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May 16, 2016

VIA EFILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: UGI Utilities, Inc., Docket Nos. ER06-1445-000 and ER06-1445-001
Formula Rate Informational Filing: 2016 Transmission Revenue Requirement

Dear Ms. Bose:

UGI Utilities, Inc. (“UGI Utilities”) recovers its annual transmission revenue requirement through a cost-of-service formula rate under Attachment H-8 of the open access transmission tariff (“Tariff”) of PJM Interconnection, LLC (“PJM”). UGI Utilities’ cost-of-service formula rate is on file with the Federal Energy Regulatory Commission (“FERC”) in Docket Nos. ER06-1445-000 and ER06-1445-001.¹ Through its cost-of-service formula rate under PJM OATT Attachment H-8C, UGI Utilities determines and recovers its annual transmission revenue requirement.

UGI Utilities’ Formula Rate Implementation Protocols under PJM OATT Attachment H-8D provide that UGI Utilities will annually recalculate its annual transmission revenue requirement for the rate year commencing June 1st by inputting cost data from the Form 1 annual report filed with FERC to derive its updated “Annual Transmission Revenue Requirement” (“Annual Update”), from which UGI Utilities’ components of the total transmission service charges in the “PPL Group Zone” of PJM are determined.

UGI Utilities’ Formula Rate Implementation Protocols further provide that UGI Utilities will both post its Annual Update on PJM’s Internet website via a link to the Transmission Services

¹ *UGI Utilities, Inc.*, Letter Order, Docket Nos. ER06-1445-000 and ER06-1445-001 (Dec. 13, 2006).

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page or similar successor page and file such Annual Update with FERC as an informational filing.

In compliance with its Formula Rate Implementation Protocols, UGI Utilities submits the attached Annual Update to FERC as an informational filing. The Annual Update, enclosed as Attachment A, is comprised of detailed calculations conducted through its cost-of-service formula rate as populated with data from UGI Utilities' 2015 annual report on FERC Form 1, together with supporting data and workpapers. UGI Utilities' Annual Transmission Revenue Requirement changes from \$6,672,897 for the period ending May 31, 2016, to \$6,680,966 for the period June 1, 2016, through May 31, 2017.² Incorporating certain prior period corrections (discussed below), the Net Revenue Requirement is \$5,744,180.³

The Annual Update includes adjustments to incorporate corrections to prior year FERC Form No. 1 and Form 1-F inputs to the formula, as required by Section 4 of the Formula Rate Implementation Protocols.⁴ The corrections are related to UGI Utilities' prior Annual Update, filed on May 15, 2015 ("May 2015 Annual Update"). Before the May 2015 Annual Update, UGI Utilities had not reported dividends paid to UGI Utilities from UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. as a reduction to Account 216.1 "Unappropriated Undistributed Subsidiary Earnings" and as an addition to Account 216.0 "Retained Earnings" in its FERC Form Nos. 1 and 1-F reports.⁵ Upon discovering this error, UGI Utilities re-filed its FERC Form 1 reports for the years 2007 through 2014 to report these dividends in Accounts 216 and 216.1, and UGI Utilities incorporated an adjustment in the May 2015 Annual Update due to the rate impact the correction had upon the debt-to-equity ratio in the UGI Utilities' formula rate. After further review, UGI Utilities has determined that further corrections are necessary. In correcting the FERC Form No. 1 reports, UGI Utilities debited the full amount of the dividends to Account 216.1, which resulted in a negative ending balance in 216.1. However, UGI Utilities interprets Account 216.1 to require that the account should only be debited to the extent earnings have

² Section 4 of Attachment H-8D states in relevant part: "Any changes to the data inputs, including but not limited to revisions to UGI Utilities' FERC Form No. 1. . . shall be incorporated into the Formula Rate and charges produced by the Formula Rate (within interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Period. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. . . ."

³ This is shown on Line 171 of the Attachment A formula rate.

⁴ Section 4 of Attachment H-8D states in relevant part: "Any changes to the data inputs, including but not limited to revisions to UGI Utilities' FERC Form No. 1. . . shall be incorporated into the Formula Rate and charges produced by the Formula Rate (within interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Period. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. . . ."

⁵ UGI Utilities formerly filed the FERC Form 1-F, but, as described in UGI Utilities' 2014 Annual Update and in revisions to the UGI Utilities' formula rate in Docket No. ER14-1963-000, UGI Utilities has become a "major" utility and now must file the FERC Form 1. The error described above regarding FERC Account Nos. 216 and 216.1 were also reflected in UGI Utilities' prior Form 1-F filings.

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been included in the account and, therefore, excess dividends should not reduce the account balance below zero. To correct this, UGI Utilities re-filed its FERC Form No. 1 reports on May 13, 2016, for the years 2007 — 2014 to correctly show the subsidiary dividend payments in both Accounts 216.0 and 216.1. Pursuant to section 4 of the UGI Utilities' formula rate implementation protocols, UGI Utilities has calculated the rate adjustments to its Annual Updates due to these corrections. The net result is a decrease to the UGI Utilities' revenue requirement of \$760,144, including interest of \$97,345. Exhibits 1 and 2 to UGI Utilities' Annual Update provides a summary of adjustments to FERC accounts 216.0 and 216.1 to correctly capture the dividend payments to reflect the corrected entries for the subsidiary dividend payments, thereby producing the correct debt-to-equity ratio.

UGI Utilities included an additional correction to its Form No. 1 report for 2015. UGI Utilities has concluded that all deferred tax items in a debit position should be recorded in Account 190 and all deferred tax items in a credit position should be recorded in Account 283 regardless of whether they are current or non-current. This is consistent with UGI Utilities' interpretation of other FERC guidance which generally does not distinguish asset and liabilities between current and non-current. The exception to this rule is property related deferred income taxes which should be recorded in Account 282 regardless if the amounts are current/non-current or in an asset/liability position. UGI had previously accounted for property related deferred tax assets/liabilities in this manner and as such, no change is needed relating to Account 282. This correction is reflected in the enclosed Annual Update on the Attachment 1-Accumulated Deferred Income Taxes (ADIT) Worksheet with Formula Rate-Appendix A.

The change in UGI Utilities' Net Revenue Requirement due to this Annual Update causes UGI Utilities' contribution to the Annual Network Service Charge in the PPL Group Zone to change from \$1,303 per megawatt per year to \$871 per megawatt per year.

