

**UGI PENN NATURAL GAS, INC.**

**BEFORE**

**THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Information Submitted Pursuant to**

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

**UGI PNG EXHIBIT A – FULLY PROJECTED**

**UGI PNG EXHIBIT A - FUTURE**

**UGI PNG EXHIBIT A – HISTORIC**

**UGI PNG EXHIBIT B – RATE OF RETURN**

**UGI PNG EXHIBIT E – PROOF OF REVENUE**

**ORIGINAL TARIFF**

**UGI PENN NATURAL GAS, INC. – PA P.U.C. NO. 9**

**DOCKET NO. R-2016-2580030**

**Issued: January 19, 2017**

**Effective: March 20, 2017**

**UGI PNG EXHIBIT A – FULLY PROJECTED**

Future Period - 12 Months Ended September 30, 2018  
( \$ in Thousands )  
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**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

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

Line #	Description	[ 1 ] Function	[ 2 ] Reference Section	[ 3 ] Pro Forma Test Year Ended September 30, 2018 At Present Rates	[ 4 ] Year Ended September 30, 2018 At Increase	[ 5 ] Proposed Rates
<b><u>RATE BASE</u></b>						
1	Utility Plant		C-2	\$ 957,753		\$ 957,753
2	Accumulated Depreciation		C-3	(295,124)		(295,124)
3	Net Plant in service	L 1 + L 2		662,629	-	662,629
4	Working Capital		C-4	7,404		7,404
5	Gas Inventory		C-5	4,729		4,729
6	Accumulated Deferred Income Taxes		C-6	(118,433)		(118,433)
7	Customer Deposits		C-7	(4,975)		(4,975)
8	Materials & Supplies		C-8	4,621		4,621
9	<b>TOTAL RATE BASE</b>	<b>Sum L 3 to L 8</b>		<b>\$ 555,975</b>	<b>\$ -</b>	<b>\$ 555,975</b>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>						
<u>Operating Revenues</u>						
10	Base Customer Charges		D-5	\$ 142,729	\$ 21,661	\$ 164,390
11	Gas Cost Revenue		D-5	63,562		63,562
12	Other Operating Revenues		D-5	2,278		2,278
13	<b>Total Revenues</b>	<b>Sum L 10 to L 12</b>		<b>208,568</b>	<b>21,661</b>	<b>230,229</b>
14	Operating Expenses		D	(161,671)	(274)	(161,944)
15	<b>OIBIT</b>	<b>L 13 + L 14</b>		<b>46,898</b>	<b>21,387</b>	<b>68,285</b>
16	Pro Forma Income Tax at Present Rates		D-33	(12,709)		(21,584)
17	Pro Forma Income Tax on Revenue Increase		D-33		(8,875)	(21,584)
18	<b>NET OPERATING INCOME</b>	<b>Sum L 15 to L 17</b>		<b>\$ 34,188</b>	<b>\$ 12,513</b>	<b>\$ 46,701</b>
19	<b>RATE OF RETURN</b>	<b>L 18 / L 9</b>		<b>6.1493%</b>		<b>8.400%</b>
<b><u>REVENUE INCREASE REQUIRED</u></b>						
20	Rate of Return at Present Rates	L 19, Col 4		6.1493%		
21	Rate of Return Required		B-7	8.4000%		
22	Change in ROR	L 21 - L 20		2.25073%		
23	Change in Operating Income	L 22 * L 9		\$ 12,513		
24	Gross Revenue Conversion Factor		D-35	1.731092		
25	Change in Revenues	L 23 * L 24		\$ 21,661		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4			15.18%	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4			10.39%	

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule B-1**  
**Witness: K. S. Walker**  
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**Balance Sheet**

[ 1 ]

Line No	Description/(Account No)	Budget TYE 9-30-18
	UTILITY PLANT (101 - 106, 108)	
1	Gas Utility Plant	\$ 934,915
2	Other Utility Plant	-
3	Total Plant In Service	<u>934,915</u>
4	Construction Work In Progress (107)	17,557
5	Total Utility Plant	<u>952,472</u>
6	Accumulated Provision for Depreciation - Gas (108)	(308,503)
7	Utility Acquisition Adjustment (114)	161,726
8	Accumulated Provision for Depreciation - Other (119)	-
9	Net Utility Plant	<u>805,695</u>
	OTHER PROPERTY INVESTMENTS	
10	Non-utility Property (121)	-
11	Accumulated Depreciation on NUP (122)	70
12	Investment in Associated & Subsidiary Companies (123.1)	1,169
13	Other Investments (124)	<u>103</u>
14	Total Other Property and Investments	1,342
	CURRENT AND ACCRUED ASSETS	
15	Cash & Other Temporary Investments(131-136)	1,374
16	Unbilled Revenues	-
17	Customer Accounts Receivable (142)	14,846
18	Other Accounts Receivable (143)	527
19	Accum Provision for Uncollectible (144)	(1,004)
20	Receivables from Associated Companies (145)	-
21	Accounts Receivable Assoc. Comp. (146)	-
22	Plant Materials & Operating Supplies (154)	3,532
23	Stores Expense - Undistributed (163)	794
24	Gas Stored - Current (164.1)	12,738
25	Liquefied Natural Gas stored (164.2)	-
26	Prepayments (165)	1,978
27	Accrued Utility Revenues (173)	8,446
28	Miscellaneous Current & Accrued Assets (174)	5
29	Derivative Instrument Assets (175)	<u>1,655</u>
30	Total Current and Accrued Assets	44,891
	DEFERRED DEBITS	
31	Unamortized Debt Expense (181)	1,365
32	Other Regulatory Assets (182.3)	105,070
33	Other Preliminary Survey & Investigation Charges (183.2)	678
34	Clearing Accounts (184)	(8)
35	Miscellaneous Deferred Debits (186)	1,889
36	Unamortized Loss on Reacquired Debt (189)	-
37	Accumulated Deferred Income Taxes (190)	(20,250)
38	O/U Collected Gas (191.4, 191.41)	<u>7,712</u>
39	Total Deferred Debits	<u>96,456</u>
40	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 948,384</u>

