Vice-President of Lancaster County Gas Company; that he is duly authorized to make this affidavit; that he has read the foregoing Amendment that he is familiar with the facts set forth therein and that such facts are true and correct to the best of his knowledge, information and belief,

Fred Hofftt

Sworn to and Subscribed :
before me this 5th day :
of March, 1952. :
: :
:

James J. Fallon
Notary Public

My Commission expires January 21, 1953.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C.

Amendment No. 1 to Application for an Order of The Securities and Exchange Commission for Approval of a Comprehensive Plan of The United Gas Improvement Company, Pursuant to Section 11(e) and Other Sections of The Public Utility Holding Company Act of 1935

THE UNITED GAS IMPROVEMENT COMPANY

(Name of company filing amendment)

Name, title, and address of officer to whom notices and correspondence concerning this amendment should be addressed: W. E. Long, President, 1401 Arch Street Philadelphia 5, Pa. and Kenneth B. Anderson, Esq., 1401 Arch Street, Philadelphia 5, Pa.

The undersigned hereby amends the above document with respect to the following (identify item, statement, schedule, or exhibit of document to which amendment relates):

See list attached

SIGNATURE

The company has caused this amendment to be duly signed on its behalf by its authorized officer in the city of Philadelphia and State of Pennsylvania, on the 25th day of February, 1952.

(SEAL) THE UNITED GAS IMPROVEMENT COMPANY (Name of Company)

Attest:

By (Signed) W. E. Long President

(Signed) Johns Hopkins (Signature of Officer)

Secretary (Title) W. E. Long (Type or print name)

VERIFICATION

State of Pennsylvania)) ss: County of Philadelphia)

The undersigned being duly sworn deposes and says that he has duly executed the attached amendment dated February 25, 1952, for an on behalf of The United Gas Improvement Company; that he is President of such (Name of company) (Title of Officer) company; and that all action by stockholders, directors, and other bodies necessary to authorize deponent to execute and file such instrument has been taken. Deponent further says that he is familiar with such instrument, and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

(Signature) (Signed) W. E. Long (Officer signing amendment)

Subscribed and sworn to before me a Notary Public, this 25th day of (Title of officer)

February, 1952.

(Official) (Seal) My Commission expires January 21, 1953. (Signed) Jas. J. Fallon Notary Public

This Amendment contains the following:

Subparagraph (b) of the "Wherefore" paragraph on page 3 of the Application (amended) - Supplied.

Third paragraph, page 15, of Exhibit 1 (amended) - Supplied.

First paragraph, page 17, of Exhibit 1 (amended) - Supplied.

Second and third full paragraphs, page 19, of Exhibit 1 (amended) - Supplied.

Paragraph No. 3, page 23 of Exhibit 1 (amended) - Supplied.

First paragraph, Paragraph No. 4 of Exhibit A to Exhibit 1 (amended) - Supplied.

Second paragraph, Paragraph No. 7 of Exhibit A to Exhibit 1 (amended) - Supplied.

Sixth paragraph of Paragraph No. 8 of Exhibit A to Exhibit 1 (amended) - Supplied.

First paragraph of Appendix A to Exhibit A to Exhibit 1 (amended) - Supplied.

Paragraph No. 7 of Appendix A of Exhibit A to Exhibit 1 (amended) - Supplied.

Appendix A to Exhibit A to Exhibit 1 (amended) - Supplied.

Exhibit B to Exhibit 1 - Proposed Mortgage and Deed of Trust dated as of July 1, 1952, of The United Gas Improvement Company to Fidelity-Philadelphia Trust Company, Trustee - Supplied.

Exhibit (C-1-A) to Exhibit 1 - U.G.I. 12/31/51 Balance Sheet - Supplied.

Exhibit (C-2-A) to Exhibit 1 - U.G.I. Statement of Income for 12 months ended 12/31/51 - Supplied.

Exhibit (C-3-A) to Exhibit 1 - U.G.I. and Subsidiary Companies Consolidating Balance Sheet 12/31/51 - Supplied.

U.G.I. and Subsidiary Companies Consolidated Balance Sheet 12/31/51 - Supplied.

U.G.I. Pro Forma Balance Sheet 12/31/51 after giving effect to Parts 1 and 2 of the Plan - Supplied.

Exhibit C-4-A) to Exhibit 1 - U.G.I. and Subsidiary Companies Consolidating Statement of Income for 12 months ended 12/31/51 - Supplied.

U.G.I. and Subsidiary Companies Consolidated Statement of Income for 12 months ended 12/31/51 - Supplied.

U.G.I. Pro Forma Statement of Income for 12 months ended 12/31/51 after giving effect to Parts 1 and 2 of the Plan - Supplied.

Exhibit (C-5) to Exhibit 1 - U.G.I. and Subsidiary Companies Consolidating Statement of Surplus for 12 months ended 12/31/51 - Supplied.

Subparagraph (b) of the "Wherefore" paragraph on page 3 of the Application, is hereby amended to read as follows:

"(b) containing findings and recitations conforming to the pertinent provisions and requirements of the Internal Revenue Code, as amended, including Supplement R of Chapter I and Section 1808(f) thereof, except with respect to The Utilities Realty Company and Ugite Sales Corporation;"

Third paragraph, page 15, of Exhibit 1, is hereby amended to read as follows:

"The new mortgage will contain provisions complying with the Trust Indenture Act of 1939 and other provisions which S.E.C. has heretofore found appropriate, including provisions for an annual minimum maintenance fund and the issuance of additional bonds (except for \$10,000,000 principal amount of new bonds which may be issued and delivered, as provided in Section 4.04 of Exhibit B hereinafter referred to) up to 60% of the future bondable value of property additions, provided net earnings are equal to at least two times the annual interest requirements of all bonds outstanding and of the additional bonds then to be issued."

First paragraph, page 17, of Exhibit 1, is hereby amended to read as follows:

"Stockholders of U.G.I. shall continue to be such stockholders and enjoy all their rights and privileges as such without surrendering their present certificates of U.G.I. Capital Stock, provided however, stockholders may, after the merger agreement becomes effective, surrender their present certificates and receive in exchange therefor certificates representing a like number of shares of new Common Stock of U.G.I."

Second and third full paragraphs, page 19 of Exhibit 1, are hereby amended to read as follows:

"Subsequent to the effective date of the merger, Ugite Sales Corporation, a Delaware corporation, will transfer and convey its property, assets and liabilities to U.G.I. in part settlement of U.G.I.'s advances to Ugite Sales Corporation. Thereafter, Ugite Sales Corporation will be dissolved by unanimous written consent of its stockholder, the U.G.I., under the provisions of Section 39 of the Delaware Corporation Law, and its outstanding capital stock will be cancelled.

Subsequent to the effective date of the merger, the indebtedness of The Utilities Realty Company, a Pennsylvania business corporation, to U.G.I. would be forgiven, and thereafter The Utilities Realty Company would be dissolved under the provisions of Article XI of the Pennsylvania Business Corporation Law, and in the process its property and assets would be transferred and conveyed to U.G.I., its assets and liabilities would be taken up on the books of U.G.I. and its outstanding capital stock, all owned by U.G.I., would be cancelled."

Paragraph No. 3, page 23 of Exhibit 1, is hereby amended to read as follows:

"(3) That S.E.C. shall enter an order or orders, (i) approving the various parts of the Plan; and (ii) containing findings and recitations conforming to the pertinent provisions and requirements of the Internal Revenue Code, as amended, including Supplement R of Chapter I and Section 1808(f) of Chapter II thereof, except with respect to The Utilities Realty Company and Ugite Sales Corporation."

First paragraph, Paragraph No. 4 of Exhibit A to Exhibit 1 is hereby amended to read as follows:

"The Directors shall be elected annually by the stockholders entitled to vote therefor at the time and place prescribed in the By-laws for holding the annual meeting and in the manner prescribed by law and by the By-laws, and shall serve for one year and until their successors are duly elected and qualified."

Second paragraph, Paragraph No. 7 of Exhibit A to Exhibit 1, is hereby amended to read as follows:

"The designations, terms, relative rights, privileges, limitations, preferences and voting powers, and the prohibitions, restrictions, and qualifications of the voting and other rights and powers of the shares of the Preferred Stock and the Common Stock of the Company shall be those set forth in Appendix A hereto attached and made part hereof."

Sixth paragraph of Paragraph No. 8 of Exhibit A to Exhibit 1, is hereby amended to read as follows:

"Stockholders of U.G.I. shall continue to be such stockholders and enjoy all their rights and privileges as such without surrendering their present certificates of U.G.I. Capital Stock, provided however, stockholders may, after the merger agreement becomes effective, surrender their present certificates and receive in exchange therefor certificates representing a like number of shares of new Common Stock of U.G.I."

First paragraph of Appendix A to Exhibit A to Exhibit 1, is hereby amended to read as follows:

"The designations, terms, relative rights, privileges, limitations, preferences and voting powers, and the prohibitions, restrictions and qualifications of the voting and other rights and powers of the shares of the Preferred Stock and the Common Stock of the Company shall be as follows:"

Paragraph No. 7 of Appendix A of Exhibit A to Exhibit 1, is hereby amended to read as follows:

"The Board of Directors of the Company may, at any time or from time to time, within the then total authorized amount of the Preferred Stock of all series, increase the authorized amount of any series of the Preferred Stock or of any Preferred Stock which is not part of a then existing series, establish or re-establish any unissued shares of the Preferred Stock as shares of the Preferred Stock of any series or as Preferred Stock which is not part of a then existing series, create one or more additional series of the Preferred Stock, fix the authorized amount of any series (which amount shall be subject to change from time to time by like action), and fix the designations and the terms of any series of the Preferred Stock in the respects in which the shares of any series may vary from the shares of other series of the Preferred Stock as provided in paragraph 1 hereof, except and to the extent that the laws of Pennsylvania at the time in effect shall require any of the foregoing to be otherwise accomplished, in which case the procedure thus specified shall be utilized."

Appendix A to Exhibit A to Exhibit 1, is hereby amended by adding the following after paragraph No. 14 thereof:

"TERMS OF 4-1/4% PREFERRED STOCK

The initial series of Preferred stock shall consist of 25,000 shares designated as '4-1/4% Preferred Stock'. The terms of such stock, in the respects in which the shares of such series may vary from shares of other series of the Preferred stock shall be as follows:

The dividend rate shall be 4-1/4% per annum and (here insert that date which is the effective date of the merger) shall be the date from and including which dividends shall be cumulative on all shares issued on or prior to the record date for the first dividend, as well as the date upon which all 25,000 shares shall be deemed to have been issued.

The redemption price shall be \$110 per share. The amount payable upon any voluntary or involuntary liquidation, dissolution or winding up of the Company shall be \$100 per share.

No sinking fund shall be provided for the purchase or redemption of such shares, and such shares shall have no conversion, participating or other special rights."

Exhibit B

Exhibit J to Securities Certificate

No. 1327 of The United Gas Improvement

Company is incorporated herein by

reference.

Exhibit C-1-A
Preliminary
Subject to
Auditors'
Verification

THE UNITED GAS IMPROVEMENT COMPANY

BALANCE SHEET - DECEMBER 31, 1951

ASSETS AND OTHER DEBITS

INVESTMENTS (At cost or less):

Investment Securities and Advances:

Subsidiary Companies, Majority-Owned:

Consolidated -----	\$34,445,049	
Other Companies -----	4,642,743	
Miscellaneous Investments -----	7,921	

\$39,095,713
40,691

SPECIAL FUND (Contra) -----

CURRENT ASSETS:

Cash, Demand Deposits in Banks -----	1,296,701	
Special Deposits -----	99,572	
Temporary Cash Investments -		
U.S. Treasury Securities -----	1,500,767	
Accounts Receivable -----	21,280	
Accrued Interest Receivable -----	91,479	
Other Current Assets -----	3,729	

3,013,528
6,600

PREPAYMENTS -----

DEFERRED CHARGES -----

51,720

TOTAL ASSETS AND OTHER DEBITS -----

\$42,208,252

LIABILITIES AND OTHER CREDITS

CAPITAL STOCK - \$13.50 PAR VALUE:

Authorized -----	2,414,759 Shares	
Issued -----	1,239,959 Shares	
Less - Reacquired -----	9,219 Shares	
Outstanding -----	1,230,740 Shares	

\$16,739,446
124,456
16,614,990

SURPLUS:

Earned -----	\$20,501,082	
Reserved for Possible Losses on Investments -----	3,844,421	
Capital (Arising in connection with change of Capital Stock from No Par to Par and reacquisi- tion of Capital Stock in exchange for investment securities) -----	824,489	
Total Capital Stock and Surplus -----		

25,169,992
41,784,982

CURRENT LIABILITIES:

Accounts Payable -----	12,059	
Dividends Declared -----	89,507	
Accrued Taxes:		
Federal Income -----	\$139,134	
Federal Excess Profits -----	-	
Other Federal -----	820	
Commonwealth of Pennsylvania -----	62,980	
Other Current Liabilities -----	202,934	
Liability for Redemption of \$13.50 Par Scrip -----	17,218	
	10,065	

331,783

RESERVES:

Prior Years' Taxes -----	50,796	
Special Fund (Contra) -----	40,691	

91,487

TOTAL LIABILITIES AND OTHER CREDITS -----

\$42,208,252

See Notes to Financial Statements, which are an
integral part of this Statement.

THE UNITED GAS IMPROVEMENT COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Reference is made to Comprehensive Plan of U.G.I. and subsidiary companies dated December 18, 1951, filed with the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, File No. 54-201.
2. The term "cost" as applied to Investment Securities represents the sum of:
(a) cash outlay, (b) amounts based upon par or stated value of U.G.I.'s capital stocks issued in exchange for securities, and (c) amounts recorded in prior years, for shares of stock received from certain majority owned subsidiaries as dividends or other distributions on the basis of charges against surplus earned by those subsidiaries subsequent to dates that they were acquired by U.G.I.
3. Provision for Federal income tax has been made on the basis of a consolidated return to be filed by U.G.I. and certain (where 95% voting control existed) subsidiary companies. The required provision for such tax is less, and the net income correspondingly greater, by approximately \$26,000 as a result of a substantial non-recurring loss sustained by an affiliated non-utility company and deducted in arriving at income subject to Federal income tax.
4. The statement of income for U.G.I. excludes \$2,290,000 which, in accordance with requirements of the Uniform System of Accounts presently in effect, has been charged to surplus accounts.
5. Contingent Liabilities of U.G.I.:
 - (a) The U.G.I. is guarantor of \$2,752,000 principal amount of long term debt and interest thereon of companies no longer affiliated. U.G.I.'s guarantee is, in turn, covered by indemnification agreements of others, and, in one instance, the company furnishing such indemnification has assumed the direct liability for the long term debt covered thereby.
 - (b) An agreement dated July 2, 1900, provided for the employment of U.G.I. by Northern Liberties Gas Company as its agent to operate its properties and supply and distribute gas in that portion of the City of Philadelphia which was formerly known as the District of Northern Liberties.

By an agreement dated May 14, 1937, between U.G.I. and The Philadelphia Gas Works Company (a subsidiary) the latter company was substituted as agent under the agreement dated July 2, 1900. Concurrently, Northern Liberties Gas Company consented to this substitution and U.G.I. guaranteed full performance by The Philadelphia Gas Works Company of all obligations under the agency agreement. U.G.I. also guaranteed full payment to Northern Liberties Gas Company of \$39,000 annually and payments for such taxes and assessments, as required in the agreement, for a period of 99 years from July 2, 1900.
 - (c) The U.G.I., under agreements of suretyship, guarantees the faithful performance by The Philadelphia Gas Works Company of its obligations, under agreements with the City of Philadelphia, for the operation of the municipal gas works.

Preliminary
Subject to
Auditors'
Verification

THE UNITED GAS IMPROVEMENT COMPANY

STATEMENT OF INCOME

For Twelve Months Ended December 31, 1951

INCOME:

Dividends:	
Subsidiaries, Majority Owned, Consolidated -----	\$1,794,739
Other Companies -----	798,603
Total -----	<u>2,593,342</u>
Interest:	
Subsidiaries, Majority Owned, Consolidated -----	300,220
Other Company -----	43,056
Total -----	<u>343,276</u>
Income from Special Fund -----	1,363
Income from Temporary Cash Investments, Royalties, etc. --	<u>231,515</u>
Total Income -----	<u>3,169,496</u>
EXPENSES, OTHER THAN INCOME TAXES:	
Salaries, Office Rentals, Supplies, Etc. -----	507,207
General Expenses -----	145,787
Sub-Total -----	<u>652,994</u>
Provision for Federal Taxes, Other than Income Taxes -----	3,981
Provision for State and Local Taxes -----	75,905
Sub-Total -----	<u>79,886</u>
Total Expenses, Other than Income Taxes -----	<u>732,880</u>
Net Operating Income, Before Income Taxes -----	2,436,616
OTHER DEDUCTIONS FROM INCOME -----	<u>23,190</u>
Net Income, Before Income Taxes -----	2,413,426
PROVISION FOR FEDERAL INCOME AND EXCESS PROFITS TAXES:	
Income Taxes -----	125,302
Excess Profits -----	-
Total -----	<u>125,302</u>
Net Income -----	2,288,124
INCOME APPROPRIATED TO SPECIAL FUND RESERVE -----	<u>1,363</u>
Balance Available for Capital Stock and Surplus -----	<u>\$2,286,761</u>

See notes to Financial Statements, which are an integral part of this Statement.

Said notes are attached to Exhibit C-1-A.