UGI Utilities notes that under its reconcilable default service cost rate recovery mechanism approved by the Pennsylvania Public Utility Commission effective January 1, 2010, it recovers certain transmission costs associated with its provision of default generation service directly from retail default generation service customers. Accordingly, it has excluded from its Annual Transmission Revenue Requirement transmission expenses recorded in Account No. 565 and certain other excluded transmission expenses. The detail of UGI Utilities' exclusion of such cost is shown in Attachment 5 ("Cost Support") on the line "Excluded Transmission O&M Expenses."

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Respectfully submitted,

/s/ Joseph W. Lowell

John D. McGrane

Joseph W. Lowell

Attorneys for UGI Utilities, Inc.

Enclosures

cc: PJM Interconnection, LLC

UGI UTILITIES' ANNUAL UPDATE

ATTACHMENT A

ATTACHMENT H-8C

UGI Utilities, Inc.	FERC Form 1 Page #	or	Estimate
	Formula Rate -- Appendix A	Notes	Instruction
			2015

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense		1,133,109
2	Total Wages Expense	Attachment 5	6,209,367
3	Less A&G Wages Expense	Attachment 5	1,258,821
4	Total	(Line 2 - 3)	4,950,546
5	Wages & Salary Allocator	(Line 1 / 4)	22.8886%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) p207.104.g	170,379,397
7	Common Plant In Service - Electric	(Line 24)	2,028,659
8	Total Plant In Service	(Sum Lines 6 & 7)	172,408,056
9	Accumulated Depreciation (Total Electric Plant)	p219.19.c	67,799,975
10	Accumulated Intangible Amortization	(Note A) p200.21.c	615,889
11	Accumulated Common Amortization - Electric	(Note A) Attachment 5	0
12	Accumulated Common Plant Depreciation - Electric	(Note A) Attachment 5	1,335,158
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	69,751,022
14	Net Plant	(Line 8 - Line 13)	102,657,034
15	Transmission Gross Plant	(Line 29 - Line 28)	43,664,038
16	Gross Plant Allocator	(Line 15 / Line 8)	25.3260%
17	Transmission Net Plant	(Line 39 - Line 28)	26,938,729
18	Net Plant Allocator	(Line 17 / Line 14)	26.2415%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	40,857,588
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only Attachment 6	
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	1,269,375
22	Total Transmission Plant In Service	(Line 19 - Line 20 + Line 21)	42,126,963
23	General & Intangible	p205.5.g & p207.99.g	4,686,810
24	Common Plant (Electric Only)	(Notes A & B) Attachment 5	2,028,659
25	Total General & Common	(Line 23 + Line 24)	6,715,469
26	Wage & Salary Allocation Factor	(Line 5)	22.88857%
27	General & Common Plant Allocated to Transmission	(Line 25 * Line 26)	1,537,075
28	Plant Held for Future Use (Including Land)	(Note C) Attachment 5	0
29	TOTAL Plant In Service	(Line 22 + Line 27 + Line 28)	43,664,038
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note C) Attachment 5	15,635,005
31	Accumulated General Depreciation	Attachment 5	2,812,482
32	Accumulated Intangible Amortization	(Line 10)	615,889
33	Accumulated Common Amortization - Electric	(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	1,335,158
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	4,763,529
36	Wage & Salary Allocation Factor	(Line 5)	22.88857%
37	General & Common Allocated to Transmission	(Line 35 * Line 36)	1,090,303
38	TOTAL Accumulated Depreciation	(Line 30 + Line 37)	16,725,308
39	TOTAL Net Property, Plant & Equipment	(Line 29 - Line 38)	26,938,729

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-6,682,069
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	Attachment 5	0
42	Net Plant Allocation Factor		(Line 18)	26.24%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * Line 42) + Line 40	-6,682,069
Prepayments				
44	Prepayments (Account 165)	(Note A)	Attachment 5	662,721
45	Net Plant Allocation Factor		(Line 18)	26.24%
46	Total Prepayments Allocated to Transmission		(Line 44 * Line 45)	173,908
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	Attachment 5	113,838
48	Wage & Salary Allocation Factor		(Line 5)	22.89%
49	Total Transmission Allocated		(Line 47 * Line 48)	26,056
50	Transmission Materials & Supplies		Attachment 5	255,695
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + Line 50)	281,751
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 84)	4,138,236
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * Line 53)	517,279
Network Credits				
55	Outstanding Network Credits	(Note N)	From PJM	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM	0
57	Net Outstanding Credits		(Line 55 - Line 56)	0
58	TOTAL Adjustment to Rate Base		(Lines 43 + 46 + 51 + 54 - 57)	-5,709,131
59	Rate Base		(Line 39 + Line 58)	21,229,598

O&M

Transmission O&M				
60	Transmission O&M		p321.112.b	6,997,263
61	Less extraordinary property loss		Attachment 5	
62	Plus amortized extraordinary property loss		Attachment 5	
63	Less Account 565 and other excluded transmission expenses		Attachment 5	4,921,963
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	0
65	Plus Transmission Lease Payments	(Note A)	Attachment 5	0
66	Transmission O&M		(Lines 60 - 61 + 62 - 63 + 64 + 65)	2,075,300
Allocated General & Common Expenses				
67	Common Plant O&M	(Note A)	Attachment 5	159,540
68	Total A&G		p323.197.b	8,847,884
69	Less Property Insurance Account 924		p323.185b	37,742
70	Less Regulatory Commission Exp Account 928	(Note E)	Attachment 5	0
71	Less General Advertising Exp Account 930.1		Attachment 5	0
72	Less EPRI Dues	(Note D)	Attachment 5	0
73	General & Common Expenses		(Lines 67 + 68 - Sum (69 to 72))	8,969,682
74	Wage & Salary Allocation Factor		(Line 5)	22.8886%
75	General & Common Expenses Allocated to Transmission		(Line 73 * Line 74)	2,053,032
Directly Assigned A&G				
76	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	0
77	General Advertising Exp Account 930.1	(Note K)	Attachment 5	0
78	Subtotal - Transmission Related		(Line 76 + Line 77)	0
79	Property Insurance Account 924		(Line 69)	37,742
80	General Advertising Exp Account 930.1	(Note F)	Attachment 5	0
81	Total		(Line 79 + Line 80)	37,742
82	Net Plant Allocation Factor		(Line 18)	26.24%
83	A&G Directly Assigned to Transmission		(Line 81 * Line 82)	9,904
84	Total Transmission O&M		(Lines 66 + 75 + 78 + 83)	4,138,236