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**( \$ in Thousands )**

**Schedule B-1**  
**Witness: K. S. Walker**  
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**Balance Sheet**

[ 1 ]

Line No	Description/(Account No)	Budget TYE 9-30-18
PROPRIETARY CAPITAL		
41	Common Stock Issued (201)	\$ 0
42	Preferred Stock Issued (204)	-
43	Miscellaneous Paid-in-Capital (211)	613,389
44	Capital Stock Expense (214)	-
45	Retained Earnings (215, 215.2, 216)	(271,667)
46	Accum Other Comprehensive Income (219)	-
47	Total Proprietary Capital	341,722
LONG TERM DEBT		
48	Bonds (221)	-
49	Advances from Associated Companies (223)	-
50	Other Long-Term Debt (224)	270,580
51	Unamortized Premium on LTD (225)	-
52	Unamortized Discount on LTD (226)	-
53	Total Long-term Debt	270,580
OTHER NON-CURRENT LIABILITIES		
54	Obligations under Capital Leases (227)	-
55	Advances from Associated Companies (223)	46
56	Other Long-Term Debt (224)	51,440
57	Unamortized Premium on LTD (225)	5,134
58	Unamortized Discount on LTD (226)	-
59	Total Non-Current Liabilities	56,620
CURRENT & ACCRUED LIABILITIES		
60	Notes Payable (231)	42
61	Accounts Payable (232)	2,409
62	Notes Payable to Assoc. Companies (233)	41,686
63	Accounts Payable to Assoc. Cos (234)	21,087
64	Customer Deposits (235)	4,975
65	Taxes Accrued (236)	1,100
66	Interest Accrued (237)	630
67	Tax Collections Payable (241)	0
68	Accrued Interest on Other Liabilities (237)	14,142
69	Tax Collections Payable (241)	5
70	Misc Current & Accrued Liabilities (242)	-
71	Total Current & Accrued Liabilities	86,076
OTHER DEFERRED CREDITS		
72	Customer Advances for Construction (252)	128
73	Other Deferred Credits (253)	939
74	Other Regulatory Liabilities (254)	4,520
75	Deferred ITC (255)	-
76	Accumulated Deferred Income Taxes (282)	144,599
77	Accumulated Deferred Income Taxes (283)	43,200
78	Total Other Deferred Credits	193,386
79	TOTAL LIABILITIES & OTHER CREDITS	<u>\$ 948,384</u>

**UGI Penn Natural Gas, Inc.**  
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**Schedule B-2**  
**Witness: K. S. Walker**  
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**Statement of Net Utility Operating Income**

Line No	Description	[ 1 ] Budget TYE 9-30-18	[ 2 ] Reference
<b>Total Operating Revenues</b>			
1	Total Sales Revenues	\$ 207,460	B-3
2	Other Operating Revenues	2,698	B-3
3	Total Revenues	210,158	
<b>Total Operating Expenses</b>			
4	Operation & Maintenance Expenses	126,273	B-4 & D-2
5	Depreciation & Amortization Expense	20,644	D-21
6	Taxes Other Than Income Taxes	3,023	B-5
7	Total Operating Expenses	149,940	
8	Operating Income Before Income Taxes (OIBIT)	60,219	
Income Taxes:			
9	State	848	B-5
10	Federal	11,861	B-5
11	Total Income Taxes	12,709	
12	<b>Net Utility Operating Income</b>	<b>\$ 47,509</b>	

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule B-3**  
**Witness: K. S. Walker**  
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**Statement of Operating Revenues**

[ 1 ]

Line No	Description	Budget TYE 9-30-18
<b>Gas Operating Revenues</b>		
1	Residential (R/RT) (480)	\$ 139,772
2	Comm & Ind (N/NT) (481)	37,057
3	Comm & Ind (DS) (489)	8,284
4	Lg Transport/Other (489)	19,764
5	Interruptible (489)	<u>2,583</u>
6	Sub-Total Gas Operating Revenues	207,460
<b>Other Operating Revenues</b>		
7	Forfeited Discounts (487)	1,863
8	Miscellaneous Service Revenues (488)	829
9	Rent from Gas Properties (493)	6
10	Other Revenues (495)	<u>0</u>
11	Sub-Total Other Operating Revenues	<u>2,698</u>
12	<b>Total Operating Revenues</b>	<u><u>\$ 210,158</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule B-4**  
**Witness: K. S. Walker**  
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**Operation and Maintenance Expenses**