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATING BALANCE SHEET, DECEMBER 31, 1951

Preliminary
Subject to
Auditors'
Verification

Exhibit C-3-A

	The United Gas Improvement Company	Allentown-Bethlehem Gas Company	Consumers Gas Company	The Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The Philadelphia Gas Works Company	Ugite Sales Corporation	The Utilities Realty Company	Combined Total	Eliminations and Adjustments (Increase) Decrease	Consolidated
Plant and equipment (including intangibles):													
Electric and gas utility plant:													
Original cost	\$ -	\$16,287,321	\$ 9,473,224	\$12,075,331	\$4,669,139	\$1,560,900	\$23,076,612	\$ -	\$ -	\$ -	\$67,142,527	\$ -	\$67,142,527
Acquisition adjustments	-	-	-	11,835	(216,037)	-	-	-	-	-	(204,202)	-	(204,202)
Nonutility plant, at cost	-	16,287,321	9,473,224	12,087,166	4,453,102	1,560,900	23,076,612	-	-	9,051,728	75,990,053	-	9,051,728
Investments (at cost or less):													
Investment securities:													
Subsidiary companies, majority owned	25,285,049	-	-	-	-	-	-	-	-	-	25,285,049	-	25,285,049
Other Companies	4,642,743	-	-	-	-	-	-	-	-	-	4,642,743	-	4,642,743
Indebtedness of subsidiary companies, not current	9,160,000	-	-	-	-	-	-	-	-	-	9,160,000	-	9,160,000
Other physical property and miscellaneous investments	7,921	1,946	75,617	15,134	-	-	31,828	-	-	3,000	135,446	-	135,446
	<u>39,095,713</u>	<u>1,946</u>	<u>75,617</u>	<u>15,134</u>	<u>-</u>	<u>-</u>	<u>31,828</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>39,223,238</u>	<u>34,445,049</u>	<u>4,778,189</u>
Advances to The Philadelphia Gas Works Company, Lessee	-	-	-	-	-	-	-	-	-	-	5,200,000	-	5,200,000
Sinking and special funds	40,691	4,010	211,152	-	-	-	1,093	-	-	-	256,946	-	256,946
Current and accrued assets:													
Cash on hand and demand deposits in banks	1,296,701	184,823	266,122	45,211	88,938	55,500	764,980	285,014	13,809	55,722	3,056,820	(3,500)	3,060,320
Special deposits	99,572	975	1,688	51,096	296	-	107,849	-	-	7,096	268,572	40,184	228,388
Temporary cash investments	1,500,767	-	-	-	-	-	-	300,000	-	-	1,800,767	-	1,800,767
Accounts receivable:													
Customers (service)	-	191,900	166,514	183,801	69,798	20,357	450,616	-	-	-	1,082,986	-	1,082,986
Merchandise and jobbing	-	194,100	120,351	138,043	42,378	19,544	16,997	-	-	-	531,413	-	531,413
Others	7,820	15,398	374	8,489	257	-	54,877	-	493	10,557	98,265	(229)	98,494
Less reserve for uncollectible accounts	-	(18,000)	(6,204)	(7,052)	(3,507)	(3,621)	(113,540)	-	-	-	(151,924)	-	(151,924)
The Philadelphia Gas Works Company, Lessee	-	-	-	-	-	-	-	-	-	-	-	-	-
Affiliated companies	13,460	532	1,241	17,828	1,276	-	-	1,268,296	-	1,222	1,268,296	35,559	1,268,296
Interest, rents and dividends receivable:													
Subsidiary companies	76,666	-	-	-	-	-	-	-	-	-	76,666	-	76,666
Other	14,813	-	111	-	-	-	-	-	-	-	65,100	-	65,100
Materials and supplies	-	544,279	279,849	316,940	239,688	34,910	854,321	3,074	4,995	45,155	2,278,864	-	2,278,864
Prepayments	6,600	23,034	13,995	7,773	5,570	768	27,710	-	-	6,769	92,219	-	92,219
Other	3,729	-	-	-	-	-	-	-	-	-	3,729	-	3,729
Total current and accrued assets	<u>3,020,128</u>	<u>1,137,041</u>	<u>844,041</u>	<u>762,129</u>	<u>444,694</u>	<u>127,458</u>	<u>2,165,757</u>	<u>1,856,384</u>	<u>19,297</u>	<u>130,403</u>	<u>10,507,332</u>	<u>152,409</u>	<u>10,354,923</u>
Deferred debits:													
Expenditures by Ugite Sales Corporation in connection with construction and operation of experimental plants	-	-	-	-	-	-	-	-	4,167,016	-	4,167,016	-	4,167,016
Amount receivable by Ugite Sales Corporation under agreement	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	51,720	69,761	353,941	20,587	66,432	-	241	1,300	50	-	564,032	(425,000)	425,000
	<u>51,720</u>	<u>69,761</u>	<u>353,941</u>	<u>20,587</u>	<u>66,432</u>	<u>-</u>	<u>241</u>	<u>1,300</u>	<u>50</u>	<u>-</u>	<u>4,731,048</u>	<u>(46)</u>	<u>564,078</u>
Total assets and other debits	<u>\$42,208,252</u>	<u>\$17,500,079</u>	<u>\$10,957,975</u>	<u>\$12,885,016</u>	<u>\$4,964,228</u>	<u>\$1,688,358</u>	<u>\$25,275,531</u>	<u>\$7,057,684</u>	<u>\$4,186,763</u>	<u>\$9,185,131</u>	<u>\$135,908,617</u>	<u>\$38,339,428</u>	<u>\$97,569,189</u>

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATING BALANCE SHEET, DECEMBER 31, 1951

	The United Gas Improvement Company	Allentown-Bethlehem Gas Company	Consumers Gas Company	The Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The Philadelphia Gas Works Company	Ugite Sales Corporation	The Utilities Realty Company	Combined Total	Eliminations and Adjustments (Increase) Decrease	Consolidated
Capital Stocks and Surplus:													
Capital Stock - \$13.50 par value - The U. G. I. Co.:	\$16,614,990	-	-	-	-	-	-	-	-	-	\$16,614,990	-	\$16,614,990
Surplus applicable to The U. G. I. Co.:													
Earned	20,501,082	664,805	435,912	361,660	182,085	157,994	2,585,073	247,190	205,193	(480,606)	24,860,388	438,410	24,421,978
Reserved for possible losses on investments	3,844,421	-	-	-	-	-	-	-	-	-	3,844,421	-	3,844,421
Capital	824,489	218,324	-	38,013	-	23,502	-	-	-	-	1,104,328	279,839	824,489
Net excess of equity in capital stocks of subsidiary companies at dates of acquisition or reorganization over investment therein	-	-	-	-	-	-	-	-	-	-	-	(317,689)	317,689
Minority interest in subsidiary companies:													
Capital Stocks	-	-	-	-	-	-	-	-	-	-	-	(3,004,454)	3,004,454
Surplus	-	-	-	-	-	-	-	-	-	-	-	(277,202)	277,202
Capital Stocks - Subsidiary Companies:													
Preferred	-	6,618,750	5,521,800	483,800	2,500,000	990,000	2,502,670	5,000	250,000	3,808,000	27,453,162	-	27,453,162
Common	-	-	-	3,342,262	-	-	4,417,350	-	-	-	2,986,470	-	2,986,470
Total Capital Stocks and Surplus	\$1,784,982	7,501,879	5,957,712	4,225,735	2,682,085	1,171,496	9,505,093	252,190	455,193	3,327,394	76,863,759	24,572,066	52,291,693
Long-term Debt - Subsidiary companies:													
Bonds	-	5,189,000	-	4,020,000	-	-	6,549,000	-	-	-	15,758,000	-	15,758,000
Less Sinking Fund Requirements due in 1952 (Estimated)	-	(62,000)	-	(48,000)	-	-	-	-	-	-	(110,000)	-	(110,000)
Notes Payable, Banks	-	-	-	-	-	-	-	1,950,000	-	-	1,950,000	-	1,950,000
Notes Payable, Banks	-	-	-	-	-	-	-	3,250,000	-	-	3,250,000	-	3,250,000
Indebtedness to Parent Company - Not Current	-	5,127,000	875,000	3,972,000	-	-	6,549,000	3,200,000	3,555,000	2,010,000	27,288,000	9,690,000	17,598,000
Current and Accrued Liabilities:													
Notes Payable, Banks	-	400,000	315,000	200,000	-	-	-	1,200,000	-	-	2,115,000	-	2,115,000
Sinking Fund Requirements (Estimated)	-	62,000	-	48,000	-	-	-	-	-	-	110,000	-	110,000
Advances Payable to Parent Company	-	-	1,455,000	1,245,000	1,050,000	-	-	-	-	-	3,750,000	3,750,000	-
Accounts Payable:													
Affiliated Companies	1,133	2,558	14,358	4,307	2,501	19,821	2,500	65,000	-	-	112,178	112,178	-
Others	10,926	300,058	144,371	177,237	63,795	2,406	94,090	9,714	-	3,802	806,399	-	806,399
Dividends Declared	89,507	-	1,241	50,512	-	-	107,396	-	-	-	168,194	40,184	128,010
Matured Interest	-	-	-	39	-	-	44,373	-	-	-	107,435	-	107,435
Customers' Deposits	202,934	17,822	1,486	4,129	4,049	4,020	758,448	266,428	1,020	4,019	2,361,616	-	2,361,616
Taxes Accrued	-	311,226	330,166	322,536	122,142	42,697	758,448	24,469	-	-	82,293	-	82,293
Interest Accrued	27,283	35,113	44	19,568	334	114	2,651	460	150	-	134,341	-	134,341
Other	-	22,448	45,300	3,962	15,403	1,325	12,364	-	-	-	134,341	-	134,341
Total Current and Accrued Liabilities	331,783	1,151,225	2,306,966	2,075,290	1,258,224	70,383	1,048,756	1,566,071	1,170	13,467	9,823,325	3,902,362	5,920,973
Deferred Credits	-	24,917	11,328	14,283	7,774	6,237	76,847	-	175,000	-	316,386	175,000	141,386
Reserves:													
Depreciation	-	3,467,937	1,605,068	2,500,637	1,013,394	404,507	7,886,890	-	-	3,824,971	20,703,404	-	20,703,404
Other	91,487	86,507	165,383	54,256	-	33,870	160,117	39,423	-	9,299	640,342	-	640,342
Total Reserves	91,487	3,554,444	1,770,451	2,554,893	1,013,394	438,377	8,047,007	39,423	-	3,834,270	21,343,746	-	21,343,746
Contributions in Aid of Construction	-	140,614	36,518	42,815	2,751	1,865	48,828	-	-	-	273,391	-	273,391
Total Liabilities and Other Credits	\$42,208,252	\$17,500,079	\$10,957,975	\$12,885,016	\$4,964,228	\$1,688,358	\$25,275,531	\$7,057,684	\$4,186,363	\$9,185,131	\$135,908,617	\$38,339,428	\$97,569,189

THE UNITED GAS IMPROVEMENT COMPANY
AND SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS

1. Reference is made to Comprehensive Plan of U.G.I. and subsidiary companies dated December 18, 1951, filed with the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, File No. 54-201.
2. The term "cost" as applied to Investment Securities represents the sum of: (a) cash outlay, (b) amounts based upon par or stated value of U.G.I.'s capital stocks issued in exchange for securities, and (c) amounts recorded in prior years, for shares of stock received from certain majority owned subsidiaries as dividends or other distributions on the basis of charges against surplus earned by these subsidiaries subsequent to dates that they were acquired by U.G.I.

The U.G.I.'s equity at December 31, 1951, in net assets of its consolidated subsidiaries, as indicated by their balance sheets at that date, exceeds, by \$4,238,586, U.G.I.'s book investment in capital stocks of such subsidiaries.

3. The consolidated statements include those companies of which more than 50 per cent of the voting common stocks was held December 31, 1950.

The financial statements of The Philadelphia Gas Works Company, which are included in the consolidated statements, relate only to its corporate accounts and do not include those recording its transactions with respect to its lessee accounts in connection with the operation of the municipal gas works of the City of Philadelphia and its agency accounts for operation of the Northern Liberties Gas Company.

4. The balances in the reserves for depreciation have been provided, prior to 1937 and 1939 (for electric and gas properties, respectively) under the retirement-reserve method and subsequently under the depreciation method. Under the latter method provisions were based upon the estimated average service lives of the major classes of property and were approximately equivalent to amounts claimed or to be claimed as deductions for Federal income tax purposes.
5. Provision for Federal income tax has been made on the basis of a consolidated return to be filed by U.G.I. and certain (where 95% voting control existed) subsidiary companies. The required provision for such tax is less, and the net income correspondingly greater, by approximately \$26,000 (for U.G.I. and \$256,000 for the consolidated group) as a result of a substantial non-recurring loss sustained by an affiliated non-utility company and deducted in arriving at income subject to Federal income tax.
6. The consolidated statement of income excludes \$2,612,000 which, in accordance with requirements of Uniform Systems of Accounts presently in effect, have been charged to surplus accounts.

THE UNITED GAS IMPROVEMENT COMPANY
AND SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS
(Continued)

7. Contingent Liabilities of U.G.I.:

(a) The U.G.I. is guarantor of \$2,752,000 principal amount of long term debt and interest thereon of companies no longer affiliated. U.G.I.'s guarantee is, in turn, covered by indemnification agreements of others, and, in one instance, the company furnishing such indemnification has assumed the direct liability for the long term debt covered thereby.

(b) An agreement dated July 2, 1900, provided for the employment of U.G.I. by Northern Liberties Gas Company as its agent to operate its properties and supply and distribute gas in that portion of the City of Philadelphia which was formerly known as the District of Northern Liberties.

By an agreement dated May 14, 1937, between U.G.I. and The Philadelphia Gas Works Company (a subsidiary) the latter company was substituted as agent under the agreement dated July 2, 1900. Concurrently, Northern Liberties Gas Company consented to this substitution and U.G.I. guaranteed full performance by The Philadelphia Gas Works Company of all obligations under the agency agreement. U.G.I. also guaranteed full payment to Northern Liberties Gas Company of \$39,000 annually and payments for such taxes and assessments, as required in the agreement, for a period of 99 years from July 2, 1900.

(c) The U.G.I., under agreements of suretyship, guarantees the faithful performance by The Philadelphia Gas Works Company of its obligations, under agreements with the City of Philadelphia, for the operation of the municipal gas works.

THE UNITED GAS IMPROVEMENT COMPANY AND ITS SUBSIDIARY COMPANIES (CONSOLIDATED)
AND THE UNITED GAS IMPROVEMENT COMPANY (CORPORATION)

SUMMARY OF CONSOLIDATING BALANCE SHEET ELIMINATIONS AND ADJUSTMENTS, DECEMBER 31, 1951

Number	ASSETS AND OTHER DEBITS	Deferred Debits										
		Cash on Hand and Demand Deposits in Banks	Investments - Indebtedness of Subsidiary Companies Not Current	Special Deposits	Accounts Receivable Others	Accounts Receivable - Affiliated Companies	Interest and Rents Receivable - Subsidiary Companies	Other Current and Accrued Assets	Expenditures by Ucite Sales Corp. In connection with Construction and Operation of Experimental Plants	Other	Amount Receivable by Ucite Sales Corporation under Agreement	
1	\$24,410,049.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	875,000.00	9,160,000.00	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-	-	-
5	-	-	(3,500.00)	-	-	-	-	-	-	-	-	(46.21)
6	-	-	-	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	(228.73)	-	-	-	228.73	-	-
8	-	-	-	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-	-	-	(425,000.00)
Totals	\$25,285,049.14	\$9,160,000.00	\$ (3,500.00)	\$40,184.78	\$ (228.73)	\$35,558.69	\$76,666.67	\$ 3,728.73	\$ 4,167,016.52	\$ (46.21)	\$ (425,000.00)	

Surplus Applicable to The U.G.I. Co.
Net excess of equity
in capital stock of
subsidiary com-
panies at dates
of acquisition
or reorganization
over investment
thereon

Number	LIABILITIES AND OTHER CREDITS	Earned Capital	Minority Interest in Subsidiary Companies	Surplus	Capital Stocks	Capital Subsidiary Companies - Common	Long Term Debt - Subsidiary Companies Indebtedness to Parent Company Not Current	Advances Payable to Parent Company	Accounts Payable - Affiliated Companies	Dividends Declared	Other Deferred Credits
2	162,016.52	-	-	-	-	-	9,690,000.00	3,750,000.00	-	-	-
3	-	-	-	-	-	-	-	-	35,512.48	-	-
4	-	-	-	-	-	-	-	-	76,666.67	-	-
5	-	-	-	-	-	-	-	-	-	-	-
6	266,002.03	11,200.37	-(3,004.453.67)	(277,202.40)	3,004,453.67	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-	-	175,000.00
Totals	\$438,409.73	\$279,839.32	\$(317,689.32)	\$ (277,202.40)	\$27,453,162.00	\$9,690,000.00	\$3,750,000.00	\$112,179.15	\$40,184.78	\$175,000.00	

THE UNITED GAS IMPROVEMENT COMPANY AND ITS SUBSIDIARY COMPANIES (CONSOLIDATED)
AND THE UNITED GAS IMPROVEMENT COMPANY (CORPORATION)
CONSOLIDATING BALANCE SHEET ELIMINATIONS AND ADJUSTMENTS, DECEMBER 31, 1951

No. 1

Capital Stocks - Subsidiary Companies - Common ----- \$24,448,708.33
 Earned Surplus Applicable to The U.G.I. Co. ----- 10,391.18
 Capital Surplus Applicable to The U.G.I. Co. ----- 268,638.95

Net Excess of Equity in Capital Stock of Subsidiary
 Companies at Dates of Acquisition or Reorganization
 over Investment therein ----- \$ 317,689.32
 Investments - Subsidiary Companies, Majority Owned --- 24,410,049.14

To eliminate investments of The U.G.I. Co. in capital
 stocks and adjusted surpluses of subsidiary companies,
 at dates of acquisition or reorganization, as follows:

Utility Companies:	Common Stocks Par or Stated Values	Adjusted Earned Surplus at Dates of Acquisition or Reorganization	Adjusted Capital Surplus at dates of Acquisition or Reorganization	Total	Investments	Net Excess of Equity in Capital Stock of Subsidiary Companies at Dates of Acquisi- tion or Reorganization over Investment therein
Allentown-Bethlehem Gas Company -----	\$ 6,618,750.00	-	\$ 218,323.80	\$6,837,073.80	\$6,478,973.68	\$ 358,100.12
Consumers Gas Company -----	3,502,125.00	-	-	3,502,125.00	3,547,175.21	(45,050.21)
Harrisburg Gas Company, The -----	2,357,483.33	10,391.18	26,812.81	2,394,687.32	2,056,999.30	337,688.02
Lancaster County Gas Company -----	2,500,000.00	-	-	2,500,000.00	2,500,000.00	-
Lebanon Valley Gas Company -----	990,000.00	-	23,502.34	1,013,502.34	1,168,736.14	(155,233.80)
Luzerne County Gas and Electric Corporation ---	4,417,350.00	-	-	4,417,350.00	4,595,164.81	(177,814.81)
Philadelphia Gas Works Company, The -----	5,000.00	-	-	5,000.00	5,000.00	-
Non-Utility Companies:						
Ugite Sales Corporation -----	250,000.00	-	-	250,000.00	250,000.00	-
Utilities Realty Company, The -----	3,808,000.00	-	-	3,808,000.00	3,808,000.00	-
	<u>\$24,448,708.33</u>	<u>\$10,391.18</u>	<u>\$268,638.95</u>	<u>\$24,727,738.46</u>	<u>\$24,410,049.14</u>	<u>\$317,689.32</u>