Depreciation & Amortization Expense

Depreciation Expense				
85	Transmission Depreciation Expense		Attachment 5	710,367
86	General Depreciation		Attachment 5	126,656
87	Intangible Amortization	(Note A)	Attachment 5	0
88	Total		(Line 86 + Line 87)	126,656
89	Wage & Salary Allocation Factor		(Line 5)	22.8886%
90	General Depreciation Allocated to Transmission		(Line 88 * Line 89)	28,990
91	Common Depreciation - Electric Only	(Note A)	Attachment 5	184,422
92	Common Amortization - Electric Only	(Note A)	Attachment 5	128,147
93	Total		(Line 91 + Line 92)	312,569
94	Wage & Salary Allocation Factor		(Line 5)	22.8886%
95	Common Depreciation - Electric Only Allocated to Transmission		(Line 93 * Line 94)	71,543
96	Total Transmission Depreciation & Amortization		(Line 85 + Line 90 + Line 95)	810,899

Taxes Other than Income

97	Taxes Other than Income		Attachment 2	150,018
98	Total Taxes Other than Income		(Line 97)	150,018

Return / Capitalization Calculations

Long Term Interest				
99	Long Term Interest		p117.62.c through 67.c	38,875,933
100	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
101	Long Term Interest		(Line 99 - Line 100)	38,875,933
102	Preferred Dividends	enter positive	p118.29.c	0
Common Stock				
103	Proprietary Capital		p112.16.c	909,445,855
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-71,681,894
106	Common Stock		(Sum Lines 103 to 105)	837,763,961
Capitalization				
107	Long Term Debt		p112.18.c through 21.c	550,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	0
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
110	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	-58
111	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	549,999,942
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	837,763,961
115	Total Capitalization		(Sum Lines 112 to 114)	1,387,763,903
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	39.6%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	60.4%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0707
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	0.0000
121	Common Cost	Common Stock	(Note J) Fixed	0.1130
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)	0.0280
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0682
125	Total Return (R)		(Sum Lines 122 to 124)	0.0962
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)	2,042,905

Composite Income Taxes

Income Tax Rates			
127	FIT=Federal Income Tax Rate		FIT for Year 35.00%
128	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year 9.99%
129	p	(percent of federal income tax deductible for state purposes)	0.00%
130	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	41.49%
131	T/(1-T)		70.92%
ITC Adjustment			
132	Amortized Investment Tax Credit	(Note I) enter negative	p266.6.f -17,328
133	1/(1-T)		1 / (1-T) 170.92%
134	Net Plant Allocation Factor		(Line 18) 26.2415%
135	ITC Adjustment Allocated to Transmission		(Line 132 * Line 133 * Line 134) -7,772
136	Income Tax Component =	$CIT = (T/1-T) * Investment\ Return * (1 - (WCLTC[Line\ 131 * 126 * (1 - (122 / 125)]))$	1,027,075
137	Total Income Taxes		(Line 135 + Line 136) 1,019,303

REVENUE REQUIREMENT

Summary			
138	Net Property, Plant & Equipment		(Line 39) 26,938,729
139	Adjustment to Rate Base		(Line 58) -5,709,131
140	Rate Base		(Line 59) 21,229,598
141	O&M		(Line 84) 4,138,236
142	Depreciation & Amortization		(Line 96) 810,899
143	Taxes Other than Income		(Line 98) 150,018
144	Investment Return		(Line 126) 2,042,905
145	Income Taxes		(Line 137) 1,019,303
146	Gross Revenue Requirement		(Sum Lines 141 to 145) 8,161,361
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
147	Transmission Plant In Service		(Line 19) 40,857,588
148	Excluded Transmission Facilities	(Note M)	Attachment 5 6,965,828
149	Included Transmission Facilities		(Line 147 - Line 148) 33,891,760
150	Inclusion Ratio		(Line 149 / Line 147) 82.95%
151	Gross Revenue Requirement		(Line 146) 8,161,361
152	Adjusted Gross Revenue Requirement		(Line 150 x Line 151) 6,769,927
Revenue Credits & Interest on Network Credits			
153	Revenue Credits		Attachment 3 88,961
154	Interest on Network Credits	(Note N)	PJM Data 0
155	Net Revenue Requirement		(Line 152 - Line 153 + Line 154) 6,680,966
Net Plant Carrying Charge without ROE Increment			
156	Gross Revenue Requirement		(Line 146) 8,161,361
157	Net Transmission Plant		(Line 19 - Line 30) 25,222,583
158	Net Plant Carrying Charge		(Line 156 / Line 157) 32.3574%
159	Net Plant Carrying Charge without Depreciation		(Line 156 - Line 85) / Line 157 29.5410%
160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Lines 156 - 85 - 126 - 137) / Line 157 17.4002%
Net Plant Carrying Charge with 100 Basis Point ROE Increment			
161	Gross Revenue Requirement Less Return and Taxes		(Line 146 - Line 144 - Line 145) 5,099,152
162	Increased Return and Taxes		Attachment 4 3,281,258
163	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 161 + Line 162) 8,380,411
164	Net Transmission Plant		(Line 19 - Line 30) 25,222,583
165	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 163 / Line 164) 33.2258%
166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 162 - Line 85) / Line 164 30.4094%
167	Net Revenue Requirement		(Line 155) 6,680,966
168	Reconciliation Amount ¹		Attachment 6 & Exhibit A (936,786)
169	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 7 -
170	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5 -
171	Net Zonal Revenue Requirement		(Sum Lines 167 to 170) 5,744,180
Network Zonal Service Rate			
172	1 CP Peak	(Note L)	6593 6,593
173	Rate (\$/MW-Year)	(Note L)	(Line 171 / Line 172) 871
174	Network Service Rate (\$/MW/Year)	(Note L)	(Line 173) 871