Line No	Description	Account No	[ 1 ] Budget TYE 9-30-18
<b>Gas Raw Materials</b>			
1	Liquefied Petroleum Gas Expenses	717	\$ -
2	Miscellaneous Production Expenses	735	-
3	Total Gas Raw Materials Expenses		-
<b>Production and Gathering - Operations</b>			
4	Operating Supervision and Engineering	750	-
5	Production Maps and Records	751	-
6	Gas Wells Expenses	752	-
7	Field Lines Expenses	753	-
8	Gas Well Royalties	758	-
9	Other Expenses	759	-
10	Total Production & Gathering Operation Expenses		-
<b>Production and Gathering - Maintenance</b>			
11	Maintenance of Producing Gas Wells	763	-
12	Maintenance of Field Lines	764	-
13	Maintenance of Field Measuring and Reg. Station Equip.	766	-
14	Gas Supply Operation Expenses		-
<b>Other Gas Supply Expense - Operations</b>			
15	Natural Gas City Gate Purchases	804.0	92,455
16	Other Gas Purchases	805.0	-
17	Purchases Gas Cost Adjustments	805.1	(29,080)
18	Gas Withdrawn from Storage-Debit	808.1	11,332
19	Purchased Gas Expenses	807.0	-
20	Gas Used for Other Utility Operations-Credit	812.0	(196)
21	Gas Delivered to Storage-Credit	808.2	(12,533)
22	Other Gas Supply Expenses	813.0	-
23	Gas Supply Operation Expenses		61,978
<b>Underground Storage Expense - Operation</b>			
24	Operation Supervision and Engineering	814	-
25	Maps and Records	815	-
26	Wells Expenses	816	-
27	Lines Expenses	817	-
28	Measuring and Regulating Station Expenses	820	-
29	Purification Expenses	821	-
30	Gas Losses	823	-
31	Other Expenses	824	1
32	Total Underground Storage Expenses		1
<b>Underground Storage Expense - Maintenance</b>			
33	Maintenance Supervision and Engineering	830	-
34	Maintenance of Structures and Improvements	831	-
35	Maintenance of Reservoirs and Wells	832	-
36	Maintenance of Lines	833	-
37	Maintenance of Measuring & Regulating Station Equip.	835	-
38	Total Underground Maintenance Expenses		-

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule B-4**  
**Witness: K. S. Walker**  
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**Operation and Maintenance Expenses**

Line No	Description	Account No	[ 1 ] Budget TYE 9-30-18
<b>Transmission Expense - Operations</b>			
39	Operating Supervision and Engineering	850	-
40	System Control and Load Dispatching	851	-
41	Communication System Expenses	852	-
42	Mains Expenses	856	-
43	Measuring and Regulating Station Expenses	857	-
44	Other Expenses	859	-
45	Total Transmission Operation Expenses		-
<b>Transmission Expense - Maintenance</b>			
46	Maintenance Supervision and Engineering	861	-
47	Maintenance of Structures and Improvements	862	-
48	Maintenance of Mains	863	-
49	Maintenance of Measuring and Regulating Station Equip.	865	-
50	Maintenance of Communication Equipment	866	-
51	Total Transmission Maintenance Expenses		-
<b>Distribution Expense - Operations</b>			
52	Operation Supervision and Engineering	870	2,052
53	Distribution Load Dispatching	871	656
54	Compressor Station Fuel and Power (Major Only)	873	-
55	Mains and Services Expenses	874	6,804
56	Measuring and Regulating Station Expenses-General	875	676
57	Measuring and Regulating Station Expenses-Industrial	876	81
58	Measuring and Regulating Station Expenses-City Gate	877	20
59	Meter and House Regulator Expenses	878	1,260
60	Customer Installations Expenses	879	564
61	Other Expenses	880	535
62	Rents	881	99
63	Total Distribution Operation Expenses		12,747
<b>Distribution Expense - Maintenance</b>			
64	Maintenance Supervision and Engineering	885	506
65	Maintenance of Structures and Improvements	886	4
66	Maintenance of Mains	887	9,246
67	Maintenance of Measuring & Reg. Station Equip.-Genl.	889	403
68	Maintenance of Measuring & Reg. Station Equip.-Indtrl.	890	418
69	Maintenance of Measuring & Reg. Station Equip.-City G	891	429
70	Maintenance of Services	892	1,404
71	Maintenance of Meters & House Regulators	893	717
72	Maintenance of Other Equipment	894	148
73	Construction & Maintenance	895	-
74	Total Distribution Maintenance Expenses		13,275
<b>Customer Accounts Expense - Operations</b>			
75	Supervision	901	131
76	Meter Reading Expenses	902	439
77	Customer Records & Collection Expenses	903	8,304
78	Uncollectable Accounts	904	2,255
79	Miscellaneous Customer Accounts Expenses	905	428
80	Total Administrative & General		11,557

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

**Schedule B-4**  
**Witness: K. S. Walker**  
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**Operation and Maintenance Expenses**