THE UNITED GAS IMPROVEMENT COMPANY AND ITS SUBSIDIARY COMPANIES (CONSOLIDATED)
AND THE UNITED GAS IMPROVEMENT COMPANY (CORPORATION)
CONSOLIDATING BALANCE SHEET ELIMINATIONS AND ADJUSTMENTS, DECEMBER 31, 1951
(Continued)

No. 2

Long-Term Debt - Subsidiary Companies, Indebtedness to Parent Company - Not Current \$9,690,000.00
Earned Surplus Applicable to The U.G.I. Co. 162,016.52
Advances Payable to Parent Company 3,750,000.00

Investments - Subsidiary Companies, Majority Owned ----- \$ 875,000.00
Investments - Indebtedness of Subsidiary Companies - Not Current 9,160,000.00
Deferred Debits - Expenditures by Ugite Sales Corporation in Connection with Construction and Operation of Experimental Plants 3,567,016.52

To eliminate investments of The U.G.I. Co. in loans and advances on open accounts to subsidiary companies and amounts due The U.G.I. Co. from subsidiary companies, as follows:

	Investments - Subsidiary Companies, Majority Owned	Investments - Indebtedness of Subsidiary Companies - Not Current	Deferred Debits	Long-Term Debt - Subsidiary Companies, Indebtedness to Parent Company - Not Current	Earned Surplus Applicable The U.G.I. Co.	Advances Payable to Parent Company
Allentown-Bethlehem Gas Company -----	\$ -	\$ -	\$ -	\$ -	-	\$ -
Consumers Gas Company -----	875,000.00	1,455,000.00	-	875,000.00	-	1,455,000.00
Harrisburg Gas Company, The -----	-	1,245,000.00	-	-	-	1,245,000.00
Lancaster County Gas Company -----	-	1,050,000.00	-	-	-	1,050,000.00
Philadelphia Gas Works Company, The -----	-	3,250,000.00	3,567,016.52	3,250,000.00	162,016.52	-
Ugite Sales Corporation -----	-	150,000.00	-	3,555,000.00	-	-
Utilities Realty Company, The -----	-	2,010,000.00	-	2,010,000.00	-	-
	\$ 875,000.00	\$9,160,000.00	\$3,567,016.52	\$9,690,000.00	\$162,016.52	\$3,750,000.00

THE UNITED GAS IMPROVEMENT COMPANY AND ITS SUBSIDIARY COMPANIES (CONSOLIDATED)
AND THE UNITED GAS IMPROVEMENT COMPANY (CORPORATION)

CONSOLIDATING BALANCE SHEET ELIMINATIONS AND ADJUSTMENTS, DECEMBER 31, 1951
 (Continued)

No. 3

Accounts Payable - Affiliated Companies ----- \$35,512.48
 Deferred Debits - Other ----- 46.21

Accounts Receivable - Affiliated Companies ----- \$35,558.69

To eliminate amounts receivable from and payable to affiliated companies, as follows:

Receivable by The U.G.I. Co. from:
 Allentown-Bethlehem Gas Company -----
 Consumers Gas Company -----
 Harrisburg Gas Company, The -----
 Lebanon Valley Gas Company -----
 Luzerne County Gas and Electric Corporation -----
 Lancaster County Gas Company -----
 Receivable by Allentown-Bethlehem Gas Company from:
 Harrisburg Gas Company, The -----
 Receivable by Consumers Gas Company from:
 Lebanon Valley Gas Company -----
 Receivable by The Harrisburg Gas Company from:
 Consumers Gas Company -----
 Lebanon Valley Gas Company -----
 Receivable by Lancaster County Gas Company from:
 The Harrisburg Gas Company -----

Accounts Receivable - Affiliated Companies

Accounts Payable - Affiliated Companies

Deferred Debits - Other

Receivable by The Utilities Realty Company from:
 Allentown-Bethlehem Gas Company -----
 Consumers Gas Company -----
 U.G.I. Co., The -----
 Harrisburg Gas Company, The -----
 Lancaster County Gas Company -----
 Luzerne County Gas and Electric Corporation -----
 Receivable by The Harrisburg Gas Company from:
 Consumers Gas Company -----
 Lebanon Valley Gas Company -----
 Receivable by Lancaster County Gas Company from:
 The Harrisburg Gas Company -----

1,275.62
 1,241.22
 17,664.20
 163.65
 27.72
 27.84
 1,133.44
 32.02
 1.47

 \$35,558.69

1,275.62
 1,241.22
 17,664.20
 163.65
 27.72
 13.65
 27.72
 1,133.44
 32.02
 1.47

 \$35,512.48

14.19

 32.02

 \$46.21

Preliminary
 Subject to
 Auditors'
 Verification

THE UNITED GAS IMPROVEMENT COMPANY

AND ITS SUBSIDIARY COMPANIES (CONSOLIDATED)

AND THE UNITED GAS IMPROVEMENT COMPANY (CORPORATION)

CONSOLIDATING BALANCE SHEET ELIMINATIONS AND ADJUSTMENTS, DECEMBER 31, 1951
(CONTINUED)

No. 4

Accounts Payable - Affiliated Companies ---- \$76,666.67

Interest and Rents Receivable -
Subsidiary Companies ----- \$76,666.67

To eliminate accrual of interest on
long-term debt and advances to The U.G.I.
Co. from the following companies:

Consumers Gas Company -----	\$11,666.67
Philadelphia Gas Works Company. The -----	65,000.00
	<u>\$76,666.67</u>

THE UNITED GAS IMPROVEMENT COMPANY
AND ITS SUBSIDIARY COMPANIES (CONSOLIDATED)
AND THE UNITED GAS IMPROVEMENT COMPANY (CORPORATION)
CONSOLIDATING BALANCE SHEET ELIMINATIONS AND ADJUSTMENTS,
DECEMBER 31, 1951

No. 5

Cash on Hand and Demand Deposits in Banks -----	\$	3,500.00
Other Current and Accrued Assets -----		\$ 3,500.00

To reclassify working funds of The U.G.I. Co.

No. 6

Capital Stocks - Subsidiary Companies - Common --		3,004,453.67
Earned Surplus Applicable to The U.G.I. Co. ----		266,002.03
Capital Surplus Applicable to The U.G.I. Co. ----		11,200.37

Minority Interest in Subsidiary Companies:

Capital Stocks -----		3,004,453.67
Surplus -----		277,202.40

To set up minority interest in capital stocks and surplus of subsidiary companies, as follows:

	<u>Capital Stocks</u>	<u>Capital Surplus</u>	<u>Earned Surplus</u>
Consumers Gas Company -----	\$2,019,675.00	\$ -	\$159,440.96
Harrisburg Gas Company, The -----	984,778.67	11,200.37	106,561.07
	<u>\$3,004,453.67</u>	<u>\$11,200.37</u>	<u>\$266,002.03</u>

No. 7

Accounts Receivable - Others -----	\$	228.73
Other Current and Accrued Assets -----		\$ 228.73

To reclassify items included in latter account, as follows:

The U.G.I. Co. -----	\$	<u>228.73</u>
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No. 8

Other Deferred Credits -----	\$	175,000.00
Amount Receivable by Ugite Sales Corporation under Agreement -----		425,000.00

Expenditures by Ugite Sales Corporation in Connection with Construction and Operation of Experimental Plants ----		\$600,000.00
---	--	--------------

To reflect the net amount to be received by Ugite Sales Corporation under conditional sales agreement.

THE UNITED GAS IMPROVEMENT COMPANY
AND ITS SUBSIDIARY COMPANIES (CONSOLIDATED)
AND THE UNITED GAS IMPROVEMENT COMPANY (CORPORATION)
CONSOLIDATING BALANCE SHEET ELIMINATIONS AND ADJUSTMENTS,

DECEMBER 31, 1951
(Continued)

No. 9

Dividends Declared ----- \$40,184.38

Special Deposits ----- \$40,184.38

To adjust accounts of The Harrisburg Gas Company for amount of dividend paid to The U.G.I. Co. and recorded by that company as dividend income.

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1951,

AND THE UNITED GAS IMPROVEMENT COMPANY

PRO FORMA BALANCE SHEET, DECEMBER 31, 1951

(After giving effect to Parts I and II of the Plan dated December 18, 1951)

Preliminary Subject to Auditors' Verification

Exhibit C-3-A (Continued)

ASSETS AND OTHER DEBITS	Proposed Adjustments by Reason of										The U.G.I. Co. After Giving Effect to Parts I and II of the Plan
	Consolidated Before Adjustment (Preceding Page)(4)	Resumption of Operation of Northern Liberties Gas Company	Exchange of Long-Term Debt	Retirement of Preferred Stock of The Harrisburg Gas Company	Exchange of Preferred Stock of Luzerne County Gas and Electric Corporation	Acquisition of Minority Interests	Exchange of The U.G.I. Co. Capital Stock for Common Stock	Sale of Temporary Investments and Payment of Bank Loans	Reclassification		
Plant and equipment (including intangibles):											
Electric and gas utility plants:											
Original cost	\$67,142,527	\$ 440,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,932 (1)	\$ 4,689,974 (1)	\$72,376,987 (204,202)
Acquisition adjustments	(204,202)	-	-	-	-	-	-	-	(9,051,728) (1)	(9,051,728) (1)	(204,202)
Non-utility plant, at cost	9,051,728	-	-	-	-	-	-	-	(4,257,822)	(4,257,822)	72,172,785
	<u>75,990,053</u>	<u>440,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,257,822)</u>	<u>(4,257,822)</u>	<u>72,172,785</u>
Investments (at cost or less):											
Investment securities:											
Subsidiary companies, majority owned	-	-	-	-	-	3,574,053 (3,574,053)	-	-	-	-	-
Other companies	4,642,743	-	-	-	-	-	-	-	(7,921) (1)	(7,921) (1)	4,642,743
Other physical property	132,446	66,922	-	-	-	-	-	-	600,000 (1)	600,000 (1)	5,153,201
									(4,361,754) (1)	(4,361,754) (1)	
Other investments	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Advances to The Philadelphia Gas Works Company, Lessee	4,778,189	66,922	-	-	-	-	-	-	4,953,833	4,953,833	9,798,944
Loans in connection with operation of City of Philadelphia gas works	5,200,000	-	-	-	-	-	-	-	(5,200,000) (2)	(5,200,000) (2)	-
Sinking and special funds	-	-	-	-	-	-	-	-	5,200,000 (2)	5,200,000 (2)	5,200,000
Current and accrued assets:											
Cash on hand and demand deposits in banks	3,060,320	2,008	-	(532,180)	-	-	-	(915,000)	-	(915,000)	3,115,148
Special deposits	228,388	514	-	-	-	-	-	1,500,000	-	1,500,000	228,902
Temporary cash investments	1,800,767	-	-	-	-	-	-	(1,500,767)	-	(1,500,767)	300,000
Accounts receivable:											
Customers (service)	1,082,986	18,788	-	-	-	-	-	-	-	-	1,101,774
Merchandise and jobbing	531,413	3,363	-	-	-	-	-	-	-	-	534,776
Others	98,494	-	-	-	-	-	-	-	-	-	98,494
Less reserve for uncollectible accounts	(151,924)	(1,332)	-	-	-	-	-	-	-	-	(153,256)
The Philadelphia Gas Works Company, Lessee	1,268,296	-	-	-	-	-	-	-	(1,268,296) (2)	(1,268,296) (2)	-
Receivable in connection with operation of City of Philadelphia gas works	-	-	-	-	-	-	-	-	-	-	1,268,296 (2)
Interest, rents and dividends receivable	65,100	-	-	-	-	-	-	-	-	-	65,100
Materials and supplies	2,278,864	7,874	-	-	-	-	-	-	-	-	2,286,738
Prepayments	92,219	1,310	-	-	-	-	-	-	-	-	93,529
	<u>10,354,923</u>	<u>32,525</u>	<u>-</u>	<u>(532,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(915,767)</u>	<u>-</u>	<u>(915,767)</u>	<u>8,939,501</u>
Total current and accrued assets											
Deferred debits:											
Amount receivable by Uglite Sales Corporation under agreement	425,000	-	-	-	-	-	-	-	-	-	(425,000) (1)
Other	564,078	-	-	-	-	-	-	-	-	-	564,078
	<u>989,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(425,000)</u>
TOTAL ASSETS AND OTHER DEBITS	\$97,569,189	\$540,001	\$ -	(\$532,180)	\$ -	\$ -	\$ -	(\$915,767)	\$271,011	\$271,011	\$96,932,254

(1) Reclassification of plant and other investments of former non-utility companies.
 (2) Check in name of account.
 (3) Restoration of appropriated surplus.

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1951,

AND THE UNITED GAS IMPROVEMENT COMPANY

PRO FORMA BALANCE SHEET, DECEMBER 31, 1951

(After giving effect to Parts I and II of the Plan dated December 18, 1951)

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Exhibit G-3-A
(Continued)

	Consolidated Before Adjustment (Preceding Page) (4)	Resumption of Operation of Northern Liberties Gas Company	Exchange of Long-Term Debt	Retirement of Preferred Stock of The Harrisburg Gas Company	Exchange of Preferred Stock of Luzerne County Gas and Electric Corporation	Acquisition of Minority Interests	Exchange of The U.G.I. Co. Capital Stock for Common Stock	Sale of Temporary Investments and Payment of Bank Loans	Reclassification	The U.G.I. Co. After Giving Effect to Parts I and II of the Plan
Capital stocks and surplus:										
Preferred stock - 4-1/4% series - \$100 par value	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	\$ -	\$ (16,614,990)	\$ -	\$ -	\$ 2,500,000
Capital stock - \$13.50 par value	16,614,990	-	-	-	-	1,531,737	16,614,990	-	-	18,146,727
Common stock - \$13.50 par value	-	-	-	-	-	-	-	-	-	-
Surplus:										
Earned	24,421,978	286,319	-	(48,380)	-	-	-	(767)	-	28,503,571
Reserved for possible losses on investments	3,844,421	-	-	-	2,670	2,042,316	-	-	(3,844,421) (3)	2,869,475
Capital	824,489	-	-	-	-	-	-	-	-	-
Net excess of equity in capital stocks of subsidiary companies at dates of acquisition or reorganization over investment therein	317,689	-	-	-	-	(292,397)	-	-	(25,292) (2)	-
Minority interest in subsidiary companies:										
Capital stocks	3,004,454	-	-	-	-	(3,004,454)	-	-	-	-
Surplus	277,202	-	-	-	-	(277,202)	-	-	-	-
Preferred stocks - subsidiary companies	2,986,470	-	-	(483,800)	(2,502,670)	-	-	-	-	-
Total capital stocks and surplus	52,291,693	286,319	-	(532,180)	-	-	-	(767)	(25,292)	52,019,773
Long-term debt:										
Bonds - The U.G.I. Co.	-	-	-	-	-	-	-	-	-	15,758,000
Bonds - subsidiary companies	15,758,000	-	-	-	-	-	-	-	-	(110,000)
Less - sinking fund requirements due in 1952	(110,000)	-	-	-	-	-	-	-	-	1,950,000
Notes payable - banks	1,950,000	-	-	-	-	-	-	-	-	17,598,000
Total long-term debt	17,598,000	-	-	-	-	-	-	-	-	17,598,000
Current and accrued liabilities:										
Notes payable - banks	2,115,000	-	-	-	-	-	-	(915,000)	-	1,200,000
Sinking fund requirements - estimated	110,000	-	-	-	-	-	-	-	-	110,000
Accounts payable	806,399	30,027	-	-	-	-	-	-	-	836,426
Dividends declared	128,010	-	-	-	-	-	-	-	-	128,010
Matured interest	107,435	-	-	-	-	-	-	-	-	107,435
Customers' deposits	75,879	7,846	-	-	-	-	-	-	-	83,725
Taxes accrued	2,361,616	277	-	-	-	-	-	-	-	2,361,893
Interest accrued	82,293	727	-	-	-	-	-	-	-	83,020
Other	134,341	1,928	-	-	-	-	-	-	-	136,269
Total current and accrued liabilities	5,920,973	40,805	-	-	-	-	-	(915,000)	-	5,046,778
Deferred credits	141,386	1,572	-	-	-	-	-	-	-	317,958
Reserves:										
Depreciation	20,703,404	-	-	-	-	-	-	-	-	20,799,415
Amortization of other limited-term gas investments	640,342	104,138	-	-	-	-	-	-	-	104,138
Other	21,343,746	105,459	-	-	-	-	-	-	-	771,093
Total reserves	273,391	209,597	-	-	-	-	-	-	-	21,674,646
Contributions in aid of construction	273,391	1,708	-	-	-	-	-	-	-	275,099
Total liabilities and surplus	\$97,569,189	\$540,001	\$ -	(\$532,180)	\$ -	\$ -	\$ -	(\$915,767)	\$271,011	\$96,932,254

(1) Reclassification of plant and other investments of former non-utility companies.
 (2) Change in nomenclature of account.
 (3) Restoration of appropriated surplus.
 (4) See Notes to Consolidating Balance Sheet which are

THE UNITED GAS IMPROVEMENT COMPANY

AND SUBSIDIARY COMPANIES

RECLASSIFICATIONS REFLECTED ON PRO FORMA

BALANCE SHEET, DECEMBER 31, 1951

(After giving effect to Parts I and II
of the Plan dated December 18, 1951)

(1) Reclassification of plant and other investments of former
non-utility companies:

Electric and gas utility plant -----	\$4,689,974
Other physical property -----	4,361,754
To - Non-utility plant -----	\$9,051,728

For reclassification of non-utility plant of
the former The Utilities Realty Company, as
follows:

	<u>Utility Plant</u>	<u>Other Physical Property</u>
Land, Carbon to Richmond Streets -----	\$ -	\$ 59,492
Land, 204-6 Laurel Street -	-	6,692
U.G.I. Building -----	4,572,672	-
Fidelity Building -----	-	2,113,951
Building - 9th & Berks Sts. -	-	1,686,847
Building - 6th & Duncannon Sts. -----	-	494,772
Building - Lancaster, Pa. -	106,949	-
Office furniture and fixtures	1,988	-
Miscellaneous equipment ---	4,391	-
Dispensary equipment -----	973	-
Automotive equipment -----	3,001	-
	<u>4,689,974</u>	<u>4,361,754</u>

Other physical property -----	600,000
To - Amount receivable by Ugite Sales Corporation under agreement -----	425,000
Deferred credit -----	175,000

For reclassification of plant of the former
Ugite Sales Corporation as follows:

Estimated realizable value of plant --	\$ 600,000
Less amount received to date -----	<u>175,000</u>
Net amount receivable -----	<u>425,000</u>

Electric and gas utility plant -----	103,932
To - Reserve for depreciation -----	96,011
Investments in other physical property-	7,921

For reclassification of furniture and fixtures
of The U.G.I. Co, as follows:

Furniture and fixtures, at cost -----	\$ 103,932
Less reserve for depreciation -----	<u>96,011</u>
Amount heretofore classified under investments -----	<u>7,921</u>

THE UNITED GAS IMPROVEMENT COMPANY

AND SUBSIDIARY COMPANIES

RECLASSIFICATIONS REFLECTED ON PRO FORMA

BALANCE SHEET, DECEMBER 31, 1951

(After giving effect to Parts I and II
of the Plan dated December 18, 1951)

(Continued)

(2) Change in nomenclature of account:

Loans in connection with operation of City of Philadelphia gas works -----	\$5,200,000
Amount currently receivable in connection with operation of City of Philadelphia gas works ---	1,268,296
To - Advances to The Philadelphia Gas Works Company, Lessee -----	\$5,200,000
Amount currently receivable from The Philadelphia Gas Works Company, Lessee	1,268,296
For reclassification of amounts receivable by the former The Philadelphia Gas Works Company.	
Net excess of equity in capital stocks of subsidiary companies at date of acquisition or reorganization over investment therein -----	25,292
To - Other Reserves -----	25,292
For reclassification of former account.	