Notes

- A Electric portion only
- B Exclude Construction Work In Progress and leases that are expensed as O&M (rather than amortized). New Transmission plant included in the PJM Regional Transmission Expansion Plan which is expected to be placed in service in the current calendar year weighted by number of months it is expected to be in-service. For the true-up, new transmission plant which was included in the PJM RTEP actually placed in service weighted by the number of months it was actually in service
- C Transmission Portion Only
- D EPRI Annual Membership Dues
- E All Regulatory Commission Expenses
- F Safety related advertising included in Account 930.1
- G Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized at 351.h.
- I The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$ "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by $(1/1-T)$. A utility must not include tax credits as a reduction to rate base and as an amortization against taxable income.
- J ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.
- K Education and outreach expenses relating to transmission, for example siting or billing
- L The Network Zonal Rate is calculated by PJM Interconnection for the PPL Group Zone.
- M Amount of transmission plant excluded from rates, includes investment in generation step-up transformers to the extent included in Plant in Service.
- N Outstanding Network Credits is the balance of Network Facilities Upgrades Credits due Transmission Customers who have made lump-sum payments (net of accumulated depreciation) towards the construction of Network Transmission Facilities consistent with Paragraph 657 of Order 2003-A. Interest on the Network Credits as booked each year is added to the revenue requirement to make the Transmission Owner whole on Line 154.
- O Payments made under Schedule 12 of the PJM OATT are excluded in Transmission O&M on line 64 since they are already assessed under Schedule 12
- P Securitization bonds may be included in the capital structure.

¹The reconciliation amount of (\$936,786) includes (\$176,642) for the true-up of the prior years forecast plus interest as calculated in Step 9 of "Attachment 6 - Estimate and Reconciliation Worksheet" and (\$760,144) for the change in prior revenue requirement formula calculations using corrected data for FERC account 216.1 as shown on Exhibit 1. The original and corrected balances in FERC Account 216.1 are shown on Exhibit 2.

END

UGI Utilities, Inc.

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
1 ADIT- 282	0	(26,794,246)	0	
2 ADIT-283	0	0	(64,890)	
3 ADIT-190	0	0	518,556	
4 Subtotal	0	(26,794,246)	453,666	
5 Wages & Salary Allocator			22.8886%	
6 Gross Plant Allocator		25.3260%		
7 ADIT	0	(6,785,907)	103,838	(6,682,069)

	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
17 ADIT-190				
21 RESERVE FOR BAD DEBT - FIT	446,808			
22 RESERVE FOR BAD DEBT - STATE	141,686			
23 FIXED TRANSMISSION RIGHTS (FTR) - FIT		-		
24 FIXED TRANSMISSION RIGHTS (FTR) - STATE		-		
25 FV DERIVATIVES - GAS FUTURES - FIT				
26 FV DERIVATIVES - GAS FUTURES - STATE				
27 INJURIES & DAMAGES - FIT				
28 INJURIES & DAMAGES - STATE				
29 SFAS 112 WORKERS COMPENSATION/LTD CURRENT - FIT				51,838
30 SFAS 112 WORKERS COMPENSATION/LTD CURRENT - STATE				16,438
31 SFAS 112 LTD/STD (NON CURRENT) - FIT				41,651
32 SFAS 112 LTD/STD (NON CURRENT) - STATE				13,208
33 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				2,344,720
34 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				743,529
35 SFAS 106 POST RETIREMENT BENEFIT (CURRENT) - FIT				
36 SFAS 106 POST RETIREMENT BENEFIT (CURRENT) - STATE				
37 PREPAID RETIREMENT INCOME COSTS (PRE-SFAS 158) - FIT				
38 PREPAID RETIREMENT INCOME COSTS (PRE-SFAS 158) - STATE				
39 RESTRICTED STOCK AWARDS - FIT				54,192
40 RESTRICTED STOCK AWARDS - STATE				17,184
41 ANNUAL BONUS PLAN - FIT				19,342
42 ANNUAL BONUS PLAN - STATE				6,133
43 VACATION ACCRUAL - FIT				86,542
44 VACATION ACCRUAL - STATE				27,443
45 TAX CUSHION - FIT				
46 TAX CUSHION - STATE				
47 VEBA - FIT				
48 VEBA - STATE				
49 FAS 143 ASSET RETIREMENT OBLIG - FIT				
50 FAS 143 ASSET RETIREMENT OBLIG - STATE				
51 CIAC RECEIPTS - NET REFUNDS - FIT	638,641			
52 CIAC RECEIPTS - NET REFUNDS - STATE	120,559			
53 IRPA - FIT	245,664			
54 IRPA - STATE	77,902			
55 FAS 158 - FIT				
56 FAS 158 - STATE				
57 MARK TO MARKET ENERGY PURCHASES- ST - FIT	39,803			
58 MARK TO MARKET ENERGY PURCHASES- ST - STATE	12,622			
59 NET OPERATING LOSS - FIT				
60 NET OPERATING LOSS - STATE				
61 UNDER/OVER RECOVERED BILLED ENERGY COSTS - FIT	189,468			
62 UNDER/OVER RECOVERED BILLED ENERGY COSTS - STATE	60,082			
63 UNDER/OVER RECOVERED UNBILLED ENERGY COSTS - FIT	663,845			
64 UNDER/OVER RECOVERED UNBILLED ENERGY COSTS - STATE	210,510			
65 REG LIABILITY - WEATHERIZATION - FEDERAL	62,936			
66 REG LIABILITY - WEATHERIZATION - STATE	19,957			
67 TAX CAPITALIZED PENSION - FEDERAL	222,189			
68 TAX CAPITALIZED PENSION - STATE	-			
69 FAS 146 - FIT	31,454			
70 FAS 146 - SIT	9,974			
71 T&D AMORTIZATION - FIT	320,195			
72 T&D AMORTIZATION - SIT	101,536			
73 OTHER REGULATORY ASSETS - FIT	637,497			
74 OTHER REGULATORY ASSETS - SIT	202,155			
75 INVENTORY RESERVE - FIT	4,852			
76 INVENTORY RESERVE - SIT	1,539			
77 SFAS 158 PENSION - FIT	3,999,165			
78 SFAS 158 PENSION - SIT	1,268,164			
79 EXECUTIVE RETIREMENT PLAN - FIT				140,144
80 EXECUTIVE RETIREMENT PLAN - SIT				44,441
81 OTHER MISC ADIT - FIT				
82 OTHER MISC ADIT - STATE				
83 Subtotal - p234	9,729,203	-	-	3,606,805
84 Less FASB 109 Above				
85 Less FASB 106 Above				3,088,249
86 Total	9,729,203	-	-	518,556