Line No	Description	Account No	[ 1 ] Budget TYE 9-30-18
<b>Customer Service &amp; Information Expense</b>			
82	Supervision	907	-
83	Customer Assistance Expenses	908	426
84	Informational & Instructional Advertising Expenses	909	294
85	Miscellaneous Customer Service & Informational Exp.	910	10
86	Total Cust. Service & Inform. Operations Exp		<u>730</u>
87	Description		
<b>Sales Expense</b>			
88	Supervision	911	-
89	Demonstrating and Selling Expenses	912	249
90	Advertising Expenses	913	232
91	Miscellaneous Sales Expenses	916	44
92	Total Operation Sales Expenses		<u>525</u>
<b>Administrative &amp; General - Operations</b>			
93	Administrative and General Salaries	920.0	6,315
94	Office Supplies and Expenses	921.0	5,147
95	Outside Service Employed	923.0	5,384
96	Property Insurance	924.0	35
97	Injuries and Damages	925.0	1,308
98	Employee Pensions and Benefits	926.0	4,850
99	Regulatory Commission Expenses	928.0	-
100	General Advertising Expenses	930.1	137
101	Miscellaneous General Expenses	930.2	(76)
102	Rents	931.0	282
103	Total A & G Operation Expenses		<u>23,382</u>
<b>Administrative &amp; General - Maintenance</b>			
104	Maintenance of General Plant	932	886
105	Maintenance of General Plant	935	5
106	Total A & G Maintenance Expenses		<u>891</u>
107	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 125,087</u>
108	Total Gas Operation Expenses		110,921
109	Total Gas Maintenance Expense		14,166
110	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 125,087</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule B-5**  
**Witness: K. S. Walker**  
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**Detail of Taxes**

[ 1 ]

Line No	Description	Reference	Budget TYE 9-30-18
<b>Taxes Other Than Income Taxes</b>			
<b>Non-revenue related:</b>			
1	Pennsylvania - PURTA	D-31	\$ 132
2	Capital Stock	D-31	329
3	PA and Local Use taxes	D-31	122
4	Miscellaneous Taxes	D-31	935
5	Subtotal		<u>1,518</u>
<b>Payroll Taxes</b>			
6	FICA	D-31	1,374
7	SUTA	D-31	120
8	FUTA	D-31	11
9	Other		-
10	Subtotal		<u>1,505</u>
11	Total Taxes Other Than Income Taxes		<u><u>\$ 3,023</u></u>
<b>Income Taxes</b>			
12	State		\$ 848
13	Federal		11,861
14	Total Income Taxes		<u><u>\$ 12,709</u></u>

**UGI Penn Natural Gas, Inc.**  
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**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule B-6**  
**Witness: P. R. Moul**  
 Page 1 of 1

**Composite Cost of Debt**

Line No	Description	[ 1 ] Amount Outstanding	[ 2 ] Percent to Total	[ 3 ] Effective Interest Rate	[ 4 ] Average Weighted Cost Rate [ 2 ] * [ 3 ]
<b><u>Medium Term Notes</u></b>					
1	6.500% Due 8/15/2033	20,000	2.45%	6.56%	0.16%
2	6.133% Due 10/15/2034	20,000	2.45%	6.19%	0.15%
<b><u>Senior Unsecured Notes</u></b>					
3	6.206% Due 9/30/2036	100,000	12.27%	6.32%	0.78%
4	4.980% Due 3/26/2044	175,000	21.47%	5.00%	1.07%
5	2.950% Due 6/30/2026	100,000	12.27%	3.92%	0.48%
6	4.120% Due 9/30/2046	200,000	24.54%	5.00%	1.23%
7	4.120% Due 10/31/2046	100,000	12.27%	4.28%	0.53%
8	4.87% Due 10/31/2047	100,000	12.27%	4.90%	0.60%
9	Total Long-Term Debt	815,000	<u>100.00%</u>		<u>5.00%</u>
10	Total Long-Term Debt	\$ 815,000	94.32%	5.00%	4.72%
11	Total Short-Term Debt	49,049	5.68%	2.98%	0.17%
12	TOTAL	<u>\$ 864,049</u>	<u>100.00%</u>		
13	Weighted Cost of Debt				<u>4.89%</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule B-7**  
**Witness: P. R. Moul**  
Page 1 of 1

**Rate of Return**

[ 1 ]                      [ 2 ]                      [ 3 ]                      [ 4 ]

<u>Line No</u>	<u>Description</u>	<u>Capitalization Ratio</u>	<u>Embedded Cost</u>	<u>Statement Reference</u>	<u>Return-%</u>
1	Long-Term Debt	41.68%	5.00%	B-6	2.08%
2	Short-Term Debt	2.50%	2.98%	B-6	0.07%
3	Common Equity	<u>55.82%</u>	11.20%		<u>6.25%</u>
4	Total	<u><u>100.00%</u></u>			<u><u>8.40%</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule C-1**  
**Witness: M. Mattern**  
Page 1 of 1

**Measure of Value**

Line #	Description	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]
		Reference Schedule	# of Pages	Pro Forma Test Year Ended September 30, 2018 At Present Rates	Adjustments	Proposed Rates
<b><u>MEASURE OF VALUE</u></b>						
1	Utility Plant	C-2	9	\$ 957,753		\$ 957,753
2	Accumulated Depreciation	C-3	11	(295,124)		(295,124)
3	Net Plant in service			662,629	-	662,629
4	Working Capital	C-4	9	7,404		7,404
5	Gas Inventory	C-5	1	4,729		4,729
6	Accumulated Deferred Income Taxes	C-6	1	(118,433)		(118,433)
7	Customer Deposits	C-7	1	(4,975)		(4,975)
8	Materials & Supplies	C-8	1	4,621		4,621
9	TOTAL MEASURE OF VALUE			<u>\$ 555,975</u>	<u>\$ -</u>	<u>\$ 555,975</u>