(3) Restoration of appropriated surplus:

Surplus reserved for possible losses on investments -----	3,844,421
To - Earned surplus -----	3,844,421
To close the former account.	

Preliminary
Subject to
Auditors'
Verification

Exhibit C-4-A

For Twelve Months Ended December 31, 1951

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME

	The United Gas Improvement Company	Allentown-Bethlehem Gas Company	Consumers Gas Company	The Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The Philadelphia Gas Works Company	Ugite Sales Corporation	The Utilities Realty Company	Combined Total	Eliminations	Consolidated	
Operating Revenues:														
Gas	\$ -	\$4,131,813.00	\$3,010,085.19	\$3,293,146.18	\$1,409,371.87	\$485,555.68	\$695,085.21	\$ -	\$ -	\$ -	\$4,809,707.28	\$13,025,057.13	\$196,614.33	\$12,828,442.80
Electric	-	-	-	-	-	-	4,809,707.28	800,000.00	4,770.53	528,326.65	1,333,097.18	67,375.68	1,265,721.50	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Operating Revenue	-	4,131,813.00	3,010,085.19	3,293,146.18	1,409,371.87	485,555.68	5,504,792.49	800,000.00	4,770.53	528,326.65	19,167,861.59	263,990.01	18,903,871.58	
Operating Revenue Deductions:														
Operating Expenses	647,367.99	2,716,150.97	2,023,608.10	2,052,706.76	882,704.14	331,001.57	2,428,335.74	172,918.13	210.00	234,257.14	11,489,260.54	277,405.86	11,211,854.68	
Maintenance	-	274,465.08	122,406.92	227,978.65	128,816.92	19,174.23	390,578.80	-	-	112,672.45	1,276,093.05	-	1,276,093.05	
Provision for Depreciation	5,626.02	340,000.00	168,000.00	275,000.00	75,000.00	37,000.00	664,000.00	-	-	97,310.29	1,661,936.31	-	1,661,936.31	
Amortization of Utility Plant Acquisition	-	-	-	910.41	(16,618.88)	-	-	-	-	-	(15,708.47)	-	(15,708.47)	
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Provision for Taxes:														
Federal Income	125,301.88	228,324.80	279,127.11	273,898.76	84,494.77	31,323.54	569,263.45	210,018.54	-	-	1,801,752.85	-	1,801,752.85	
Federal Excess Profits	-	15,489.72	8,399.76	10,545.54	6,707.10	1,603.77	104,951.68	315.00	-	3,152.95	155,146.74	-	155,146.74	
Other Federal	75,904.80	70,812.31	50,962.00	48,558.00	26,163.21	9,003.42	194,593.68	40,167.81	1,058.77	80,933.82	598,157.82	-	598,157.82	
State and Local	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Operating Revenue Deductions	858,181.91	3,645,242.88	2,652,503.89	2,889,598.12	1,187,267.26	429,106.53	4,351,723.35	423,419.48	1,268.77	528,326.65	16,966,638.84	277,405.86	16,689,232.98	
Operating Income	(858,181.91)	486,570.12	357,581.30	409,548.06	222,104.61	56,449.15	1,153,069.14	376,580.52	3,501.76	-	2,201,222.75	(13,415.85)	2,214,638.60	
Other Income:														
Dividends	2,593,342.09	-	-	-	-	-	-	236,492.24	-	-	2,593,342.09	1,794,739.00	798,603.09	
Interest	354,393.78	-	-	-	-	-	-	-	-	-	590,886.02	300,220.26	290,665.76	
Merchandising and Jobbing	-	85,243.22	56,201.71	33,261.16	11,824.65	11,873.44	329,91	-	-	-	198,734.09	-	198,734.09	
Miscellaneous	221,759.75	(1.27)	9,812.05	-	-	-	956.85	-	-	-	232,527.38	13,415.85	219,111.53	
Total Other Income	3,169,495.62	85,241.95	66,013.76	33,261.16	11,824.65	11,873.44	1,286.76	236,492.24	-	-	3,615,489.58	2,108,375.11	1,507,114.47	
Gross Income	2,311,313.71	571,812.07	423,595.06	436,809.22	233,929.26	68,322.59	1,154,355.90	613,072.76	3,501.76	-	5,816,712.33	2,094,959.26	3,721,753.07	
Income Deductions:														
Interest on Long-Term Debt	-	139,851.96	86,818.68	105,469.48	32,224.85	366.32	212,842.50	96,448.26	-	-	554,612.20	-	554,612.20	
Interest - Other	690.25	25,402.95	(554.15)	48,584.24	(7.09)	-	4,653.17	136,294.60	-	-	335,135.06	300,220.26	34,914.80	
Interest charged to construction (credit)	-	(22,454.23)	(554.15)	(602.12)	-	-	(5,056.24)	-	-	-	(28,673.83)	-	(28,673.83)	
Miscellaneous Income Deductions	23,862.87	9,050.83	12,326.59	4,713.00	1,042.76	952.01	(2,842.55)	-	-	-	49,105.51	-	49,105.51	
Dividends on Preferred Stocks of Subsidiaries	-	-	-	21,771.00	-	-	106,260.03	-	-	-	128,031.03	-	128,031.03	
Minority Interests	-	-	118,874.70	75,656.90	-	-	-	-	-	-	194,531.60	-	194,531.60	
Total	24,553.12	151,851.51	217,465.82	255,692.50	33,260.52	1,318.33	315,856.91	232,742.86	-	-	1,232,741.57	300,220.26	932,521.31	
Net Income Applicable to The U.G.I. Company	\$2,286,760.59	\$419,960.56	\$206,129.24	\$181,115.72	\$200,668.74	\$67,004.26	\$838,498.99	\$380,329.90	\$3,501.76	\$ -	\$4,583,970.76	\$1,794,739.00	\$2,789,231.76	

See Notes to Consolidating Financial Statements which are an integral part of this Statement.

THE UNITED GAS IMPROVEMENT COMPANY

CONSOLIDATING STATEMENT OF INCOME

SUMMARY OF ELIMINATIONS

For Twelve Months Ended December 31st

	<u>1951</u>
REVENUE:	
Consumers's sales to Lebanon -----	\$ 13,144.88
Harrisburg's sales to Lebanon -----	<u>183,469.45</u>
Sub-total -----	196,614.33
Lancaster's rent to Utilities Realty -----	9,000.00
P.G.W.'s rent to Utilities Realty -----	843.72
U.G.I.'s rent to Utilities Realty -----	<u>57,531.96</u>
Sub-total -----	<u>67,375.68</u>
Total -----	<u>263,990.01</u>
EXPENSES:	
Lebanon's purchases from Consumers -----	13,144.88
Lebanon's purchases from Harrisburg -----	183,469.45
Lancaster's rent to Utilities Realty -----	9,000.00
P.G.W.'s rent to Utilities Realty -----	843.72
U.G.I.'s rent to Utilities Realty -----	57,531.96
Subsidiaries' payments for Routine and Special Services -	<u>13,415.85</u>
Total -----	<u>277,405.86</u>
OTHER INCOME: (Dividends - System Companies):	
Subsidiaries' Dividends to U.G.I. -----	1,794,739.00
OTHER INCOME: (Interest - System Companies):	
Subsidiaries' Interest to U.G.I. -----	300,220.26
OTHER INCOME (Other - System Companies):	
Subsidiaries' Payments for Routine and Special Services -	<u>13,415.85</u>
Total -----	<u>2,108,375.11</u>
INCOME DEDUCTIONS:	
Subsidiaries' Interest to U.G.I. -----	300,220.26
SALES: (Mcf)	
Consumers' to Lebanon -----	23,548.00
Harrisburg's to Lebanon -----	<u>366,939.00</u>
Total -----	<u>390,487.00</u>
CUSTOMERS:	
Consumers, Harrisburg 1 each (Lebanon) -----	2

THE UNITED GAS IMPROVEMENT COMPANY
AND SUBSIDIARY COMPANIES

CONSOLIDATING STATEMENT OF INCOME ELIMINATIONS

FOR TWELVE MONTHS ENDED DECEMBER 31, 1951

Elimination No. 1

Operating Revenues, gas -----	\$196,614.33
Operating revenues, other -----	67,375.68
Other income, miscellaneous -----	13,415.85

Operating expenses, other than maintenance -	\$277,405.86
--	--------------

To eliminate intercompany purchases and sales of gas, rentals and services, as follows:

(a) Sales of gas to Lebanon Valley Gas Company by affiliated companies:

Consumers Gas Company -----	\$13,144.88
The Harrisburg Gas Company ---	<u>183,469.45</u>

196,614.33

(b) Rental income of The Utilities Realty Company from affiliated companies:

Lancaster County Gas Company -	9,000.00
The Philadelphia Gas Works Company -----	843.72
The U.G.I. Company -----	<u>57,531.96</u>

67,375.68

(c) Income from services rendered by The U.G.I. Company to subsidiary companies:

Allentown-Bethlehem Gas Company -----	2,500.00
Consumers Gas Company -----	2,500.00
The Harrisburg Gas Company ---	2,500.00
Lancaster County Gas Company -	2,500.00
Lebanon Valley Gas Company ----	915.85
Luzerne County Gas and Electric Company -----	<u>2,500.00</u>

\$13,415.85

THE UNITED GAS IMPROVEMENT COMPANY

AND SUBSIDIARY COMPANIES

CONSOLIDATING STATEMENT OF INCOME ELIMINATIONS

FOR TWELVE MONTHS ENDED DECEMBER 31, 1951

(Continued)

Elimination No. 2

Other income, dividends -----	\$1,794,739.00
Other income, interest -----	300,220.26
Earned surplus, dividends on common stocks of subsidiary companies -----	\$1,794,739.00
Income deductions, interest, other -----	300,220.26

To eliminate dividends and interest received
by The U.G.I. Co. from subsidiary companies, as
follows:

Dividends:

Allentown-Bethlehem Gas Company -----	\$330,937.50
Consumers Gas Company -----	140,085.00
The Harrisburg Gas Company -----	160,737.50
Lancaster County Gas Company -----	100,000.00
Lebanon Valley Gas Company -----	44,550.00
Luzerne County Gas and Electric Corporation -----	618,429.00
The Philadelphia Gas Works Company --	<u>400,000.00</u>

\$1,794,739.00

Interest:

Allentown-Bethlehem Gas Company -----	13,784.86
Consumers Gas Company -----	77,164.22
The Harrisburg Gas Company -----	43,906.60
Lancaster County Gas Company -----	30,089.58
The Philadelphia Gas Works Company --	<u>135,275.00</u>

\$300,220.26

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME

For Twelve Months Ended December 31, 1951,

and THE UNITED GAS IMPROVEMENT COMPANY

NOTES TO PRO FORMA STATEMENT OF INCOME

For Twelve Months Ended December 31, 1951

(After giving effect to Parts I and II
of the Plan dated December 18, 1951)

Preliminary
Subject to
Auditors'
Verification

1. The Pro Forma Consolidated Statement of Income of The United Gas Improvement Company, giving effect to Parts I and II of the Plan dated December 18, 1951, shows, in columnar form, the effect of the various steps in consummating Parts I and II of the Plan.
2. Reclassification is made to reflect (a) the incidental income of Ugite Sales Corporation as "Other Income", (b) eliminate the deficit of Northern Liberties Gas Company, and (c) preferred dividend requirements of Luzerne County Gas and Electric Corporation as preferred dividend requirements of The United Gas Improvement Company after effecting the exchange.
3. No adjustment has been made to dividend income for dividends actually received during 1951 on 201,427 shares of Philadelphia Electric Company Common Stock and 134,288 shares of Consumers Power Company Common Stock disposed of in connection with Exchange Plan effective June 29, 1951.
4. The provision for Federal Income Taxes has been computed at 50.75% (plus 2% for consolidated return) the effective rate for 1951 Normal and Surtax, on the basis of the liability on a Consolidated Return Basis for The United Gas Improvement Company and its Subsidiary Companies which are entitled to join in such return. The Harrisburg Gas Company and the Consumers Gas Company file separate returns. No adjustment has been made for the tax saving in 1951 arising from a substantial non-recurring loss referred to in the Notes to the Financial Statements attached to Exhibit C-3-A.

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF SURPLUS FOR TWELVE MONTHS ENDED DECEMBER 31, 1951

Preliminary
 Subject to
 Auditors'
 Verification
 Exhibit C-5

	The United Gas Improvement Company (Corporation)	Allentown-Bethlehem Gas Company	Consumers Gas Company	Coach Company and Subsidiary Companies	The Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The Philadelphia Gas Works Company	Ugite Sales Corporation	The Utilities Realty Company	Combined Totals	Adjustments and Eliminations (Increase) Decrease	Consolidated Totals
Balance January 1, 1951	\$20,317,640.98	\$553,935.40	\$331,780.32	\$658,903.49	\$332,767.82	\$81,415.85	\$127,942.63	\$2,261,782.28	\$220,111.61	\$201,691.73	\$20,397.82	\$25,108,369.93	\$391,809.12	\$24,716,560.81
Less:														
Applicable to Minority Interests	-	-	121,353.26	-	98,048.16	-	-	-	-	-	-	219,401.42	219,401.42	-
Applicable to The U.G.I. Co.	20,317,640.98	553,935.40	210,427.06	658,903.49	234,719.66	81,415.85	127,942.63	2,261,782.28	220,111.61	201,691.73	20,397.82	24,888,968.51	172,407.70	24,716,560.81
Deduct Consolidated Surplus at January 1, 1951, of Delaware Coach Company (Capital Stock sold March 30, 1951) and its Subsidiary Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Earned Surplus January 1, 1951, applicable to The U.G.I. Co., adjusted	20,317,640.98	553,935.40	210,427.06	658,903.49	234,719.66	81,415.85	127,942.63	2,261,782.28	220,111.61	201,691.73	20,397.82	24,230,065.02	172,407.70	24,057,657.32
Net Income for Twelve Months Ended December 31, 1951:														
Applicable to Capital Stock of The U.G.I. Co.	2,286,760.59	419,960.56	206,129.24	-	181,116.72	200,668.74	67,004.26	838,498.99	380,329.90	3,501.76	-	4,583,970.76	1,794,739.00	2,789,231.76
Applicable to Minority Interests	-	-	118,874.70	-	75,656.90	-	-	-	-	-	-	194,531.60	194,531.60	-
Other Credits:														
The U.G.I. Co.:														
Net adjustment of Federal Income Taxes for Prior Years	30,911.43	-	-	-	-	-	-	-	-	-	-	30,911.43	-	30,911.43
Taxes for Prior Years	8,357.66	-	-	-	-	-	-	-	-	-	-	8,357.66	-	8,357.66
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiary Companies:														
Net adjustment of Federal Income Taxes for Prior Years	-	21,846.91	(118,874.70)	-	(75,656.90)	-	7,597.02	103,220.74	46,748.85	-	-	179,413.52	(194,531.60)	179,413.52
Applicable to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	(194,531.60)	(194,531.60)	-
Total	22,643,670.66	995,742.87	416,556.30	658,903.49	415,836.38	282,084.59	202,543.91	3,203,502.01	647,190.36	205,193.49	20,397.82	29,032,718.39	1,967,146.70	27,065,571.69
Deductions:														
The U.G.I. Co.:														
Dividend Appropriations on \$13.50 Par Capital Stock (Less dividends on reacquired stock)	2,142,588.70	-	-	-	-	-	-	-	-	-	-	2,142,588.70	-	2,142,588.70
Subsidiary Companies:														
Dividends on Common Stocks of Subsidiary Companies:	-	330,937.50	140,085.00	-	160,737.50	100,000.00	44,550.00	618,429.00	400,000.00	-	-	1,794,739.00	1,794,739.00	-
Applicable to The U.G.I. Co.	-	-	80,787.00	-	67,144.00	-	-	-	-	-	-	147,931.00	147,931.00	-
Applicable to Minority	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interests	-	-	(80,787.00)	-	(67,144.00)	-	-	-	-	-	-	(147,931.00)	(147,931.00)	-
Loss to The Utilities Realty Company on Sale of Land	-	-	-	-	-	-	-	-	-	-	500,853.23	500,853.23	-	500,853.23
Miscellaneous Debit	-	-	-	-	-	-	-	-	-	-	150.87	150.87	-	150.87
Applicable to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	(147,931.00)	(147,931.00)	-
Total	2,142,588.70	330,937.50	140,085.00	-	160,737.50	100,000.00	44,550.00	618,429.00	400,000.00	-	501,004.10	4,438,331.80	1,794,739.00	2,643,592.80
Balance December 31, 1951, Applicable to The U.G.I. Co.	20,501,081.96	664,805.37	276,471.30	658,903.49	255,098.88	182,084.59	157,993.91	2,585,073.01	247,190.36	205,193.49	24,800.28	24,594,386.59	172,407.70	24,421,978.89
Earned Surplus December 31, 1951:														
Applicable to The U.G.I. Co.	20,501,081.96	664,305.37	276,471.30	658,903.49	255,098.88	182,084.59	157,993.91	2,585,073.01	247,190.36	205,193.49	24,800.28	24,594,386.59	172,407.70	24,421,978.89
Applicable to Minority Interests	-	-	159,440.96	-	106,561.06	-	-	-	-	-	-	266,002.02	266,002.02	-
Total	\$20,501,081.96	\$664,805.37	\$435,912.26	\$658,903.49	\$361,659.94	\$182,084.59	\$157,993.91	\$2,585,073.01	\$247,190.36	\$205,193.49	\$24,800.28	\$24,860,388.61	\$172,407.70	\$24,421,978.89