88 Instructions for Account 190:

89 1. ADIT Items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A

90 2. ADIT Items related only to Transmission are directly assigned to Column B

91 3. ADIT Items related Plant and not in Columns A & B are directly assigned to Column C

92 4. ADIT Items related to labor and not in Columns A & B are directly assigned to Column D

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94 5. Since deferred income taxes arise when items are included in taxable income in different periods than they are included in rates - therefore, if the item giving rise to the ADIT is not included in the

95 formula, the associated ADIT amount shall be excluded

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ADIT- 282

	(A) Gas, Prod Or Other Related	(B) Only Transmission Related	(C) Plant Related	(D) Labor Related
SFAS 109 RECOVERABLE UTILITY COSTS - FIT	(3,984,665)			
SFAS 109 RECOVERABLE UTILITY COSTS - STATE	(5,606,825)			
LIB. TAX DEPRECIATION ADR - FIT				
LIB. TAX DEPRECIATION ADR - STATE				
LIB. TAX DEPRECIATION - FIT - ACRS/MACRS			(26,581,261)	
LIB. TAX DEPRECIATION - STATE - ACRS/MACRS			(212,985)	
Subtotal - p275 (Form 1-F filer: see note 6 below)	(9,591,490)	0	(26,794,246)	0
Less FASB 109 Above	(9,591,490)			
Less FASB 106 Above			0	
Total	0	0	(26,794,246)	0

Instructions for Account 282:

- 1. ADIT Items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A
 - 2. ADIT Items related only to Transmission are directly assigned to Column B
 - 3. ADIT Items related Plant and not in Columns A & B are directly assigned to Column C
 - 4. ADIT Items related to labor and not in Columns A & B are directly assigned to Column D
5. Since deferred income taxes arise when items are included in taxable income in different periods than they are included in rates - therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

ADIT-283

	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
LOSS OF REACQUIRED DEBT - FIT	(44)			
LOSS OF REACQUIRED DEBT - STATE	(14)			
INSURANCE RECEIVABLE - FIT				(23,067)
INSURANCE RECEIVABLE - STATE				(7,315)
ANNUAL BONUS PLAN (EXECUTIVE) - FIT				(26,200)
ANNUAL BONUS PLAN (EXECUTIVE) - STATE				(8,308)
OTHER MISC. REG. ASSETS - FIT	(235,225)			
OTHER MISC. REG. ASSETS - STATE	(74,592)			
REG. ASSETS - EEC - FIT	(66,707)			
REG. ASSETS - EEC - STATE	(21,153)			
REG LIABILITY - ENVIRONMENTAL - FIT				
REG LIABILITY - ENVIRONMENTAL - SIT				
INVENTORY RESERVE -FIT				
INVENTORY RESERVE -STATE				
SFAS 112 LTD/STD (NON CURRENT) - FIT				
SFAS 112 LTD/STD (NON CURRENT) - STATE				
SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				
SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				
FAS 158 PENSION- FIT				
FAS 158 PENSION - STATE				
EXEC RETIREMENT PLAN - FIT				
EXEC RETIREMENT PLAN - STATE				
MARK TO MARKET ENERGY PURCHASES- ST - FIT				
MARK TO MARKET ENERGY PURCHASES- ST - STATE				
RESTRICTED STOCK AWARDS - FIT				
RESTRICTED STOCK AWARDS - STATE				
CAP PROGRAM OVER/UNDER - FIT	(93,743)			
CAP PROGRAM OVER/UNDER - STATE	(29,727)			
OTHER MISC ADIR - FIT	(247,686)			
OTHER MISC ADIR - SIT	(78,543)			
REG ASSET - HURRICANE IRENE - FIT	(193,495)			
REG ASSET - HURRICANE IRENE - STATE	(61,359)			
REGULATORY ASSET - PENSION - FIT	(4,287,156)			
REGULATORY ASSET - PENSION - STATE	(1,359,490)			
AOCI - PENSION - FIT	(120,721)			
AOCI - PENSION - STATE	(38,282)			
AOCI - IRPA - FIT	(222,289)			
AOCI - IRPA - STATE	(70,489)			
Subtotal - p277	(7,200,715)	-	-	(64,890)
Less FASB 109 Above				
Less FASB 106 Above				
Total	(7,200,715)	-	-	(64,890)

Instructions for Account 283:

- 1. ADIT Items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A
 - 2. ADIT Items related only to Transmission are directly assigned to Column B
 - 3. ADIT Items related Plant and not in Columns A & B are directly assigned to Column C
 - 4. ADIT Items related to labor and not in Columns A & B are directly assigned to Column D
5. Since deferred income taxes arise when items are included in taxable income in different periods than they are included in rates - therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded

UGI Utilities, Inc.

Attachment 2 - Taxes Other Than Income Worksheet

		<i>Source:</i>		
<i>Other Taxes</i>		<i>Ferc Form 1</i>	<i>Allocator</i>	<i>Allocated</i>
		<i>Pages 262-263</i>		<i>Amount</i>
Plant Related		Gross Plant Allocator		
1	Real property (State, Municipal or Local)	147,319		
2	Personal property			
3	Capital Stock Tax	3,571		
4	Gross Premium (insurance) Tax	11,332		
5	PURTA	130,261		
6	Corp License			
7				
8				
9	Total Plant Related	292,483	25.3260%	74,074
10				
11				
12	Labor Related	Wages & Salary Allocator		
13				
14				
15	Federal FICA & Unemployment	326,208		
16	Unemployment	4,440		
17	Healthcare Tax Premium - PCORI	1,148		
18				
19				
20	Total Labor Related	331,796	22.8886%	75,943
21				
22				
23	Other Included	Gross Plant Allocator		
24				
25	Miscellaneous (Kim to provide a schedule)			
26				
27				
28				
29	Total Other Included	0	25.3260%	0
30				
31	Total Included	624,279		150,018
32				
33				
34	Currently Excluded			
35				
36	Gross Receipts Tax (GRT)	5,303,593		
37	Utility Regulatory Assessment	360,318		
38		-		
39		-		
40	Immaterial payroll tax reconciliations	53		
41	Total Excluded	5,663,964		
42				
43	Grand Total = Included + Excluded (line 31 + 41)	6,288,243		
44				
45	Total "Taxes Other Than Income Taxes" Acct. 408.1 (p115.14.g)	6,288,243		
46				
47	Difference		(0)	

UGI Utilities, Inc.