Pro Forma Gas Plant in Service

Line No	Description	[ 1 ] Account No	[ 2 ] Pro Forma FTY 9-30-18
INTANGIBLE PLANT			
1	Organization	301	\$ 107
2	Franchise & Consent	302	9
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>116</u>
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Reg. Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
NATURAL GAS STORAGE & PROCESSING PLANT			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350	-
21	Rights of Way	350	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL STORAGE & PROCESSING		<u>-</u>

Pro Forma Gas Plant in Service

Line No	Description	[ 1 ] Account No	[ 2 ] Pro Forma FTY 9-30-18
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	\$ -
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		<u>-</u>
DISTRIBUTION PLANT			
38	Land & Land Rights	374	3,386
39	Structures & Improvements	375	2,888
40	Mains	376	479,619
41	Measuring & Regulating Station Equipment	378	21,789
42	Measuring & Regulating Station Equipment	379	18,827
43	Services	380	273,257
44	Meters	381	61,762
45	Meter Installations	382	-
46	House Regulators	383	2,815
47	House Regulatory Installations	384	3,623
48	Industrial Measuring & Reg. Station Equipment	385	11,152
49	Other Property	386	-
50	Other Equipment	387	117
51	TOTAL DISTRIBUTION		<u>879,235</u>
GENERAL PLANT			
52	Land & Land Rights	389	1,507
53	Structures & Improvements	390	27,363
54	Office Furniture & Equipment	391	32,908
55	Transportation Equipment	392	6,999
56	Stores Equipment	393	2
57	Tools & Garage Equipment	394	7,096
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,518
60	Communication Equipment	397	167
61	Miscellaneous Equipment	398	842
62	Other Tangible Property	399	-
63	TOTAL GENERAL		<u>78,402</u>
64	Total Plant		<u>\$ 957,753</u>

UGI Penn Natural Gas, Inc.  
 Before the Pennsylvania Public Utility Commission  
 Future Period - 12 Months Ended September 30, 2018  
 ( \$ in Thousands )

Schedule C-2  
 Witness: M. Mattern  
 Page 3 of 9

**Pro Forma Plant Adjustment Summary**

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Test Year 9/30/18 Budget	[ 3 ] Adjustments	[ 4 ] Pro Forma Test Year [ 2 ] + [ 3 ]
1	Intangible Plant	Sch C-2, Pg 4	\$ 95	\$ 21	\$ 116
2	Natural Gas Production & Gathering	Sch C-2, Pg 4	-	-	-
3	Natural Gas Storage & Processing Plant	Sch C-2, Pg 4	-	-	-
4	Transmission Plant	Sch C-2, Page 5	-	-	-
5	Distribution Plant	Sch C-2, Page 5	888,172	(8,937)	879,235
6	General Plant	Sch C-2, Page 5	46,718	31,684	78,402
7	Other Plant		-	-	-
8	Total Utility Plant		<u>\$ 934,985</u>	<u>\$ 22,768</u>	<u>\$ 957,753</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
Page 4 of 9

**Pro Forma Year End Plant Balances**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30,		[ 3 ]	[ 4 ]	[ 5 ]
			2017	2018		Pro Forma Adjustment	Balance
<b>INTANGIBLE PLANT</b>							
1	Organization	301	\$ 106	\$ 86		\$ 21	\$ 107
2	Franchise & Consent	302	9	9		-	9
3	Miscellaneous Intangible Plant	303	-	-		-	-
4	TOTAL INTANGIBLE		115	95		21	116
<b>NATURAL GAS PRODUCTION &amp; GATHERING</b>							
5	Producing Lands	325.1	-	-		-	-
6	Producing Leaseholds	325.2	-	-		-	-
7	Rights of Way	325.4	-	-		-	-
8	Other Land Rights	325.5	-	-		-	-
9	Field Measuring & Regulating Station Structures	328	-	-		-	-
10	Other Structures	329	-	-		-	-
11	Producing Gas Wells-Well Construction	330	-	-		-	-
12	Producing Gas Wells-Well Equipment	331	-	-		-	-
13	Field Lines	332	-	-		-	-
14	Field Measuring & Reg. Station Equipment	334	-	-		-	-
15	Drilling & Cleaning Equipment	335	-	-		-	-
16	Other Equipment	337	-	-		-	-
17	TOTAL PRODUCTION & GATHERING		-	-		-	-
<b>NATURAL GAS STORAGE &amp; PROCESSING PLANT</b>							
18	Land & Land Rights	304	-	-		-	-
19	Production Plant-Manufactured Gas Plants	305	-	-		-	-
20	Land	350.1	-	-		-	-
21	Rights of Way	350.2	-	-		-	-
22	Structures & Improvements	351	-	-		-	-
23	Wells	352	-	-		-	-
24	Lines	353	-	-		-	-
25	Compressor Station Equipment	354	-	-		-	-
26	Measuring & Regulating Equipment	355	-	-		-	-
27	Purification Equipment	356	-	-		-	-
28	Other Equipment	357	-	-		-	-
29	TOTAL STORAGE & PROCESSING		-	-		-	-