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES
 CONSOLIDATING STATEMENT OF SURPLUS FOR TWELVE MONTHS ENDED DECEMBER 31, 1951
 (Continued)

The
 United Gas
 Improvement
 Company
 (Corporation)

Surplus Reserved for Possible
 Losses on Investments:

Balance January 1, 1951	\$6,173,966.24
Deductions:	
Loss on sale of capital stock of Delaware Coach Company	2,329,044.79
Loss on dissolution of former subsidiary holding company	500.00
Total Deductions	<u>2,329,544.79</u>
Balance December 31, 1951	\$3,844,421.45

The United Gas Improvement Company (Corporation)	The Allentown- Bethlehem Gas Company	The Harrisburg Gas Company	Lebanon Valley Gas Company	Combined Totals	Adjustments and Eliminations (Increase) Decrease	Consolidated Total
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Balance January 1, 1951	\$ 493,822.89	\$205,212.51	\$38,013.18	\$23,502.34	\$760,550.92	\$266,728.03	\$493,822.89
Less:							
Applicable to Minority Interests	493,822.89	205,212.51	<u>11,200.37</u>	<u>23,502.34</u>	<u>11,200.37</u>	<u>11,200.37</u>	<u>493,822.89</u>
Applicable to The U.G.I. Co.			26,812.81		749,350.55	255,527.66	

Credits:
 The U.G.I. Co.:
 Excess of par value of 335,631
 shares of U.G.I. stock reacquired
 over cash and book cost of
 securities delivered under Plan
 of Exchange dated April 12, 1951,
 and related expenses

	330,666.16	-	-	-	330,666.16	-	330,666.16
Subsidiary Company:							
Adjustment of Federal Income Taxes for prior years	-	<u>13,111.29</u>	-	-	13,111.29	<u>13,111.29</u>	-

Balance December 31, 1951, applicable to The U.G.I. Co.	824,489.05	218,323.80	26,812.81	23,502.34	1,093,128.00	268,638.95	824,489.05
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Capital Surplus December 31, 1951: Applicable to The U.G.I. Co.	824,489.05	218,323.80	26,812.81	23,502.34	1,093,128.00	268,638.95	824,489.05
Applicable to Minority Interests	<u>\$824,489.05</u>	<u>\$218,323.80</u>	<u>\$38,013.18</u>	<u>\$23,502.34</u>	<u>\$1,104,328.37</u>	<u>\$279,839.32</u>	<u>\$824,489.05</u>

These are Consolidating Financial Statements, which are an integral part of these statements.

Subject to
 Auditors'
 Verification

CONSOLIDATING STATEMENT OF INCOME

for twelve months ended October 31, 1951.

	The United Gas Improvement Company	Allentown-Bethlehem Gas Company	Consumers Gas Company	The Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The Philadelphia Gas Works Company	Ugite Sales Corporation	The Utilities Realty Company	Combined Total	Eliminations	Consolidated
Operating revenues:													
Gas	-	\$4 057 661	\$2 927 289	\$3 197 197	\$1 392 543	\$4 478 700	\$692 382	-	-	-	\$12 745 772	\$192 880	\$12 552 892
Electric	-	-	-	-	-	-	4 786 856	\$800 000	\$6 066	\$513 201	4 786 856	65 238	4 786 856
Other	-	-	-	-	-	-	-	-	-	-	1 319 267	-	1 254 029
Total operating revenue	-	\$4 057 661	\$2 927 289	\$3 197 197	\$1 392 543	\$4 478 700	\$5 479 238	\$800 000	\$6 066	\$513 201	\$18 851 895	\$258 118	\$18 593 777
Operating revenue deductions:													
Operating expenses	\$672 353	2 647 208	2 021 828	1 966 896	867 007	324 005	2 381 772	172 238	207	230 714	11 284 228	271 138	11 013 090
Maintenance	-	268 162	126 329	226 953	132 873	19 109	392 439	-	-	100 346	1 266 211	-	1 266 211
Provision for depreciation	6 465	337 500	171 649	266 667	73 500	36 667	661 666	-	-	97 554	1 651 668	-	1 651 668
Amortization of utility plant	-	-	-	911	(17 393)	-	-	-	-	-	(16 482)	-	(16 482)
acquisition adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for taxes:													
Federal income	128 085	236 922	241 454	274 709	85 197	32 490	579 266	213 198	-	-	1 791 321	-	1 791 321
Federal excess profits	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal	3 997	15 079	8 047	10 337	6 358	1 611	115 643	315	-	3 122	164 509	-	164 509
State and local	79 825	70 005	47 234	48 751	25 635	8 970	193 292	39 657	805	81 465	595 639	-	595 639
Total operating revenue deductions	\$890 725	\$3 574 876	\$2 616 541	\$2 795 224	\$1 173 177	\$422 852	\$4 324 078	\$425 408	\$1 012	\$513 201	\$16 737 094	\$271 138	\$16 465 956
Operating income	(\$890 725)	\$482 785	\$310 748	\$401 973	\$219 366	\$55 848	\$1 155 160	\$374 592	\$5 054	\$513 201	\$2 114 801	(\$13 020)	\$2 127 821
Other income:													
Dividends	2 660 507	-	-	-	-	-	-	-	-	-	2 660 507	1 748 553	911 954
Interest	368 332	-	95 380	61 448	35 851	13 006	-	256 487	-	-	624 819	323 559	301 260
Merchandising and jobbing	-	-	11 217	-	12 482	-	1 003	-	-	-	218 531	-	218 531
Miscellaneous	207 974	(6)	-	-	-	-	-	-	-	-	220 188	13 020	207 168
Total other income	\$3 236 813	\$95 374	\$72 665	\$35 851	\$12 482	\$13 006	\$1 367	\$256 487	-	-	\$3 724 045	\$2 085 132	\$1 638 913
Gross income	\$2 346 088	\$578 159	\$383 413	\$437 824	\$231 848	\$68 854	\$1 156 527	\$631 079	\$5 054	-	\$5 838 846	\$2 072 112	\$3 766 734
Income deductions:													
Interest on long-term debt	-	131 763	84 123	100 440	31 290	-	212 843	98 871	-	-	543 917	-	543 917
Interest - other	691	35 987	(1 168)	49 876	(10)	210	4 457	154 180	-	-	360 814	323 559	37 255
Interest charged to construction (credit)	-	(26 084)	(1 168)	(4 766)	(10)	-	(2 390)	-	-	-	(34 418)	-	(34 418)
Miscellaneous income deductions	32 464	8 942	11 777	4 978	1 067	1 095	(2 371)	-	-	-	57 952	-	57 952
Dividends on preferred stocks of subsidiaries	-	-	-	21 771	-	-	106 260	-	-	-	128 031	-	128 031
Minority interests	-	-	105 589	78 235	-	-	-	-	-	-	183 824	-	183 824
Total	\$33 155	\$150 608	\$200 321	\$250 534	\$32 347	\$1 305	\$318 799	\$253 051	-	-	\$1 240 120	\$323 559	\$916 561
Net income applicable to The U.G.I. Co.	\$2 312 933	\$427 551	\$183 092	\$187 290	\$199 501	\$57 549	\$837 728	\$378 028	\$5 054	-	\$4 598 726	\$1 748 553	\$2 850 173

EXHIBIT G-3
(Continued)

ASSETS and OTHER DEBITS:

Plant and equipment (including intangibles):
Electric and gas utility plant:

Original cost \$66 573 928
Acquisition adjustments (206 819)
Nonutility plant, at cost 9 034 805
Total \$75 401 914

Investments (at cost or less):

Investment securities: \$432 233
Subsidiary companies, majority owned
Other companies 4 728 908
Other physical property 131 814
Other investments 4 000

Advances to The Philadelphia Gas Works Company, Lessee \$4 864 722
Loans in connection with operation of City of Philadelphia gas works \$5 450 000
Sinking and special funds \$255 161

Current and accrued assets:

Cash on hand and demand deposits in banks 2 729 266
Special deposits 136 894
Temporary cash investments 1 801 406
Accounts receivable: 468
Customers (service) 827 069
Merchandise and jobbing 556 850
Others 46 413
Less reserve for uncollectible accounts (152 916)
The Philadelphia Gas Works Company, Lessee 1 641 996
Receivable in connection with operation of City of Philadelphia gas works (1 366)

Interest, rents and dividends receivable 73 822
Materials and supplies 2 398 952
Prepayments 122 187
Total current and accrued assets \$10 181 939

Deferred debits:

Amount receivable by Ucite Sales Corporation under agreement 450 000
Other 636 054
Total \$1 086 054

Total assets and other debits \$97 239 790(4)

Proposed Adjustments by Reason of	Exchange of Pre-ferred Stock of Luzerne County Gas and Electric Corporation	Exchange of The U.G.I. Co. Capital Stock for Common Stock	Sale of Temporary Investments and Payment of Bank Loans	Reclassification	The U.G.I. Co. After Giving Effect to Parts I and II of the Plan
Resumption of Operation of Northern Liberties Gas Company					
Exchange of Long-Term Debt of Harrisburg Gas Company					
Retirement of Pre-ferred Stock of The Harrisburg Gas Company					
Acquisition of Minority Interests					
	\$432 233				\$71 591 045
	4 728 908				4 728 908
	131 814				5 137 481
	4 000				4 000
	\$4 864 722				\$9 870 389
	\$5 450 000				\$5 450 000 (2)
	\$255 161				\$255 161
	2 729 266				3 057 318
	136 894				137 362
	1 801 406				300 000
	468				
	827 069				838 587
	556 850				561 520
	46 413				46 413
	(152 916)				(154 282)
	1 641 996				1 641 996
	(1 366)				
	73 822				73 822
	2 398 952				2 408 243
	122 187				124 170
	\$10 181 939				\$9 035 149
	450 000				636 054
	636 054				\$636 054
	\$1 086 054				
	\$97 239 790(4)				\$96 837 798

THE UNITED GAS IMPROVEMENT COMPANY and SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET, October 31, 1951,
and THE UNITED GAS IMPROVEMENT COMPANY
PRO FORMA BALANCE SHEET, October 31, 1951
(after giving effect to Parts I and II of the Plan dated December 18, 1951.)

- (1) Reclassification of plant and other investments of former nonutility companies.
- (2) Change in nomenclature of account.
- (3) Restoration of appropriated surplus.

(1) (1 641 996) (2) 1 641 996 (2)
(2) (450 000) (1) (450 000) (1)
(3) (\$646 406) (\$245 643) (\$96 837 798)

NOTES to CONSOLIDATING BALANCE SHEET, Continued.

4. Contingent Liabilities of U.G.I.:

- (a) The U.G.I. is guarantor of \$2,752,000 principal amount of long-term debt and interest thereon of companies no longer affiliated all of which is covered by indemnification agreements of others.
- (b) An agreement dated July 2, 1900, provided for the employment of U.G.I. by Northern Liberties Gas Company as its agent to operate its properties and supply and distribute gas in that portion of the City of Philadelphia which was formerly known as the District of Northern Liberties.

By an agreement dated May 14, 1937, between U.G.I. and The Philadelphia Gas Works Company (a subsidiary) the latter company was substituted as agent under the agreement dated July 2, 1900. Concurrently, Northern Liberties Gas Company consented to this substitution and U.G.I. guaranteed full performance by The Philadelphia Gas Works Company of all obligations under the agency agreement. U.G.I. also guaranteed full payment to Northern Liberties Gas Company of \$39,000 annually and payments for such taxes and assessments, as required in the agreement, for a period of 99 years from July 2, 1900.

- (c) The U.G.I. under agreements of suretyship, guarantees the faithful performance by The Philadelphia Gas Works Company of its obligations, under agreements with the City of Philadelphia, for the operation of the municipal gas works.

THE UNITED GAS IMPROVEMENT COMPANY
and SUBSIDIARY COMPANIES
NOTES to CONSOLIDATING BALANCE SHEET

1. Investment Securities; Equity in Net Assets of Subsidiaries:

The term "cost" as applied to Investment Securities represents the sum of: (a) cash outlay, (b) amounts based upon par or stated value of U.G.I.'s capital stocks issued in exchange for securities, and (c) amounts recorded in prior years, for shares of stock received from certain majority owned subsidiaries as dividends or other distributions on the basis of charges against surplus earned by those subsidiaries subsequent to dates that they were acquired by U.G.I.

The U.G.I.'s equity at October 31, 1951, in net assets of its consolidated subsidiaries, as indicated by their balance sheets at that date, exceeds, by \$4,522,730, U.G.I.'s book investment in capital stocks of such subsidiaries.

2. Basis of Consolidation:

The consolidating statements include those companies of which more than 50 per cent of the voting common stocks was held October 31, 1951.

The financial statements of The Philadelphia Gas Works Company, which are included in the consolidating statements, relate only to its corporate accounts and do not include those recording its transactions with respect to its lessee accounts in connection with the operation of the municipal gas works of the City of Philadelphia and its agency accounts for operation of the Northern Liberties Gas Company.

3. Depreciation:

The balances in the reserves for depreciation have been provided, prior to 1937 and 1939 (for electric and gas properties respectively), under the retirement-reserve method and subsequently under the depreciation method. Under the latter method provisions were based upon the estimated average lives of the major classes of property and were approximately equivalent to amounts claimed or to be claimed as deductions for Federal income tax purposes.

THE UNITED GAS IMPROVEMENT COMPANY and SUBSIDIARY COMPANIES
 CONSOLIDATING BALANCE SHEET, October 31, 1951.

	The United Gas Improvement Company	Allentown-Bethlehem Gas Company	Consumers Gas Company	The Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The Philadelphia Gas Works Company	Ugite Sales Corporation	The Utilities Realty Company	Combined Total	Eliminations	Consolidated
Capital stocks and surplus:											\$16 614 990		\$16 614 990
Capital stock - \$15.50 par value - The U.G.I. Co.	\$16 614 990	-	-	-	-	-	-	-	-	-	24 809 446		24 036 318
Surplus applicable to The U.G.I. Co.:											3 844 921		3 844 921
Earned	20 163 573	\$796 232	\$429 206	\$378 206	\$172 589	\$159 685	\$2 595 904	\$392 943	\$201 692	(\$480 584)	1 106 829		826 989
Reserved for possible losses on investments	3 844 921	218 324	-	38 013	-	23 502	-	-	-	-	-		-
Capital	826 990	-	-	-	-	-	-	-	-	-	-		-
Net excess of equity in capital stocks of subsidiary companies at dates of acquisition or reorganization over investment therein	-	-	-	-	-	-	-	-	-	-	-		(317 690)
Minority interest in subsidiary companies:	-	-	-	-	-	-	-	-	-	-	-		(3 004 454)
Capital stocks	-	-	-	-	-	-	-	-	-	-	-		279 624
Surplus	-	-	-	-	-	-	-	-	-	-	-		2 986 470
Capital stocks - subsidiary companies:													
Preferred	-	6 618 750	5 521 800	483 800	2 500 000	990 000	2 502 670	5 000	250 000	3 808 000	2 986 470		2 986 470
Common	-	6 618 750	5 521 800	3 342 262	2 500 000	990 000	4 417 350	5 000	250 000	3 808 000	27 453 162		27 453 162
Total capital stocks and surplus	\$41 450 474	\$7 633 306	\$5 951 006	\$4 242 281	\$2 672 589	\$1 173 187	\$9 515 924	\$397 943	\$451 692	\$3 327 416	\$76 815 818		\$24 904 362
Long-term debt - subsidiary companies:													
Bonds	-	5 189 000	-	4 020 000	-	-	6 549 000	2 200 000	-	-	15 758 000		15 758 000
Notes payable, banks	-	-	875 000	-	-	-	-	3 250 000	-	2 180 000	2 200 000		2 200 000
Notes payable to parent company - not current	-	-	-	-	-	-	-	-	-	-	9 895 000		9 895 000
Indebtedness to parent company - not current	-	\$5 189 000	\$875 000	\$4 020 000	-	-	\$6 549 000	\$5 450 000	\$3 590 000	\$2 180 000	\$27 853 000		\$17 958 000
Current and accrued liabilities:													
Notes payable, banks	-	200 000	315 000	130 000	1 050 000	-	-	1 300 000	-	-	1 945 000		1 945 000
Advances payable to parent company	-	-	1 455 000	1 245 000	-	-	-	-	-	-	3 750 000		3 750 000
Accounts payable:													
Affiliated companies	-	146 293	9 812	3 372	2 844	16 182	102 217	43 333	-	1 627	75 543		507 680
Others	645 553	-	104 341	92 770	45 923	5 834	26 654	1 798	-	-	672 880		672 880
Dividends declared	-	-	127	546	-	-	1 122	-	-	-	58 977		58 977
Matured interest	-	18 199	1 376	57 855	4 129	3 911	45 363	-	1 020	3 221	2 257 559		2 257 559
Customers' deposits	185 787	712 460	291 750	323 614	98 338	41 830	745 649	31 997	-	-	162 106		162 106
Taxes accrued	-	55 745	32	625	291	106	73 310	383	-	-	117 771		117 771
Interest accrued	23 517	10 899	57 760	5 990	9 130	1 164	7 111	-	150	1 667	117 771		117 771
Other	-	-	-	-	-	-	-	-	-	-	-		-
Total current and accrued liabilities	\$861 734	\$743 596	\$2 235 198	\$1 864 331	\$1 210 655	\$69 027	\$1 001 426	\$1 631 401	\$1 170	\$6 515	\$9 625 052		\$5 799 510
Deferred credits	-	\$112 258	\$51	\$13 891	\$12 023	\$6 247	\$77 673	-	\$152 861	-	\$375 004		\$226 022
Reserves:													
Depreciation	93 449	3 413 914	1 581 055	2 465 040	1 005 867	398 410	7 812 353	41 161	-	3 818 303	20 494 942		20 494 942
Other	-	86 177	165 310	71 550	-	34 700	170 150	41 161	-	9 299	671 796		671 796
Total reserves	\$93 449	\$3 500 091	\$1 746 365	\$2 536 590	\$1 005 867	\$433 110	\$7 982 503	\$41 161	-	\$3 827 602	\$21 166 738		\$21 166 738
Contributions in aid of construction	-	\$47 738	\$36 242	\$42 815	\$576	\$1 865	\$48 828	-	-	-	\$178 064		\$178 064
Total liabilities and other credits	\$42 405 657	\$17 225 989	\$10 843 862	\$12 719 908	\$4 901 710	\$1 683 436	\$25 175 354	\$7 520 505	\$4 195 723	\$9 341 533	\$136 013 677		\$38 773 887

See Notes to Consolidating Balance Sheet, attached hereto.