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related (Note 3)	27,296
2	Total Rent Revenues (Line 1)	27,296
Account 456 - Other Electric Revenues (Note 1)		
3	Schedule 1A	
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	75,313
5	Point to Point Service revenues received by the Transmission Owner for which the load is not included in the divisor	
6	PJM Transitional Revenue Neutrality (Note 1)	
7	PJM Transitional Market Expansion (Note 1)	
8	Professional Services (Note 3)	
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)	
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	
11	Gross Revenue Credits (Sum Lines 2 through 10)	102,609
12	Line 17g	13,648
13	Total Revenue Credits (Line 11 - Line 12)	88,961
Revenue Adjustment to determine Revenue Credit		
14	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or the associated load will be included in the peak on line 173 of Appendix A.	
15	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.	
16	Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).	
17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.	27,296
17b	Costs associated with revenues in line 17a	
17c	Net Revenues (17a - 17b)	27,296
17d	50% Share of Net Revenues (17c / 2)	13,648
17e	Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	
17f	Net Revenue Credit (17d + 17e)	13,648
17g	Line 17a less line 17f	13,648
18	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example, revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.	
19	Amount offset in line 4 above	
20	Total Account 454 and 456 (Lines 11+ 18 + 19)	102,609

UGI Utilities, Inc.

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point Increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 126 + Line 138)	3,281,258
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + Line 58)	21,229,598
Long Term Interest				
99	Long Term Interest		p117.62.c through 67.c	38,875,933
100	Less LTD Interest on Securitization Bonds		Attachment 8	0
101	Long Term Interest		(Line 99 - Line 100)	38,875,933
102	Preferred Dividends	enter positive	p118.29.c	0
Common Stock				
103	Proprietary Capital		p112.16.c	909,445,855
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-71,681,894
106	Common Stock		(Sum Lines 103 to 105)	837,763,961
Capitalization				
107	Long Term Debt		p112.18.c through 21.c	550,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	0
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	550,000,000
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	837,763,961
115	Total Capitalization		(Sum Lines 112 to 114)	1,387,763,961
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	39.6%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	60.4%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0707
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	0.0000
121	Common Cost	(Note J) Common Stock	Fixed plus 100 Basis Pts	0.1230
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)	0.0280
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0743
125	Total Return (R)		(Sum Lines 122 to 124)	0.1023
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)	2,171,064

Composite Income Taxes

Income Tax Rates				
127	FIT=Federal Income Tax Rate			35.00%
128	SIT=State Income Tax Rate or Composite			9.99%
129	p = percent of federal income tax deductible for state purposes			0.00%
130	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		41.49%
131	T/ (1-T)			70.92%
ITC Adjustment				
132	Amortized Investment Tax Credit	enter negative		-17,328
133	1/(1-T)			170.92%
134	Net Plant Allocation Factor			26.2415%
135	ITC Adjustment Allocated to Transmission	(Note I)		-7,772
137	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$		1,117,967
138	Total Income Taxes			1,110,195

Cost Support

UGI Utilities, Inc.

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
2	Total Wage Expense		p354.28.b		6,209,367		
3	Administrative and General Wage Expense		p354.27.b		1,258,821		
10	Accumulated Intangible Amortization	(Note A)		0	0	0	
11	Accumulated Common Amortization - Electric	(Note A)	p356	0	0	0	
	Accumulated General Depreciation - Electric	(Note A)	p219.28.c		2,812,482		
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	22,757,899	1,335,158	21,422,741	
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	30,555,832	2,028,659	28,527,173	
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p267.8.h	3,513,365	0	0	See Note I
Prepayments							
44	Prepayments (Account 165)	(Note A)	p111.57(c)	4,031,016	662,721	3,368,295	Analysis of Company Records
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.16.c	-753,242	113,838	-867,080	Analysis of Company Records
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.4.c	0	0	0	
67	Common Plant O&M	(Note A)	p356	1,585,881	159,540	1,426,341	
Depreciation Expense							
85	Depreciation		p336.7.b&c	710,367	710,367		
86	General Depreciation		p336.10.b&c		126,656		
87	Intangible Amortization	(Note A)	p336.1.d&e		0		
91	Common Depreciation - Electric Only	(Note A)	p336.11.b	184,422	184,422		
92	Common Amortization - Electric Only	(Note A)	p336.11.d	128,147	128,147		

Transmission / Non-transmission Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Transmission Related	Non-transmission Related	Details
15	Transmission Gross Plant		p207.58.g	40,857,588	33,891,760	6,965,828	Direct assignment to Transmission based upon plant records.
28	Plant Held for Future Use (Including Land)	(Note C)	p214	0	0	0	Specific identification based on plant records: The following plant investments are included:
30	Transmission Accumulated Depreciation	0	p219.25.c	15,635,005	15,635,005	0	Direct assignment to Transmission based upon plant records.
50	Materials and Supplies		p227.8.c	5,498,684	255,695	5,242,989	Direct assignment to Transmission based upon plant records.
83	Transmission Depreciation Expense		p336.7.b&c	710,367	710,367	0	Direct assignment to Transmission based upon plant records.

Excluded Transmission O&M Expenses

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded TOM	Details
	Acct 565		p321.96.b	4,867,938	
	Portions of Acct 561		Company Records	54,025	Acct 561 expenses not recovered in OATT: 561002 (Scheduling and Dispatch), 561005 (RTO Scheduling and Dispatch), 561007 (Market Expansion) and 561008 (NERC & RFC Reliability)
	Other Excluded Expenses		Company Records		Description -- other expenses not recovered in OATT
63	Less Account 565 and other excluded expenses		Total	4,921,963	

Cost Support

CWIP & Expensed Lease Worksheet

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104.g	170,379,397	0	0	See Form 1
7	Common Plant In Service - Electric	0	(Line 24)	2,028,659	0	0	See Line 7
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	40,857,588			See Line 15
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5	2,028,659	0	0	See Line 24
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5	15,635,005	0	0	See Form 1