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Pro Forma Year End Plant Balances**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2017	[ 3 ] 2018	[ 4 ] Pro Forma Adjustment	[ 5 ] Balance
<b>TRANSMISSION PLANT</b>						
30	Land & Land Rights	365.1	-	-	-	-
31	Rights of Way	365.2	-	-	-	-
32	Structures & Improvements	366	-	-	-	-
33	Mains	367	-	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-	-
35	Communication Equipment	370	-	-	-	-
36	Other Equipment	371	-	-	-	-
37	<b>TOTAL TRANSMISSION</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION PLANT</b>						
38	Land & Land Rights	374	3,386	3,361	25	3,386
39	Structures & Improvements	375	2,772	2,859	29	2,888
40	Mains	376	445,933	483,887	(4,268)	479,619
41	Measuring & Regulating Station Equipment	378	20,292	23,741	(1,952)	21,789
42	Measuring & Regulating Station Equipment	379	18,791	18,348	479	18,827
43	Services	380	257,327	275,507	(2,250)	273,257
44	Meters	381	60,093	61,447	315	61,762
45	Meter Installations	382	-	-	-	-
46	House Regulators	383	2,815	3,546	(731)	2,815
47	House Regulatory Installations	384	3,623	3,669	(46)	3,623
48	Industrial Measuring & Reg. Station Equipment	385	11,152	11,690	(538)	11,152
49	Other Property	386	-	-	-	-
50	Other Equipment	387	117	117	-	117
51	<b>TOTAL DISTRIBUTION</b>		<u>826,301</u>	<u>888,172</u>	<u>(8,937)</u>	<u>879,235</u>
<b>GENERAL PLANT</b>						
52	Land & Land Rights	389	770	770	737	1,507
53	Structures & Improvements	390	21,113	23,382	3,981	27,363
54	Office Furniture & Equipment	391	32,431	4,321	28,587	32,908
55	Transportation Equipment	392	5,589	8,342	(1,343)	6,999
56	Stores Equipment	393	2	2	-	2
57	Tools & Garage Equipment	394	6,280	6,750	346	7,096
58	Laboratory Equipment	395	-	-	-	-
59	Power Operated Equipment	396	1,518	1,548	(30)	1,518
60	Communication Equipment	397	167	938	(771)	167
61	Miscellaneous Equipment	398	814	665	177	842
62	Other Tangible Property	399	-	-	-	-
63	<b>TOTAL GENERAL</b>		<u>68,684</u>	<u>46,718</u>	<u>31,684</u>	<u>78,402</u>
64	<b>Total Plant</b>		<u>\$ 895,100</u>	<u>\$ 934,985</u>	<u>\$ 22,768</u>	<u>\$ 957,753</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Additions to Plant**

Line #	Description	[ 1 ] Account Number	[ 2 ] [ 3 ] Year ended September 30,	
			2017	2018
Plant Additions				
<u>INTANGIBLE PLANT</u>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
<u>NATURAL GAS PRODUCTION &amp; GATHERING</u>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
<u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
18	Land	350.1	-	-
19	Rights of Way	350.2	-	-
20	Structures & Improvements	351	-	-
21	Wells	352	-	-
22	Lines	353	-	-
23	Compressor Station Equipment	354	-	-
24	Measuring & Regulating Equipment	355	-	-
25	Purification Equipment	356	-	-
26	Other Equipment	357	-	-
27	TOTAL STORAGE & PROCESSING		-	-

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Additions to Plant**

Line #	Description	Account Number	[ 1 ]	[ 2 ]	[ 3 ]
			Year ended September 30,		
			2017	2018	
<b>TRANSMISSION PLANT</b>					
28	Land & Land Rights	365.1	-	-	
29	Rights of Way	365.2	-	-	
30	Structures & Improvements	366	-	-	
31	Mains	367	-	-	
32	Measuring & Regulating Station Equipment	369	-	-	
33	Communication Equipment	370	-	-	
34	Other Equipment	371	-	-	
35	TOTAL TRANSMISSION		-	-	
<b>DISTRIBUTION PLANT</b>					
36	Land & Land Rights	374	-	-	
37	Structures & Improvements	375	170	134	
38	Mains	376	81,542	34,459	
39	Measuring & Regulating Station Equipment	378	1,331	1,682	
40	Measuring & Regulating Station Equipment	379	525	41	
41	Services	380	13,754	16,698	
42	Meters	381	1,810	1,855	
43	Meter Installations	382	-	-	
44	House Regulators	383	-	-	
45	House Regulatory Installations	384	-	-	
46	Industrial Measuring & Reg. Station Equipment	385	242	-	
47	Other Property	386	-	-	
48	Other Equipment	387	-	-	
49	TOTAL DISTRIBUTION		99,374	54,869	
<b>GENERAL PLANT</b>					
50	Land & Land Rights	389	-	-	
51	Structures & Improvements	390	1,134	6,496	
52	Office Furniture & Equipment	391	25,074	1,052	
53	Transportation Equipment	392	2,500	2,800	
54	Stores Equipment	393	-	-	
55	Tools & Garage Equipment	394	670	1,168	
56	Laboratory Equipment	395	-	-	
57	Power Operated Equipment	396	-	-	
58	Communication Equipment	397	-	-	
59	Miscellaneous Equipment	398	25	28	
60	Other Tangible Property	399	-	-	
61	TOTAL GENERAL		29,403	11,544	
62	Total Plant		\$ 128,777	\$ 66,413	