	The United Gas Improvement Company	Allentown-Bethlehem Gas Company	Consumers Gas Company	The Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The Philadelphia Gas Works Company	Ugite Sales Corporation	The Utilities Realty Company	Combined Total	Eliminations	Consolidated
Plant and equipment (including intangibles):													
Electric and gas utility plant:													
Original cost	-	\$16 049 577	\$9 438 366	\$11 882 176	\$4 619 329	\$1 557 519	\$23 026 961	-	-	-	\$66 573 928	-	\$66 573 928
Acquisition adjustments	-	-	-	11 987	(218 806)	-	-	-	-	\$9 034 805	(206 819)	-	(206 819)
Nonutility plant, at cost	-	-	-	-	-	-	-	-	-	-	9 034 805	-	9 034 805
Investments (at cost or less):													
Investment securities:													
Subsidiary companies, majority owned	\$25 285 049	-	-	-	-	-	-	-	-	-	25 285 049	-	25 285 049
Other companies	4 728 908	-	-	-	-	-	-	-	-	-	4 728 908	-	4 728 908
Indebtedness of subsidiary companies, not current	9 365 000	-	-	-	-	-	-	-	-	-	9 365 000	-	9 365 000
Other physical property and miscellaneous investments	8 289	1 946	75 617	15 134	-	-	31 828	-	-	4 000	136 814	1 000	135 814
Advances to The Philadelphia Gas Works Company, lessee	\$39 387 246	\$1 946	\$75 617	\$15 134	-	-	\$31 828	\$5 450 000	-	\$4 000	\$39 515 771	\$34 651 049	\$4 864 722
Sinking and special funds	\$40 691	\$4 010	\$209 367	-	-	-	\$1 093	-	-	-	\$255 161	-	\$255 161
Current and accrued assets:													
Cash on hand and demand deposits in banks	940 995	182 469	224 014	63 945	78 255	54 663	815 428	123 584	\$26 715	215 698	2 725 766	(3 500)	2 729 266
Special deposits	41 288	842	620	58 974	218	-	27 856	300 000	-	7 096	136 894	-	136 894
Temporary cash investments	1 501 406	-	-	-	-	-	-	-	-	-	1 801 406	-	1 801 406
Accounts receivable:													
Customers (service)	-	120 221	94 504	102 704	52 581	15 115	441 944	-	-	-	827 069	-	827 069
Merchandise and jobbing	-	201 809	126 637	149 056	42 449	19 670	17 229	-	-	-	556 850	-	556 850
Others	8 821	684	144	7 125	1 567	50	16 651	-	29	4 709	39 780	(6 633)	46 413
Less reserve for uncollectible accounts	-	(19 230)	(6 104)	(7 169)	(3 231)	(3 617)	(113 565)	1 641 996	-	-	(152 916)	-	(152 916)
The Philadelphia Gas Works Company, lessee	-	-	1 135	13 888	93	-	-	-	-	84	1 641 996	15 202	1 641 996
Affiliated companies	2	-	-	-	-	-	-	-	-	-	15 202	-	15 202
Interest, rents and dividends receivable:													
Subsidiary companies	391 619	-	-	-	-	-	-	2 136	-	-	391 619	-	391 619
Other	54 856	-	64	-	-	-	1 718	-	-	15 048	73 822	-	73 822
Materials and supplies	-	570 843	303 170	370 820	244 270	38 000	865 192	-	1 962	4 695	2 398 952	-	2 398 952
Prepayments	1 568	28 652	15 284	11 003	10 396	1 284	33 969	-	-	20 031	122 187	-	122 187
Other	9 133	-	-	-	-	-	-	-	-	-	9 133	-	9 133
Total current and accrued assets	\$2 949 688	\$1 086 290	\$759 468	\$770 346	\$426 598	\$125 165	\$2 106 422	\$2 067 716	\$28 706	\$267 361	\$10 587 760	\$405 821	\$10 181 939
Deferred debits:													
Expenditures by Ugite Sales Corporation in connection with construction and operation of experimental plants	-	-	-	-	-	-	-	-	4 167 017	-	4 167 017	-	4 167 017
Amount receivable by Ugite Sales Corporation under agreement	28 032	84 166	361 044	40 265	74 589	752	9 050	2 789	-	35 367	636 054	-	636 054
Other	\$28 032	\$84 166	\$361 044	\$40 265	\$74 589	\$752	\$9 050	\$2 789	\$4 167 017	\$35 367	\$4 803 071	\$3 717 017	\$1 086 054
Total assets and other debits	\$42 405 657	\$17 225 989	\$10 843 862	\$12 719 908	\$4 901 710	\$1 683 436	\$25 175 354	\$7 520 505	\$4 195 723	\$9 341 533	\$136 013 677	\$38 773 887	\$97 239 790

See notes to Consolidating Balance Sheet for details.

Proposed Adjustments by Reason of

	Consolidated Before Adjustment (Preceding Page)	Resumption of Operation of Northern Liberties Gas Company	Exchange of Pre-ferred Stock of The Harrisburg Gas Company	Exchange of Pre-ferred Stock of Luzerne County Gas and Electric Corporation	Exchange of The U.G.I.Co. Capital Stock for Common Stock	Sale of Temporary Cash Investment and Payment of Bank Loans	Reclassification	The U.G.I.Co. After Giving Effect to Parts I and II of the Plan
Operating Revenues:								
Gas	\$12 552 892	\$259 530						\$12 812 422
Electric	4 786 856							4 786 856
Other	1 254 029							1 247 963
Total	\$18 593 777	\$259 530						\$18 847 241
Operating revenue deductions:								
Operating expenses	11 013 090	220 862						(207) 11 233 745
Maintenance	1 266 211	40 077						1 306 288
Provision for depreciation	1 635 186	6 687						1 641 873
Federal income	1 791 321							1 791 321
Federal excess profits		430						164 939
Other Federal	164 509	1 779						596 613
State and local	595 639							(805) 164 939
Total	\$16 465 956	\$269 835						(\$1 012) \$16 734 779
Operating income	\$2 127 821	(\$10 305)						(\$5 054) \$2 112 462
Other income:								
Dividends	911 954							911 954
Interest	301 260							294 574
Merchandising and jobbing	218 531	2 816						221 347
Miscellaneous	207 168	583						212 805
Total	\$1 638 913	\$3 399						5 054 911 954
Gross income	\$3 766 734	(\$6 906)						(\$6 686) \$5 054 \$1 640 680
Deductions from gross income:								
Interest on long-term debt	543 917	395						(28 082) 543 917
Interest, other	37 255							9 568
Interest charged to construction, credit	(34 418)							(34 418)
Miscellaneous income deductions	57 952							50 651
Dividends on preferred	128 031							(7 301) 128 031
Stocks of subsidiaries	183 824							(106 260) 183 824
Minority interests								
Total	\$916 561	\$395						(\$28 082) (\$113 561) \$569 718
Net income applicable to The U.G.I. Company	\$2 850 173	(\$7 301)						(\$21 771) \$21 771
Dividends on preferred stock, The U.G.I. Company								\$21 396 \$113 561 \$3 183 424
Net income applicable to common stock								\$106 260 106 260

THE UNITED GAS IMPROVEMENT COMPANY and SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT of INCOME
for twelve months ended October 31, 1951,
and THE UNITED GAS IMPROVEMENT COMPANY
PRO FORMA STATEMENT of INCOME
for twelve months ended October 31, 1951.
(after giving effect to Parts I and II
of the Plan dated December 18, 1951)

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES

CORPORATE AND FINANCIAL RELATIONS

OCTOBER 31, 1951

AS PRESENTLY CONSTITUTED

THE UNITED GAS IMPROVEMENT COMPANY (Organized June 1, 1882) Incorporated Pennsylvania August 21, 1925		
CAPITALIZATION:	Authorized	Outstanding
Capital Stock, par \$13.50	(shs. 2,414,759)	*shs. 1,230,740 \$16,614,990
* Excludes 9,219 shares held by Company.		

SUBSIDIARY UTILITY COMPANIES

ALLENTOWN-BETHLEHEM GAS COMPANY Incorporated Pennsylvania September 9, 1930		
CAPITALIZATION:	Authorized	Outstanding
1st Mortgage Bonds	Unlimited	-
*3-3/4% Series, due 9-1-65 (M-S)	(\$2,740,000)	\$2,219,000
3-1/4% Series, due 12-1-68 (J-D) ----- Issued	(\$1,500,000)	\$1,470,000
3.348% Series, due 6-1-76 (J-D)	(\$1,500,000)	\$1,500,000
Notes Payable - Banks	-	\$200,000
Common Stock, par \$50	(shs. 200,000)	**shs. 132,375 \$6,618,750
* Reduced to 3%, effective March 1, 1947.		
** The United Gas Improvement Company owns all.		

LANCASTER COUNTY GAS COMPANY Incorporated Pennsylvania January 20, 1949		
CAPITALIZATION:	Authorized	Outstanding
Advances - The U.G.I. Co.	-	\$1,050,000
Capital Stock, par \$50	(shs. 50,000)	*shs. 50,000 \$2,500,000
* The United Gas Improvement Company owns all.		

LEBANON VALLEY GAS COMPANY Incorporated Pennsylvania October 1, 1926		
CAPITALIZATION:	Authorized	Outstanding
Preferred Stock, par \$50, Cumulative	shs. 4,842	-
Common Stock, par \$50	(shs. 20,000)	*shs. 19,800 \$990,000
* The United Gas Improvement Company owns all.		

CONSUMERS GAS COMPANY Incorporated Pennsylvania March 20, 1913		
CAPITALIZATION:	Authorized	Outstanding
Notes Payable - Banks	-	\$315,000
4% Promissory Note, due 9-1-53 - The U.G.I. Co.	-	\$875,000
Advances - The U.G.I. Co.	-	\$1,455,000
Capital Stock, par \$25	(shs. 280,000)	*shs. 220,872 \$5,521,800
* The United Gas Improvement Company owns 140,085 shares (63.42%)		

LUZERNE COUNTY GAS AND ELECTRIC CORPORATION Incorporated Pennsylvania December 22, 1924		
CAPITALIZATION:	Authorized	Outstanding
1st Mortgage Bonds	Unlimited	-
3-1/4% Series, due 1-1-66 (J-J) ----- Issued	\$7,500,000	\$6,549,000
Preferred Stock, par \$100, Cumulative	shs. 36,000	-
4-1/4% Series	(shs. 25,000)	shs. 25,000 \$2,500,000
Premium on Preferred Stock	-	\$2,670
Common Stock, no par	(shs. 176,694)	*shs. 176,694 \$4,417,350
* The United Gas Improvement Company owns all.		

THE HARRISBURG GAS COMPANY Incorporated Pennsylvania October 2, 1924		
CAPITALIZATION:	Authorized	Outstanding
1st Mortgage Bonds	Unlimited	-
2-5/8% Series, due 5-1-71 (M-N)	(\$2,200,000)	\$2,035,000
3-1/8% Series, due 5-1-71 (M-N) ----- Issued	(\$1,000,000)	\$985,000
3.15% Series, due 5-1-76 (M-N)	(\$1,000,000)	\$1,000,000
Notes Payable - Banks	-	\$130,000
Advances - The U.G.I. Co.	-	\$1,245,000
Preferred Stock, par \$100, Cumulative	shs. 25,000	-
4-1/2% Series	(shs. 5,000)	shs. 4,838 \$483,800
Common Stock, no par	(shs. 60,000)	*shs. 41,433 \$3,342,262
* The United Gas Improvement Company owns 29,225 shares (70.54%).		

THE PHILADELPHIA GAS WORKS COMPANY Incorporated Pennsylvania July 14, 1927		
CAPITALIZATION:	Authorized	Outstanding
Notes Payable - Banks	-	\$3,500,000
Advances - The U.G.I. Co.	-	\$3,250,000
Capital Stock - par \$100	(shs. 50)	*shs. 50 \$5,000
* The United Gas Improvement Company owns all.		

SUBSIDIARY NON-UTILITY COMPANIES

THE UTILITIES REALTY COMPANY Incorporated Pennsylvania February 26, 1925		
CAPITALIZATION:	Authorized	Outstanding
Advances - The U.G.I. Co.	-	\$2,180,000
Capital Stock, par \$50	(shs. 150,000)	*shs. 76,160 \$3,808,000
* The United Gas Improvement Company owns all.		

UGITE SALES CORPORATION Incorporated Delaware January 27, 1928		
CAPITALIZATION:	Authorized	Outstanding
Advances - The U.G.I. Co.	-	\$185,000
Capital Stock, no par	(shs. 2,500)	*shs. 2,500 \$250,000
* The United Gas Improvement Company owns all.		

THE UNITED GAS IMPROVEMENT COMPANY

UNDER PROPOSED PLAN

CAPITALIZATION:	Authorized	Outstanding
1st Mortgage Bonds:	Unlimited	-
2-5/8% Series due 5/1/71 (M-N) - Issued	\$2,200,000	\$2,035,000
3% Series due 9/1/65 (M-S) - Issued	\$2,740,000	\$2,219,000
3-1/8% Series due 5/1/71 (M-N) - Issued	\$1,000,000	\$985,000
3.15% Series due 5/1/76 (M-N) - Issued	\$1,000,000	\$1,000,000
3-1/4% Series due 1/1/66 (J-J) - Issued	\$7,500,000	\$6,549,000
3-1/4% Series due 12/1/68 (J-D) - Issued	\$1,500,000	\$1,470,000
3.348% Series due 6/1/76 (J-D) - Issued	\$1,500,000	\$1,500,000
Notes Payable - Banks	-	\$3,500,000
Preferred Stock, par \$100, Cumulative	shs. 50,000	-
4-1/4% Series	(shs. 25,000)	shs. 25,000 \$2,500,000
Common Stock, par \$13.50	(shs. 2,414,759)	*shs. 1,344,202 \$18,146,727
* Excludes 9,219 shares held by Company.		

Extract from minutes of meeting of the Board of Directors of
The United Gas Improvement Company held December 18, 1951.

COMPREHENSIVE PLAN PURSUANT TO SECTION 11(e)
OF THE PUBLIC UTILITY HOLDING COMPANY
ACT OF 1935

The President presented a plan, the purpose of which is to achieve greater efficiency and economy in the operation of this Company and its system companies, to effect a tax saving, to enable the stockholders of this Company to hold directly their investment in its subsidiary companies, to complete compliance by this Company and its system companies with the provisions of Section 11 of the Public Utility Holding Company Act of 1935 and for this Company to cease to be a holding company. He stated that the plan is divided into four parts and provides, in substance, for (1) conversion of this Company into a Pennsylvania public utility company; (2) the merger into this Company of all of its public utility subsidiaries and for the dissolution of its non-utility subsidiaries, this Company to remain the surviving and continuing corporation and to conduct as one public utility operating company the operations now conducted by this Company and its various subsidiaries in Pennsylvania; (3) the disposal by this Company of its securities in non-subsidiary companies (except Delaware Coach Company); and (4) the obtaining of an Order under the Public Utility Holding Company Act of 1935 that this Company has ceased to be a holding company and that its registration under the Act will cease to be in effect. The Chairman stated that said plan was subject to the approval of the Securities and Exchange Commission and parts 1 and 2 thereof, to the approval of the proper district court of the United States and the Pennsylvania Public Utility Commission. A copy of said plan was ordered filed in the office of the Secretary.

Whereupon, after full discussion, and on motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the comprehensive plan of this Company pursuant to Section 11(e) of the Public Utility Holding Company Act of 1935, presented at this meeting, be and it hereby is approved in substantially the form submitted, it being deemed that said plan is necessary and appropriate to effectuate the provisions of Section 11(b) of the Public Utility Holding Company Act of 1935, and is fair and equitable to the persons affected thereby.

RESOLVED, that the proper officers of this Company be and they hereby are authorized and directed to execute and file in the name and on behalf of this Company with the Securities and Exchange Commission an application and any amendments thereto and such other documents and papers as may be required by or considered advisable under the provisions of the Public Utility Holding Company Act of 1935, in order that this Company may be in a position to carry out said plan and any amendments thereto.

RESOLVED, that the proper officers of this Company be and they hereby are authorized and directed to execute and file in the name and on behalf of this Company with the Pennsylvania Public Utility Commission an application or applications and any amendments thereto and such other documents and papers as may be required by or considered advisable under the provisions of the Pennsylvania Public Utility Law, in order that this Company may be in a position to carry out parts 1 and 2 of said plan and any amendments thereto.

RESOLVED, that upon obtaining the approval of the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 to the plan and any amendments thereto and of the proper district court of the United States, and of the Pennsylvania Public Utility Commission to parts 1 and 2 of the plan and any amendments thereto, the proper officers of this Company be and they hereby are authorized and empowered to execute and deliver in the name and on behalf of this Company such agreements, instruments, securities, documents and other papers, to make such payments, and generally to take any and all such action as may be requisite or desirable to carry out said plan and any amendments thereto in accordance with the terms and provisions thereof.