EPRI Dues Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	EPRI Dues	Details	
Allocated General & Common Expenses							
72	Less EPRI Dues	(Note D)	Attachment 5	0	0	UGI is not a member of EPRI	

Regulatory Expense Related to Transmission Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Transmission Related	Non-transmission Related	Details
Allocated General & Common Expenses							
70	Less Regulatory Commission Exp Account 928	(Note E)	p323.189.b	0			
Directly Assigned A&G							
76	Regulatory Commission Exp Account 928	(Note G)		0	0		

Safety Related Advertising Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Safety Related	Non-safety Related	Details
Directly Assigned A&G							
80	General Advertising Exp Account 930.1	(Note F)	p323.191.b	0	-	-	None

MultiState Workpaper

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
Income Tax Rates									
128	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year	Pennsylvania 9.99%	Enter State Enter %	Enter State Enter %	Enter State Enter %	Enter State Enter %	Enter Calculation Pennsylvania Only

Education and Out Reach Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Education & Outreach	Other	Details
Directly Assigned A&G							
77	General Advertising Exp Account 930.1	(Note K)	p323.191.b	0	0	0	None

Cost Support

Excluded Plant Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
148	Excluded Transmission Facilities	(Note M)	Attachment 5	6,965,828	
				Enter \$	None
Add more lines if necessary					

Outstanding Network Credits Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Outstanding Network Credits	Description of the Credits
Network Credits					
55	Outstanding Network Credits	(Note N)	From PJM	0	General Description of the Credits
				Enter \$	None
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits (Note N)		From PJM	0	
Add more lines if necessary					

Interest on Outstanding Network Credits Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Interest on Network Credits	Description of the Interest on the Credits
Revenue Credits & Interest on Network Credits					
154	Interest on Network Credits	(Note N)	PJM Data	0	General Description of the Credits
				Enter \$	None
Add more lines if necessary					

PJM Load Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
Network Zonal Service Rate					
172	1 CP Peak	(Note L)	6593		PJM Interconnection Calculates the Rate

Statements BG/BH (Present and Proposed Revenues)

Customer	Billing Determinants		Proposed Rate	Current Revenues	Proposed Revenues	Change in Revenues
	Current Rate					
Add more lines if necessary						
Total				-	-	-

UGI Utilities, Inc.

Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

Exec Summary

- 1 April Year 2 TO populates the formula with Year 1 data from Form 1 for Year 1 (e.g. 2005 data) (no Cap Adds)
- 2 April Year 2 TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2 (e.g. 2006)
- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
- 4 May Year 2 Post results of Step 3 on PJM web site
- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g. June 1, 2005 - May 31, 2006)

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)
- 7 April Year 3 TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2007)
- 8 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds in Reconciliation
(adjusted to include any Reconciliation amount from prior year)
- 9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2007 - May 31, 2008)

Detailed Example

- 1 April Year 2 TO populates the formula with Year 1 data from Form 1 for Year 1 (e.g. 2005 data) (no Cap Adds)

		\$ 4,112,346	Rev Req based on Year 1 data	Must run Appendix A to get this number (without any Cap Adds in line 21 of Appendix A)
--	--	---------------------	------------------------------	--

- 2 April Year 2 TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2 (e.g. 2006)

	Est. In Service Date	Weighting	Amount	One 12th
Jan	-	11.5	-	-
Feb	3,532,501	10.5	37,091,261	3,090,938
Mar	-	9.5	-	-
Apr	-	8.5	-	-
May	-	7.5	-	-
Jun	-	6.5	-	-
Jul	-	5.5	-	-
Aug	824,499	4.5	3,710,246	309,187
Sep	-	3.5	-	-
Oct	-	2.5	-	-
Nov	-	1.5	-	-
Dec	451,363	0.5	225,682	18,807
Total	4,808,363		41,027,188	3,418,932
New Transmission Plant Additions for Year 2 (weighted by months in service)				
				3,418,932

- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula

		\$ 3,418,932	Input to Formula Line 21
--	--	---------------------	--------------------------

- 4 May Year 2 Post results of Step 3 on PJM web site

		\$ 4,461,409	Must run Appendix A to get this number (with prospective weighted cap adds in line 21)
--	--	---------------------	--

- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g. June 1, 2005 - May 31, 2006)

		\$ 4,461,409
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- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)

		\$ 5,374,771	Rev Req based on Prior Year data	Must run Appendix A to get this number (without any Cap Adds in line 21 of Appendix A)
--	--	---------------------	----------------------------------	--

- 7 April Year 3 TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2007)

	Est. In Service Date	Weighting	Amount	One 12th
Jan	-	11.5	-	-
Feb	25,000	10.5	262,500	21,875
Mar	-	9.5	-	-
Apr	510,000	8.5	4,335,000	361,250
May	-	7.5	-	-
Jun	-	6.5	-	-
Jul	275,000	5.5	1,512,500	126,042
Aug	2,000,000	4.5	9,000,000	750,000
Sep	35,000	3.5	122,500	10,208
Oct	-	2.5	-	-
Nov	-	1.5	-	-
Dec	-	0.5	-	-
Total	2,845,000		15,232,500	1,269,375
New Transmission Plant Additions for Year 3 (weighted by months in service)				
				1,269,375 Input to Formula Line 21

8 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total estimated Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds in Reconciliation
(adjusted to include any Reconciliation amount from prior year)

Remove all Cap Adds placed in service in Year 2 -Actuals for Year 2015
For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 943,101 Input to Formula Line 20

Add weighted Cap Adds actually placed in service in Year 2				
	Actual In Service Date	Weighting	Amount	One 12th
Jan		11.5	-	-
Feb		10.5	-	-
Mar		9.5	-	-
Apr	368,124	8.5	3,129,054	260,755
May		7.5	-	-
Jun	91,900	6.5	597,350	49,779
Jul	243,916	5.5	1,341,538	111,795
Aug	40,545	4.5	182,453	15,204
Sep	149,374	3.5	522,809	43,567
Oct		2.5	-	-
Nov	49,242	1.5	73,863	6,155
Dec		0.5	-	-
Total	943,101		5,847,067	487,256
New Transmission Plant Additions for Year 2 (weighted by months in service)				487,256 Input to Formula Line 21

6,502,294 Result of Formula for Reconciliation Must run Appendix A with cap adds in line 21 and line 20

9 April Year 4 Reconciliation -- TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)

The Reconciliation in Step 8 6,502,294 - The forecast in Prior Year 6,672,897 = (170,603)