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Retirements**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2017	2018
<b>INTANGIBLE PLANT</b>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
<b>NATURAL GAS PRODUCTION &amp; GATHERING</b>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
<b>NATURAL GAS STORAGE &amp; PROCESSING PLANT</b>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
20	Land	350.1	-	-
21	Rights of Way	350.2	-	-
22	Structures & Improvements	351	-	-
23	Wells	352	-	-
24	Lines	353	-	-
25	Compressor Station Equipment	354	-	-
26	Measuring & Regulating Equipment	355	-	-
27	Purification Equipment	356	-	-
28	Other Equipment	357	-	-
29	TOTAL STORAGE & PROCESSING		-	-

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Retirements**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2017	2018
<b>TRANSMISSION PLANT</b>				
30	Land & Land Rights	365.1	-	-
31	Rights of Way	365.2	-	-
32	Structures & Improvements	366	-	-
33	Mains	367	-	-
34	Measuring & Regulating Station Equipment	369	-	-
35	Communication Equipment	370	-	-
36	Other Equipment	371	-	-
37	TOTAL TRANSMISSION		-	-
<b>DISTRIBUTION PLANT</b>				
38	Land & Land Rights	374	-	-
39	Structures & Improvements	375	23	18
40	Mains	376	1,331	774
41	Measuring & Regulating Station Equipment	378	146	185
42	Measuring & Regulating Station Equipment	379	61	5
43	Services	380	584	768
44	Meters	381	181	185
45	Meter Installations	382	-	-
46	House Regulators	383	-	-
47	House Regulatory Installations	384	-	-
48	Industrial Measuring & Reg. Station Equipment	385	27	-
49	Other Property	386	-	-
50	Other Equipment	387	-	-
51	TOTAL DISTRIBUTION		2,353	1,935
<b>GENERAL PLANT</b>				
52	Land & Land Rights	389	-	-
53	Structures & Improvements	390	113	246
54	Office Furniture & Equipment	391	8,657	571
55	Transportation Equipment	392	1,250	1,400
56	Stores Equipment	393	-	-
57	Tools & Garage Equipment	394	267	352
58	Laboratory Equipment	395	-	-
59	Power Operated Equipment	396	-	-
60	Communication Equipment	397	1,123	-
61	Miscellaneous Equipment	398	76	-
62	Other Tangible Property	399	-	-
63	TOTAL GENERAL		11,486	2,569
64	Total Plant		\$ 13,839	\$ 4,504

Accumulated Provision for Depreciation

Line No	Description	[ 1 ]	[ 2 ]
		Account No	Pro Forma FTY 9-30-18
INTANGIBLE PLANT			
1	Organization	301	\$ -
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>-</u>
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Reg. Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
NATURAL GAS STORAGE & PROCESSING PLANT			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350	-
21	Rights of Way	350	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL STORAGE & PROCESSING		<u>-</u>

Accumulated Provision for Depreciation

Line No	Description	[ 1 ]	[ 2 ]
		Account No	Pro Forma FTY 9-30-18
TRANSMISSION PLANT			
30	Land & Land Rights	365	-
31	Rights of Way	365	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		<u>-</u>
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	1,209
40	Mains	376	111,524
41	Measuring & Regulating Station Equipment	378	7,568
42	Measuring & Regulating Station Equipment	379	4,619
43	Services	380	105,376
44	Meters	381	34,605
45	Meter Installations	382	-
46	House Regulators	383	1,832
47	House Regulatory Installations	384	2,253
48	Industrial Measuring & Reg. Station Equipment	385	4,720
49	Other Property	386	-
50	Other Equipment	387	75
51	TOTAL DISTRIBUTION		<u>273,781</u>
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	9,208
54	Office Furniture & Equipment	391	6,062
55	Transportation Equipment	392	1,547
56	Stores Equipment	393	1
57	Tools & Garage Equipment	394	2,488
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,463
60	Communication Equipment	397	158
61	Miscellaneous Equipment	398	416
62	Other Tangible Property	399	-
63	TOTAL GENERAL		<u>21,343</u>
64	Total Plant		<u>\$ 295,124</u>

**Summary of Accumulated Depreciation**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]
		Factor Or Reference	Test Year Ended September 30, 2018		
			Amount	Pro Forma Adjustment	Balance
1	Intangible Plant	Sch C-3, Pg 4	\$ -	\$ -	\$ -
2	Natural Gas Production & Gathering	Sch C-3, Pg 4	-	-	-
3	Natural Gas Storage & Processing Plant	Sch C-3, Pg 4	-	-	-
4	Transmission Plant	Sch C-3, Pg 5	-	-	-
5	Distribution Plant	Sch C-3, Pg 5	281,791	(8,010)	273,781
6	General Plant	Sch C-3, Pg 5	33,061	(11,718)	21,343
7	Other Plant		-	-	-
8	<b>TOTAL ACC DEPR &amp; AMORTIZATION</b>		<u><u>\$ 314,852</u></u>	<u><u>\$ (19,728)</u></u>	<u><u>\$ 295,124</u></u>