THE UNITED GAS IMPROVEMENT COMPANY AND SUBSIDIARY COMPANIES
STATEMENT OF PLANT ACCOUNTS BY FUNCTIONAL GROUPS
OTHER PHYSICAL PROPERTY AND RELATED RESERVES
AT OCTOBER 31, 1951

Exhibit C

	Alleentown-Bethlehem Gas Company	Consumers Gas Company	The Harrisburg Gas Company	Lancaster County Gas Company	Lebanon Valley Gas Company	Luzerne County Gas and Electric Corporation	The Philadelphia Gas Works Company	Ugite Sales Corporation	The Utilities Realty Co.	The United Improvement Company	The United Gas Improvement Co., Proforma Giving Effect to Parts I and II OF THE PLAN
Gas Plant											
Intangible Plant	\$ 41,032.03	\$ 15,380.24	\$ 49,760.68	\$ 6,388.76	\$ 6,819.76	\$ 2,585.00	\$ -	\$ -	\$ -	\$ 1,488.00	\$ 123,444.47
Production Plant	3,229,187.51	3,008,926.34	3,062,296.56	1,824,329.52	-	425,165.52	-	-	-	419,660.56	11,969,566.01
Storage Plant	1,033,617.94	684,945.31	765,219.03	164,977.01	55,073.08	149,401.77	-	-	-	-	2,853,234.14
Distribution Plant	9,181,889.39	4,899,654.96	6,365,774.99	2,291,413.87	1,397,252.61	2,198,351.03	-	-	106,948.86	11,084.33	26,334,336.85
General Plant	864,718.86	434,124.02	699,123.65	257,877.82	96,953.57	64,840.25	-	-	106,948.86	432,232.89	43,816,252.83
Total	14,350,435.73	9,043,030.87	10,942,174.91	4,544,986.98	1,556,099.02	2,840,343.57	-	-	106,948.86	432,232.89	3,129,918.53
Construction Work in Progress	1,699,141.11	395,334.95	940,000.84	74,342.27	1,419.69	19,679.67	-	-	-	-	(206,819.21)
Plant Acquisition Adjustments	-	-	11,987.09	(218,806.30)	-	-	-	-	-	-	46,739,352.15
Total Gas Plant	16,049,576.84	9,438,365.82	11,894,162.84	4,400,522.95	1,557,518.71	2,860,023.24	-	-	106,948.86	432,232.89	46,739,352.15
Electric Plant											
Intangible Plant	-	-	-	-	-	3,490.00	-	-	-	-	3,490.00
Production Plant - Steam	-	-	-	-	-	11,519,399.76	-	-	-	-	11,519,399.76
Transmission Plant	-	-	-	-	-	2,908,776.43	-	-	-	-	2,908,776.43
Distribution Plant	-	-	-	-	-	4,873,018.88	-	-	-	-	4,873,018.88
General Plant	-	-	-	-	-	90,331.51	-	-	-	-	90,331.51
Total	-	-	-	-	-	19,395,016.58	-	-	-	-	19,395,016.58
Construction Work in Progress	-	-	-	-	-	171,012.81	-	-	-	-	171,012.81
Total Electric Plant	-	-	-	-	-	19,566,029.39	-	-	-	-	19,566,029.39
Common Plant											
Intangible Plant	-	-	-	-	-	69,763.02	-	-	-	-	69,763.02
General Plant	-	-	-	-	-	531,145.62	-	-	-	-	531,145.62
Total Common Plant	-	-	-	-	-	600,908.64	-	-	-	-	600,908.64
Total	16,049,576.84	9,438,365.82	11,894,162.84	4,400,522.95	1,557,518.71	23,026,961.27	-	600,000	4,346,034.76	66,922.00	5,137,481.69
Other Physical Property	1,946.42	75,616.52	15,134.03	-	-	31,828.36	-	600,000	4,346,034.76	66,922.00	5,137,481.69
Total	\$16,051,523.26	\$9,513,982.34	\$11,909,296.87	\$4,400,522.95	\$1,557,518.71	\$23,058,789.63	\$-	\$600,000	\$9,033,805.27	\$603,087.36	\$76,728,526.39
Reserve for Depreciation	\$ 3,413,914.37	\$1,581,054.55	\$ 2,465,040.36	\$1,005,866.39	\$ 398,410.20	\$ 7,812,352.54	-	-	-	-	\$20,590,585.64
Reserve for Amortization of Other Limited Term Gas Investment	-	-	-	-	-	-	-	-	-	101,874.00	101,874.00

Note (A) Assuming resumption of Operations of Northern Liberties Gas Company (Part I of Plan).

RECEIVED

APR 10 9 07 AM 1952

SECRETARY'S OFFICE
PUBLIC UTILITY COMM.

PROOFS OF PUBLICATION OF NOTICE OF HEARING

RE APPLICATION NO. 78264

Proof of Publication Notice in the Morning Call

Under Act No. 587, Approved May 16, 1929 and its amendments

A 75264

STATE OF PENNSYLVANIA
COUNTY OF LEHIGH

SS:

COPY OF NOTICE OR ADVERTISEMENT

Notice is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies; and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264)

A public hearing upon this application will be held in Rooms 201-209 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 3, 1952, at 10:00 a.m., where and when all persons in interest may appear and be heard, if they so desire.

THE UNITED GAS IMPROVEMENT COMPANY
ALLENTOWN-BETHEHEM GAS COMPANY
CONSUMERS GAS COMPANY
THE HARRISBURG GAS COMPANY
LANCASTER COUNTY GAS COMPANY
LEBANON VALLEY GAS COMPANY
LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
THE PHILADELPHIA GAS WORKS COMPANY

R. J. Hummel, Business Manager..... of the CALL-CHRONICLE NEWSPAPERS, INC. of the County and State aforesaid, being duly sworn, deposes and says that THE MORNING CALL is a newspaper of general circulation as defined by the aforesaid Act, whose place of business is 101 North Sixth Street, City of Allentown, County and State aforesaid, and that the said newspaper was established in 1888 since which date THE MORNING CALL has been regularly issued in said County, and that the printed notice or advertisement attached hereto is exactly the same as was printed and published in regular editions and issues of the said THE MORNING CALL on the following dates, viz.:

Call & Chronicle 24th.....
..... and the 31st day of March, A. D. 1952.

Affiant further deposes that he is the designated agent duly authorized by CALL-CHRONICLE NEWSPAPERS, INC., a corporation, publisher of said THE MORNING CALL, a newspaper of general circulation, to verify the foregoing statement under oath, and that affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statements as to time, place and character of publication are true.

R. J. Hummel Business Manager.....
Designated Agent, Call-Chronicle Newspapers, Inc.

SWORN to and subscribed before me this 31st..... day of
March..... 1952.

Mrs. Blanche Lucas.....
Notary Public

My Commission Expires: January 4, 1953

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

The CALL-CHRONICLE NEWSPAPERS, INC., publisher of THE MORNING CALL, a newspaper of general circulation, hereby acknowledges receipt of the aforesaid notice and publication costs and certifies that the same have been duly paid.

RECORD FOLDER
A-75A

APR 1 1952

CALL-CHRONICLE NEWSPAPERS, INC., a Corporation,
Publishers of THE MORNING CALL
A Newspaper of General Circulation

By.....

Proof of Publication of Notice in Bethlehem Globe-Times

Under Act No. 587, Approved May 16, 1929

A 75267

State of Pennsylvania }
County of Northampton } ss:

B. Ellis Service, being duly sworn, deposes and says:

I. That he is General Manager of The Bethlehems' Globe Publishing Company, a corporation which is the owner and publisher of the Bethlehem Globe-Times, a daily newspaper, published at No. 202 W. Fourth Street, Bethlehem, Pa., the immediate successor of the Bethlehem Globe, a daily newspaper established in 1894, and of the Bethlehem Times, a daily newspaper established in 1867, which newspapers were merged on October 19, 1925, since which date said Bethlehem Globe-Times

[Copy of Advertisement]

has been regularly issued daily in said County, except Sundays; and that the copy of the printed notice or publication attached hereto is exactly as printed and published in the regular editions and issues of the said daily newspaper on the following dates, viz.:

March 24, and 31, 1952

2. That the affiant is not interested in the subject matter of the notice or advertising, and that all of the allegations of the statement as to the time, place and character of publication are true.

B. Ellis Service

Sworn to and subscribed before me

this 31 day of March

A. D. 1952

B. Ince McCafferty

NOTARY PUBLIC

My Commission Expires January 7, 1955

Statement of Advertising Costs

Albert Frank, Guenther Law, Inc.

Packard Building

Philadelphia 2, Penna.

To BETHLEHEM GLOBE-TIMES, Dr.

For publishing the notice or advertisement

attached hereto on the above dates . . .	\$ 13.64
Affidavits	1.00
Total	14.64

Publisher's Receipts for Advertising Costs

The Bethlehems' Globe Publishing Company, owner of said daily newspaper, hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same has been fully paid.

THE BETHLEHEMS' GLOBE PUBLISHING COMPANY.

APR 17 1952
Entered No. *1*

By
RECORDED
INDEXED

Proof of Publication of Notice in The Easton Express

Under Act No. 587, Approved May 16, 1929.

State of Pennsylvania, }
County of Northampton } ss:

A78264

F. Edgar Bossard, Classified Manager of the EASTON PUBLISHING COMPANY, a corporation of the County and State aforesaid, being duly sworn, deposes and says that THE EASTON EXPRESS is a daily newspaper published at 30 No. 4th St., City of Easton, County and State aforesaid, which was established in the year 1855, since which date said daily newspaper has been regularly issued in said County, and that a copy of the printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said daily newspaper on the following dates, viz.:.....

March 24th and the 31st day of March, A. D. 19 52

Affiant further deposes that he is an officer duly authorized by the EASTON PUBLISHING COMPANY, a corporation, publisher of The EASTON EXPRESS, a daily newspaper, to verify the foregoing statement under oath and also declares that affiant is not interested in the subject matter of the aforesaid notice or publication and that all allegations in the foregoing statement as to time, place and character of publication are true.

F. Edgar Bossard
Classified Manager, Easton Publishing Company, a corporation

Copy of notice or publication

Notice is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies, and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264)

A public hearing upon this application will be held in Room 201-203 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 8, 1952, at 10:00 a.m., where and when all persons in interest may appear and be heard, if they so desire.

THE UNITED GAS IMPROVEMENT COMPANY
ALLENTOWN-BETHLEHEM GAS COMPANY
CONSUMERS GAS COMPANY
THE HARRISBURG GAS COMPANY
LANCASTER COUNTY GAS COMPANY
LEBANON VALLEY GAS COMPANY
LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
THE PHILADELPHIA GAS WORKS COMPANY

Sworn to and subscribed before me this 31st day of March 19 52

M. N. Kressman
M. N. Kressman, Notary Public.

My Commission Expires March 16, 1951.

Statement of Advertising Costs

Albert Frank-Guenther Law, Inc.,

131 Cedar Street,
New York 6, N. Y.

To Easton Publishing Company, Dr.

For publishing the notice or advertisement attached hereto on the above stated dates - -	\$ 31.80
Probating same - - - - -	\$ 1.50
Total - - - - -	\$ 33.30

Publisher's Receipt for Advertising Costs

The EASTON PUBLISHING COMPANY, a corporation, publisher of The EASTON EXPRESS, a daily newspaper, hereby acknowledges receipt of the aforesaid advertising and publication costs, and certifies that the same have been fully paid.

Office
30 No. 4th St.,
Easton, Pa.
Established 1855
Dial 7171

APR 17 1952 EASTON PUBLISHING CO., a Corporation, Publisher
of The EASTON EXPRESS, a Daily Newspaper

ENTRY NO. _____

By _____

Proof of Publication of Notice in Reading Eagle and Reading Times

Under Act No. 587, Approved May 16, 1929.

A 78264

State of Pennsylvania, }
County of Berks } ss:

Edith L. Turner, Assistant Secretary of the Reading Eagle Co., of the County and State aforesaid, being duly sworn, deposes and says that the READING EAGLE established January 28, 1868 and READING TIMES established July 19, 1858 are newspapers of general circulation published at 30 N. Fourth Street, City of Reading, County and State aforesaid, and that the printed notice or publication attached hereto is exactly the same as printed and published in the regular editions and issues of the said READING EAGLE and READING TIMES on the following dates, viz.:

Reading Eagle March, 24th, and 31st, A. D. 19 52
Reading Times March, 24th, and 31st, A. D. 19 52

Affiant further deposes that he is duly authorized by the READING EAGLE COMPANY, a corporation, publisher of said READING EAGLE and READING TIMES, newspapers of general circulation, to verify the foregoing statement under oath, and affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statements as to time, place and character of publication are true.

Edith L. Turner

Copy of Notice or Publication

Notice is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies; and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264)

A public hearing upon this application will be held in Rooms 201-209 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 8, 1952, at 10:00 a.m., where and when all persons in interest may appear and be heard, if they so desire.

THE UNITED GAS IMPROVEMENT COMPANY
ALLENTOWN-BETHLEHEM GAS COMPANY
CONSUMERS GAS COMPANY
THE HARRISBURG GAS COMPANY
LANCASTER COUNTY GAS COMPANY
LEBANON VALLEY GAS COMPANY
LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
THE PHILADELPHIA GAS WORKS COMPANY

Sworn to and subscribed before me this 1st day of April, 19 52

Muriel D. Tholme
Notary Public.

My commission expires: **MY COMMISSION WILL EXPIRE APRIL 9, 1955**

Statement of Advertising Costs

Albert Frank - Guenther Law, Inc., Adv.,
Packard Building,
Philadelphia 2, Pa.

To READING EAGLE-TIMES, Dr.
For publishing the notice or publication attached hereto on the above stated dates.....\$ 22.00
Probating same 2 Affidavits\$.75
Total\$ 22.75

Publisher's Receipt for Advertising Costs

The READING EAGLE COMPANY, publisher of the READING EAGLE and READING TIMES, newspapers of general circulation, hereby acknowledges receipt of the aforesaid notice and publication costs and certifies that the same have been duly paid.

READING EAGLE COMPANY, a Corporation.

FILED
FOLDER

APR 17 1952
ENTR

Proof of Publication of Notice in The Patriot and The Evening News

Under Act No. 587, Approved May 16, 1929.

A 78264

Commonwealth of Pennsylvania, } ss:
County of Dauphin, }

..... Benj. F. Lantz being duly sworn according to law, deposes and says:
Ass't.

That he is the... Treasurer of THE PATRIOT-NEWS CO., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 11 North Second Street, in the City of Harrisburg, County of Dauphin, State of Pennsylvania, owner and publisher of THE PATRIOT and THE EVENING NEWS, newspapers of general circulation, printed and published at 11 North Second Street, in the City, County and State aforesaid; that THE PATRIOT and THE EVENING NEWS were established March 4th, 1854, and February 15th, 1917, respectively, and both have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular editions and issues which appeared on the... 24th and 31st days of March 1952..

That neither he nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true; and

That he has personal knowledge of the facts aforesaid and is duly authorized and empowered to verify this statement on behalf of The Patriot-News Co. aforesaid by virtue and pursuant to a resolution unani- mously passed and adopted severally by the stockholders and board of directors of the said Company and sub- sequently duly recorded in the office for the Recording of Deeds in and for the said County of Dauphin in Miscellaneous Book G, Volume 6, Page 512.

Copy of Notice or Publication

Notice is hereby given that an applica- tion has been filed with the Pennsylvania Public Utility Commission, under the pro- visions of the Public Utility Law, by The United Gas Improvement Company, Alleh- town-Bethlehem Gas Company, Consum- ers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Com- pany, Lebanon Valley Gas Company, Lu- zerne County Gas and Electric Corpora- tion and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Im- provement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies; and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies nec- essary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264)

A public hearing upon this application will be held in Rooms 201-209 Harrison Building, 15th and Market Streets, Phila- delphia, on Tuesday, April 8, 1952, at 10:00 a. m., where and when all persons in interest may appear and be heard, if they so desire.

The United Gas Improvement Company
Allentown-Bethlehem Gas Company
Consumers Gas Company
The Harrisburg Gas Company
Lancaster County Gas Company
Lebanon Valley Gas Company
Luzerne County Gas and Electric Corporation
The Philadelphia Gas Works Company

..... *Benj. F. Lantz*
Sworn to and subscribed before me this... 2nd day of
April....., A D. 1952..... *John C. Jettahoff*
Notary Public
My commission expires... January. 22nd, 1953

Statement of Advertising Costs

Albert Frank-Guenther Law, Inc.
Packard Bldg.
Philadelphia 2, Penna.....
To THE PATRIOT-NEWS CO., Dr.

For publishing the notice or publication attached hereto on the above
stated dates - - - - - \$.. 32.20.....
Probating same - - - - - \$..... 50.....
Total - - - - - \$.. 32.70.....

Publisher's Receipt for Advertising Costs

THE PATRIOT-NEWS CO., publisher of THE PATRIOT and THE EVENING NEWS, newspapers of gen- eral circulation, hereby acknowledge receipt of the aforesaid notice and publication costs and certifies that the same have been duly paid.

RECORD
FOLDER

APR 17 1952
By

THE PATRIOT-NEWS CO., a Corporation,
Publisher of THE PATRIOT and THE EVENING NEWS,
Newspapers of General Circulation

Proof of Publication of Notice in

Under Act No. 587, Approved May 16, 1929

A75264

State of Pennsylvania, }
County of Lancaster } ss:

Dorothy Wenninger of the County and State aforesaid, being duly sworn, deposes and says that the Intelligencer Journal and Lancaster New Era, a daily newspaper of general circulation published at Lancaster, County and State aforesaid, was established 1794 1864 since which date said daily newspaper has been regularly issued in said county, and that a copy of the printed notice or publication is attached hereto exactly the same as was printed and published in the regular editions and issues of said daily newspaper on the following dates, viz: March 24 31 1952 and the _____ day of _____ A. D. 19____

Affiant further deposes that he is Adv. Clerk duly authorized by the Lancaster Newspapers Inc. Intelligencer Journal and Lancaster New Era, a corporation, publisher of said _____, a newspaper of general circulation, to verify the foregoing statement under oath, and also declares that affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Copy of Notice or Publication

Dorothy Wenninger

LEGAL

Notice is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company, by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies, and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264).

A public hearing upon this application will be held in Rooms 201-203 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 8, 1952, at 10:00 a.m., where and when all persons in interest may appear and be heard, if they so desire.

THE UNITED GAS IMPROVEMENT COMPANY
ALLENTOWN-BETHLEHEM GAS COMPANY
CONSUMERS GAS COMPANY
THE HARRISBURG GAS COMPANY
LANCASTER COUNTY GAS COMPANY
LEBANON VALLEY GAS COMPANY
LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
THE PHILADELPHIA GAS WORKS COMPANY

Sworn and subscribed to before me this 31st day of March 1952
Marvin Lester
Notary Public
My commission expires April 18 1953

Statement of Advertising Costs

To _____ Dr.
For publishing the notice or publication attached hereto on the above stated dates \$ _____
Probating same \$ _____
Total \$ _____

Publisher's Receipt for Advertising Costs

The _____, publisher of the _____, a daily newspaper of general circulation, hereby acknowledges receipt of the aforesaid notice and publication costs and certifies that the same have been duly paid.