Interest on Amount of Refunds or Surcharges

Interest 35.19a for March Current Yr		0.2800% -March 2016		Surcharge (Refund)	
Month	Yr	1/12 of Step 9	Interest Rate for March of Current Year	Months	Owed
Jun	Year 1	(14,217)	0.2800%	11.5	(458)
Jul	Year 1	(14,217)	0.2800%	10.5	(418)
Aug	Year 1	(14,217)	0.2800%	9.5	(378)
Sep	Year 1	(14,217)	0.2800%	8.5	(338)
Oct	Year 1	(14,217)	0.2800%	7.5	(299)
Nov	Year 1	(14,217)	0.2800%	6.5	(259)
Dec	Year 1	(14,217)	0.2800%	5.5	(219)
Jan	Year 2	(14,217)	0.2800%	4.5	(179)
Feb	Year 2	(14,217)	0.2800%	3.5	(139)
Mar	Year 2	(14,217)	0.2800%	2.5	(100)
Apr	Year 2	(14,217)	0.2800%	1.5	(60)
May	Year 2	(14,217)	0.2800%	0.5	(20)
Total		(170,603)			(173,469)

		Balance	Interest	Amortization over Rate Year	Balance
Jun	Year 2	(173,469)	0.2800%	(14,720)	(159,235)
Jul	Year 2	(159,235)	0.2800%	(14,720)	(144,960)
Aug	Year 2	(144,960)	0.2800%	(14,720)	(130,646)
Sep	Year 2	(130,646)	0.2800%	(14,720)	(116,292)
Oct	Year 2	(116,292)	0.2800%	(14,720)	(101,897)
Nov	Year 2	(101,897)	0.2800%	(14,720)	(87,462)
Dec	Year 2	(87,462)	0.2800%	(14,720)	(72,987)
Jan	Year 3	(72,987)	0.2800%	(14,720)	(58,471)
Feb	Year 3	(58,471)	0.2800%	(14,720)	(43,914)
Mar	Year 3	(43,914)	0.2800%	(14,720)	(29,317)
Apr	Year 3	(29,317)	0.2800%	(14,720)	(14,679)
May	Year 3	(14,679)	0.2800%	(14,720)	-
Total with interest				(176,642)	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest (176,642)
Rev Req based on Year 3 data with estimated Cap Adds for Year 4 \$ 6,680,966
Revenue Requirement for Year 3 6,504,323

10 May Year 4 Post results of Sept 9 on PJM web site
\$ 6,504,323 Post results of Step 3 on PJM web site

11 June Year 4 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2009 - May 31, 2010)
\$ 6,504,323

Attachment 7 - Transmission Enhancement Charge Worksheet

Fixed Charge Rate (FCR) if not a CIAC

Formula Line			
A	159	Net Plant Carrying Charge without Depreciation	29.5410%
B	166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	30.4094%
C		Line B less Line A	0.8685%

FCR if a CIAC

D	160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	17.4002%
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The FCR resulting from Formula in a given year is used for that year only.
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

Details		Project A				Project B						
Schedule 12	(Yes or No)											
Life	(Yes or No)											
CIAC	(Yes or No)											
Increased ROE (Basis Points)												
FCR @ 11.3 ROE		0.295409621										
	(FCR @ 11.3 ROE + FCR @ 11.3 ROE x Increased ROE/100 bp)	0.295409621										
FCR for This Project Investment			may be weighted average of small projects									
Annual Depreciation Exp		-										
In Service Month (1-12)		-										
	Invest Yr	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
FCR @ 11.3 ROE	2006	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2006	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2007	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2007	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2008	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2008	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2009	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2009	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2010	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2010	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2011	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2011	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2012	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2012	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2013	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2013	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2014	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2014	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2015	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2015	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2016	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2016	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2017	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2017	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2018	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2018	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2019	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2019	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2020	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2020	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2021	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2021	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2022	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2022	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2023	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2023	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2024	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2024	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2025	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2025	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
.....		\$ -	\$ -	\$ -
.....		\$ -	\$ -	\$ -

UGI Utilities, Inc.

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

	Long Term Interest		
100	Less LTD Interest on Securitization Bonds		0
	Capitalization		
111	Less LTD on Securitization Bonds		0

Calculation of the above Securitization Adjustments



UGI Utilities, Inc. - Electric Division
Summary of the Original and Re-filed FERC Form 1F and FERC Form 1 Balances in Accounts 216 & 216.1
Filing Years 2007 - 2014

As filed @ 12.31	2007	2008	2009	2010	2011	2012	2013	2014
Ferc 216	159,096,983	131,284,771	112,885,520	80,876,373	14,247,839	6,009,860	(22,411,738)	389,183,030
Ferc 216.1	37,267,510	76,951,312	115,869,284	163,359,468	192,827,372	259,905,988	319,533,257	(49,584,882)
	196,364,493	208,236,083	228,754,804	244,235,841	207,075,211	265,915,848	297,121,519	339,598,148
Adjustments reflected in CY 2014 Filing:								
Adjusted @ 12.31	2007	2008	2009	2010	2011	2012	2013	2014
Ferc 216	268,316,983	291,357,771	365,876,057	403,866,910	395,800,775	420,562,796	(21,125,658)	-
Ferc 216.1	(71,952,490)	(83,121,688)	(137,121,253)	(159,631,069)	(188,725,564)	(154,646,948)	318,247,177	-
	196,364,493	208,236,083	228,754,804	244,235,841	207,075,211	265,915,848	297,121,519	-
Adjustments reflected in CY 2015 Filing:								
Adjusted @ 12.31	2007	2008	2009	2010	2011	2012	2013	2014
Ferc 216	176,646,983	199,687,771	209,851,964	244,235,841	207,075,211	265,915,848	268,725,328	263,892,028
Ferc 216.1	19,717,510	8,548,312	18,902,840	-	-	-	28,396,191	75,706,120
	196,364,493	208,236,083	228,754,804	244,235,841	207,075,211	265,915,848	297,121,519	339,598,148

CERTIFICATE OF SERVICE

I hereby certify that in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in Docket No. ER06-1445-000.

Dated at Washington, D.C., this 16th day of May, 2016.

 /s/ Joseph W. Lowell
Joseph W. Lowell
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