By
RECORD FOLDER

APR 12 1952

Proof of Publication of Notice in Lebanon Daily News and Times

Under Act No. 587, Approved May 16, 1929

Commonwealth of Pennsylvania,
County of Lebanon,

ss:

A7826

.. H. I. HOFFLEY being duly sworn according to law deposes and says:
He is... Auditor of LEBANON NEWS PUBLISHING COMPANY, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 24 South Eighth Street, in the City of Lebanon, County of Lebanon, State of Pennsylvania; that the said Company is the owner and publisher of the Lebanon Daily News and Times, a newspaper of general circulation printed and published at 24 South Eighth Street, in the City, County and State aforesaid; that the Lebanon Daily News and Times was established in 1872, and has been continuously published ever since; that the printed notice or publication which is securely attached hereto is exactly as printed and published in regular editions and issues which appeared on the.. March 24 &....

March 31..... A. D. 19. 52.

Affiant further deposes and says that he is duly authorized by said Company to verify this statement, and that neither he nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true.

RESOLVED. That the President, Secretary, Treasurer, Assistant Treasurer and Auditor of this corporation hereby severally authorized and empowered to execute the verified statement in the proofs of publication on behalf of this corporation as the owner and publisher of the Lebanon Daily News and Times as required by the Newspaper Advertising Act, Act of May 16, 1929, P. L. 1784.

H. I. Hoffley

Copy of Notice or Publication

Sworn to and subscribed before me this... 31st day of March....
A. D. 19. 52.

.....
Notary Public.
My commission expires February 1, 1953.

Statement of Advertising Costs

To LEBANON DAILY NEWS AND TIMES, Dr.

For Publishing the notice or publication attached hereto

on the above stated dates..... \$..16.43....

Probating same..... 2 Affidavits \$.....:75....

Total \$..17.18....

Notice is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies; and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264)

A public hearing upon this application will be held in Room 201-209 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 8, 1952, at 10:00 a.m., where and when all persons in interest may appear and be heard, if they so desire.

THE UNITED GAS IMPROVEMENT COMPANY
ALLENTOWN-BETHELEHEM GAS COMPANY
CONSUMERS GAS COMPANY
THE HARRISBURG GAS COMPANY
LANCASTER COUNTY GAS COMPANY
LEBANON VALLEY GAS COMPANY
LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
THE PHILADELPHIA GAS WORKS COMPANY

RECORD FOLDER

Publisher's Receipt for Advertising Costs.

THE LEBANON NEWS PUBLISHING COMPANY, publishers of the LEBANON DAILY NEWS AND TIMES, a newspaper of general circulation, hereby acknowledges receipt of the aforesaid notice and publication costs and certifies that the same have been duly paid.

LEBANON NEWS PUBLISHING COMPANY, a Corporation,
Publisher of LEBANON DAILY NEWS AND TIMES, a Newspaper
of General Circulation.

APR 17 1952

By *H. I. Hoffley*

PROOF OF PUBLICATION

WILKES BARRE
TIMES LEADER

THE EVENING NEWS

(Under Act No. 587, approved May 16th, 1929)

A 78264

STATE OF PENNSYLVANIA,
COUNTY OF LUZERNE ss:

Kitty O. Cannon being duly sworn according to law, deposes and says that she is bookkeeper for the TIMES-LEADER-THE EVENING NEWS of Wilkes-Barre, Pa., a daily newspaper published in the city of Wilkes-Barre, County of Luzerne and State aforesaid, by the WILKES-BARRE PUBLISHING COMPANY; that the said TIMES-LEADER-THE EVENING NEWS was established in 1939, and that the printed notice for publication hereto attached is exactly as printed in the regular editions of the TIMES-LEADER-THE EVENING NEWS on the following dates, viz:

March 24-31-1952

Affiant further deposes and says that the TIMES-LEADER-THE EVENING NEWS is a newspaper of general circulation, and that neither the affiant nor the TIMES-LEADER-THE EVENING NEWS is interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Kitty O. Cannon
Sworn to before me this 31st day
of March, 1952
James H. Hopper

MY COMMISSION EXPIRES
JANUARY 27, 1953

Notice is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of: (1) the transfer by merger of all the property rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies; and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264)

A public hearing upon this application will be held in Rooms 201-209 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 8, 1952, at 10:00 a.m., where and when all persons in interest may appear and be heard, if they so desire.

- THE UNITED GAS IMPROVEMENT COMPANY
- ALLENTOWN-BETHLEHEM GAS COMPANY
- CONSUMERS GAS COMPANY
- THE HARRISBURG GAS COMPANY
- LANCASTER COUNTY GAS COMPANY
- LEBANON VALLEY GAS COMPANY
- LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
- THE PHILADELPHIA GAS WORKS COMPANY

WILKES BARRE
TIMES LEADER Dr.
THE EVENING NEWS

on above stated dates - - - - - \$

ing Costs:

The ~~TIMES-LEADER-THE~~ EVENING NEWS, a newspaper of general circulation, hereby acknowledges receipt of the costs as above and certifies that the same have been duly paid.

TIMES-LEADER-THE EVENING NEWS,

Per

RECORD FOLDER

DO
APR 8 1952
ENTR

PROOF OF PUBLICATION

WILKES BARRE
TIMES LEADER
THE EVENING NEWS

(Under Act No. 587, approved May 16th, 1929)

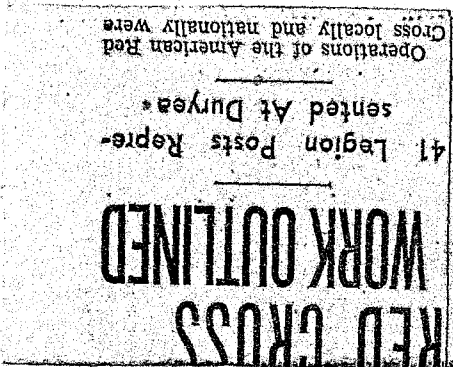
A 78264

STATE OF PENNSYLVANIA,)
COUNTY OF LUZERNE) ss:

Kitty O. Cannon being duly sworn according to law, deposes and says that she is bookkeeper for the TIMES-LEADER-THE EVENING NEWS of Wilkes-Barre, Pa., a daily newspaper published in the city of Wilkes-Barre, County of Luzerne and State aforesaid, by the WILKES-BARRE PUBLISHING COMPANY; that the said TIMES-LEADER-THE EVENING NEWS was established in 1939, and that the printed notice for publication hereto attached is exactly as printed in the regular editions of the TIMES-LEADER-THE EVENING NEWS on the following dates, viz:

March 24-31-1952

Affiant further deposes and says that the TIMES-LEADER-THE EVENING NEWS is a newspaper of general circulation, and that neither the affiant nor the TIMES-LEADER-THE EVENING NEWS is interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.



Kitty O. Cannon
Sworn to before me this 31st day
of March, 1952
James H. Hopper

MY COMMISSION EXPIRES
JANUARY 27, 1953

To. **TIMES LEADER** Dr.
THE EVENING NEWS

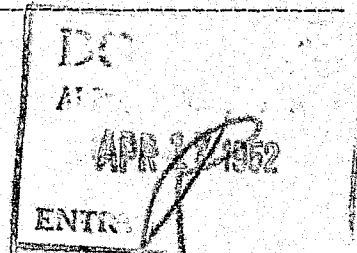
For publishing attached notice on above stated dates - - - - - \$_____

Publishers Receipt for Advertising Costs:

The TIMES-LEADER-THE EVENING NEWS, a newspaper of general circulation, hereby acknowledges receipt of the costs as above and certifies that the same have been duly paid.

TIMES-LEADER-THE EVENING NEWS,

Per _____



PROOF OF PUBLICATION

WILKES-BARRE
TIMES LEADER

THE EVENING NEWS

(Under Act No. 587, approved May 16th, 1929)

A. 78264

STATE OF PENNSYLVANIA, }
COUNTY OF LUZERNE } ss:

Kitty O'K Cannon being duly sworn according to law, deposes and says that she is bookkeeper for the **TIMES-LEADER-THE EVENING NEWS** of Wilkes-Barre, Pa., a daily newspaper published in the city of Wilkes-Barre, County of Luzerne and State aforesaid, by the **WILKES-BARRE PUBLISHING COMPANY**; that the said **TIMES-LEADER-THE EVENING NEWS** was established in 1939, and that the printed notice for publication hereto attached is exactly as printed in the regular editions of the **TIMES-LEADER-THE EVENING NEWS** on the following dates, viz:

March 24-31-1952

Affiant further deposes and says that the **TIMES-LEADER-THE EVENING NEWS** is a newspaper of general circulation, and that neither the affiant nor the **TIMES-LEADER-THE EVENING NEWS** is interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Notice is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies, and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264)

A public hearing upon this application will be held in Rooms 201-209 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 3, 1952, at 10:00 a.m., where and when all persons in interest may appear and be heard, if they so desire.

- THE UNITED GAS IMPROVEMENT COMPANY
- ALLENTOWN-BETHEHEM GAS COMPANY
- CONSUMERS GAS COMPANY
- THE HARRISBURG GAS COMPANY
- LANCASTER COUNTY GAS COMPANY
- LEBANON VALLEY GAS COMPANY
- LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
- THE PHILADELPHIA GAS WORKS COMPANY

Kitty O'K Cannon

Sworn to before me this 31st day

of March, 1952

James H. Hopper

MY COMMISSION EXPIRES
JANUARY 27, 1953

WILKES-BARRE
TIMES LEADER
THE EVENING NEWS

Notice on above stated dates - - - - - \$

Advertising Costs:

The **TIMES-LEADER-THE EVENING NEWS**, a newspaper of general circulation, hereby acknowledges receipt of the costs as above and certifies that the same have been duly paid.

TIMES-LEADER-THE EVENING NEWS,

Per _____

RECORD
FOLDER

APR 17 1952

PROOF OF PUBLICATION

WILKES BARRE
TIMES LEADER

THE EVENING NEWS

(Under Act No. 587, approved May 16th, 1929)

A. 78264

STATE OF PENNSYLVANIA, }
COUNTY OF LUZERNE } ss:

Kitty O'Connell Cannon being duly sworn according to law, deposes and says that she is bookkeeper for the TIMES-LEADER-THE EVENING NEWS of Wilkes-Barre, Pa., a daily newspaper published in the city of Wilkes-Barre, County of Luzerne and State aforesaid, by the WILKES-BARRE PUBLISHING COMPANY; that the said TIMES-LEADER-THE EVENING NEWS was established in 1939, and that the printed notice for publication hereto attached is exactly as printed in the regular editions of the TIMES-LEADER-THE EVENING NEWS on the following dates, viz:

March 24-31-1952

Affiant further deposes and says that the TIMES-LEADER-THE EVENING NEWS is a newspaper of general circulation, and that neither the affiant nor the TIMES-LEADER-THE EVENING NEWS is interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Epworth League
Plans Banquet
Former members of the Epworth League of Wyoming Conference of Epworth Leagues
Dilworth, a Democrat and staunch foe of Meade's says the shots were fired from inside the lobby. Meade contends they came from outside the lobby. Dilworth has concluded from information presented him that the shots were fired by Miss Carroll. Both Meade and Miss Carroll deny this contention.

Kitty O'Connell Cannon
Sworn to before me this 31st day
of March, 1952
James H. Hopper

MY COMMISSION EXPIRES
JANUARY 27, 1953

To. **TIMES LEADER** Dr.
THE EVENING NEWS

For publishing attached notice on above stated dates - - - - - \$_____

Publishers Receipt for Advertising Costs:

The TIMES-LEADER-THE EVENING NEWS, a newspaper of general circulation, hereby acknowledges receipt of the costs as above and certifies that the same have been duly paid.

TIMES-LEADER-THE EVENING NEWS,

Per _____

RECORD
FOLDER

APR 17 1952

Proof of Publication of Notice in The Philadelphia Inquirer

Under Act No. 587, Approved May 16, 1929

A78264

State of Pennsylvania, } ss.:
County of Philadelphia. }
W O HARPER

_____, being duly sworn, deposes and says that THE PHILADELPHIA INQUIRER is a daily newspaper published at Broad and Callowhill Streets, Philadelphia County and State aforesaid, which was established in the year 1829, since which date said daily newspaper has been regularly issued in said County, and that a copy of the printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of said daily newspaper on the following dates, viz.:

March 24,

and the 31st day of March, A. D. 19 52

Affiant further deposes that he is duly authorized by Triangle Publications, Inc., THE PHILADELPHIA INQUIRER DIVISION, a corporation, publisher of THE PHILADELPHIA INQUIRER, a daily newspaper, to verify the foregoing statement under oath, and also declares that affiant is not interested in the subject matter of the aforesaid notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

W O Harper

Copy of notice or publication

NOTICE IS HEREBY GIVEN THAT AN application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies, and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 78264)

A public hearing upon this application will be held in Rooms 201-209 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 8, 1952, at 10:00 A. M. where and when all persons in interest may appear and be heard, if they so desire.

THE UNITED GAS IMPROVEMENT COMPANY
ALLENTOWN-BETHELEHEM GAS COMPANY
CONSUMERS GAS COMPANY
THE HARRISBURG GAS COMPANY
LANCASTER COUNTY GAS COMPANY
LEBANON VALLEY GAS COMPANY
LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
THE PHILADELPHIA GAS WORKS COMPANY

Sworn to and subscribed before me this 1st

day of April, 19 52.

A. C. Peaff
Notary Public.

A. C. PEAFF

NOTARY PUBLIC

My Commission Expires: My Commission Expires January 29, 1956.

Statement of Advertising Costs

ALBERT FRANK GUENTHER LAW INC

PACKARD BLDG

PHILA PA

To Triangle Publications, Inc., THE PHILADELPHIA INQUIRER DIVISION, DR.

For publishing the notice or advertisement attached hereto on the above stated dates.....\$

Affadavit thereto\$

Total\$

Publisher's Receipt for Advertising Costs

Triangle Publications, Inc., THE PHILADELPHIA INQUIRER DIVISION, a corporation, publisher of THE PHILADELPHIA INQUIRER, a daily newspaper, hereby acknowledges receipt of the aforesaid advertising and publication costs, and certifies that the same have been fully paid.

Triangle Publications, Inc., THE PHILADELPHIA INQUIRER DIVISION, a Corporation, Publisher of THE PHILADELPHIA INQUIRER, a Daily Newspaper.

Office
Broad and Callowhill Sts.
Phila., Pa.
Established 1829

RECORD FOLDED

By _____ APR 17 1952

Commonwealth of Pennsylvania)
County of Philadelphia,) ss.

A78264

Margaret B. Farley of Bulletin Company
being duly sworn according to law, says: that a notice, of which the advertisement hereto attached is a copy, was published in The Evening Bulletin a daily newspaper. and/or The Sunday Bulletin, a Sunday newspaper, published in the City and County of Philadelphia two times, viz. March 24 + 31, 1952

That this affiant is not interested in the subject matter of the aforesaid notice or publication, and that all of the allegations of the statement as to the time, place and character of publication are true.

Sworn and Subscribed before me, this
31st day of
March AD 1952
Geo. A. Kelso
Notary Public

Margaret B. Farley

Commission Expires Mar 5 1953

NOTICE is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies; and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A. 7224)

A public hearing upon this application will be held in Rooms 201-209 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 8, 1952, at 10:00 A. M. where and when all persons in interest may appear and be heard, if they so desire.

THE UNITED GAS IMPROVEMENT COMPANY
ALLENTOWN-BETHLEHEM GAS COMPANY
CONSUMERS GAS COMPANY
THE HARRISBURG GAS COMPANY
LANCASTER COUNTY GAS COMPANY
LEBANON VALLEY GAS COMPANY
LUZERNE COUNTY GAS AND ELECTRIC CORPORATION
THE PHILADELPHIA GAS WORKS COMPANY

APR 10 9 07 AM 1952

*File
EBK*

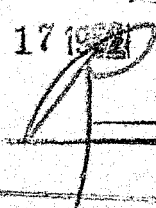
SECRETARY'S OFFICE
PUBLIC UTILITY COMM.

Application of The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies, and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service.

Application

Docket No. 78264

APR 17 1952



RECORD
FOLDER

AFFIDAVIT OF MAILING OF NOTICE
OF HEARING TO BE HELD ON APRIL 8, 1952

COMMONWEALTH OF PENNSYLVANIA)
: ss.
COUNTY OF PHILADELPHIA)

Personally came before me, a Notary Public in and for said Commonwealth and County, Fred B. Hofft, a Vice-President of The United Gas Improvement Company, who being by me duly sworn, deposes and says that for and on behalf of said Company, he caused a notice in the form attached hereto to be mailed on or before March 22, 1952, under his direction, first class postage prepaid, (1) to all individuals, partnerships or corporations furnishing a similar service in the territories in which the seven last-named companies, as shown in the caption above, presently render service; and (2) to the authorities of all municipalities in which the said seven last-named companies presently render service.

Fred Hofft

Sworn to and subscribed before
me this 26th day of March, 1952.

James Fallon
Notary Public

My Commission expires January 21, 1953.

Notice is hereby given that an application has been filed with the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Law, by The United Gas Improvement Company, Allentown-Bethlehem Gas Company, Consumers Gas Company, The Harrisburg Gas Company, Lancaster County Gas Company, Lebanon Valley Gas Company, Luzerne County Gas and Electric Corporation and The Philadelphia Gas Works Company for an order evidencing the Commission's approval of (1) the transfer by merger of all the property, rights, powers, franchises and privileges of the seven last-named companies into The United Gas Improvement Company; (2) the acquisition by The United Gas Improvement Company by merger into it of all the rights, powers, franchises and privileges of the said seven last-named companies, and (3) the beginning of the exercise by The United Gas Improvement Company of all the additional rights, powers, franchises and privileges of the said seven last-named companies necessary and proper for furnishing service to the public in the territories in which the said seven last-named companies now furnish service. (A.78264)

A public hearing upon this application will be held in Rooms 201-209 Harrison Building, 15th and Market Streets, Philadelphia, on Tuesday, April 8, 1952, at 10:00 a.m., where and when all persons in interest may appear and be heard, if they so desire.

THE UNITED GAS IMPROVEMENT COMPANY

ALLENTOWN-BETHLEHEM GAS COMPANY

CONSUMERS GAS COMPANY

THE HARRISBURG GAS COMPANY

LANCASTER COUNTY GAS COMPANY

LEBANON VALLEY GAS COMPANY

LUZERNE COUNTY GAS AND ELECTRIC
CORPORATION

THE PHILADELPHIA GAS WORKS COMPANY