**UGI Penn Natural Gas, Inc.**  
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**Accumulated Depreciation by FERC Account**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2017	[ 3 ] September 30, 2018	[ 4 ] Pro Forma Adjustment	[ 5 ] Balance
<b>INTANGIBLE PLANT</b>						
1	Organization	301	\$ -	\$ -	\$ -	\$ -
2	Franchise & Consent	302	-	-	-	-
3	Miscellaneous Intangible Plant	303	-	-	-	-
4	TOTAL INTANGIBLE		-	-	-	-
<b>NATURAL GAS PRODUCTION &amp; GATHERING</b>						
5	Producing Lands	325.1	-	-	-	-
6	Producing Leaseholds	325.2	-	-	-	-
7	Rights of Way	325.4	-	-	-	-
8	Other Land Rights	325.5	-	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-	-
10	Other Structures	329	-	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-	-
13	Field Lines	332	-	-	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-	-
16	Other Equipment	337	-	-	-	-
17	TOTAL PRODUCTION & GATHERING		-	-	-	-
<b>NATURAL GAS STORAGE &amp; PROCESSING PLANT</b>						
18	Land & Land Rights	304	-	-	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-	-	-
20	Land	350.1	-	-	-	-
21	Rights of Way	350.2	-	-	-	-
22	Structures & Improvements	351	-	-	-	-
23	Wells	352	-	-	-	-
24	Lines	353	-	-	-	-
25	Compressor Station Equipment	354	-	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-	-
27	Purification Equipment	356	-	-	-	-
28	Other Equipment	357	-	-	-	-
29	TOTAL STORAGE & PROCESSING		-	-	-	-

**UGI Penn Natural Gas, Inc.**  
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**Accumulated Depreciation by FERC Account**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2017	[ 3 ] September 30, 2018	[ 4 ] Pro Forma Adjustment	[ 5 ] Balance
<b>TRANSMISSION PLANT</b>						
30	Land & Land Rights	365.1	-	-	-	-
31	Rights of Way	365.2	-	-	-	-
32	Structures & Improvements	366	-	-	-	-
33	Mains	367	-	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-	-
35	Communication Equipment	370	-	-	-	-
36	Other Equipment	371	-	-	-	-
37	<b>TOTAL TRANSMISSION</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION PLANT</b>						
38	Land & Land Rights	374	-	-	-	-
39	Structures & Improvements	375	1,173	1,250	(41)	1,209
40	Mains	376	105,151	115,885	(4,361)	111,524
41	Measuring & Regulating Station Equipment	378	7,208	8,108	(540)	7,568
42	Measuring & Regulating Station Equipment	379	4,031	4,690	(71)	4,619
43	Services	380	101,588	107,833	(2,457)	105,376
44	Meters	381	33,214	35,118	(513)	34,605
45	Meter Installations	382	-	-	-	-
46	House Regulators	383	1,793	1,849	(17)	1,832
47	House Regulatory Installations	384	2,206	2,254	(1)	2,253
48	Industrial Measuring & Reg. Station Equipment	385	4,499	4,729	(9)	4,720
49	Other Property	386	-	-	-	-
50	Other Equipment	387	71	75	-	75
51	<b>TOTAL DISTRIBUTION</b>		<u>260,934</u>	<u>281,791</u>	<u>(8,010)</u>	<u>273,781</u>
<b>GENERAL PLANT</b>						
52	Land & Land Rights	389	-	-	-	-
53	Structures & Improvements	390	8,856	9,546	(338)	9,208
54	Office Furniture & Equipment	391	4,232	13,641	(7,579)	6,062
55	Transportation Equipment	392	2,436	3,453	(1,906)	1,547
56	Stores Equipment	393	1	1	-	1
57	Tools & Garage Equipment	394	2,514	3,172	(684)	2,488
58	Laboratory Equipment	395	-	-	-	-
59	Power Operated Equipment	396	1,447	1,487	(24)	1,463
60	Communication Equipment	397	143	1,286	(1,128)	158
61	Miscellaneous Equipment	398	359	475	(59)	416
62	Other Tangible Property	399	-	-	-	-
63	<b>TOTAL GENERAL</b>		<u>19,988</u>	<u>33,061</u>	<u>(11,718)</u>	<u>21,343</u>
64	<b>Total Plant</b>		<u>\$ 280,922</u>	<u>\$ 314,852</u>	<u>\$ (19,728)</u>	<u>\$ 295,124</u>

**UGI Penn Natural Gas, Inc.**  
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**Cost of Removal**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2017	[ 3 ] September 30, 2018
<u>INTANGIBLE PLANT</u>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
<u>NATURAL GAS PRODUCTION &amp; GATHERING</u>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
<u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
18	Land	350.1	-	-
19	Rights of Way	350.2	-	-
20	Structures & Improvements	351	-	-
21	Wells	352	-	-
22	Lines	353	-	-
23	Compressor Station Equipment	354	-	-
24	Measuring & Regulating Equipment	355	-	-
25	Purification Equipment	356	-	-
26	Other Equipment	357	-	-
27	TOTAL STORAGE & PROCESSING		-	-

**UGI Penn Natural Gas, Inc.**  
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**Cost of Removal**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2017	[ 3 ] September 30, 2018
<b>TRANSMISSION PLANT</b>				
28	Land & Land Rights	365.1	-	-
29	Rights of Way	365.2	-	-
30	Structures & Improvements	366	-	-
31	Mains	367	-	-
32	Measuring & Regulating Station Equipment	369	-	-
33	Communication Equipment	370	-	-
34	Other Equipment	371	-	-
35	TOTAL TRANSMISSION		-	-
<b>DISTRIBUTION PLANT</b>				
36	Land & Land Rights	374	-	-
37	Structures & Improvements	375	-	-
38	Mains	376	2,230	1,259
39	Measuring & Regulating Station Equipment	378	138	175
40	Measuring & Regulating Station Equipment	379	5	-
41	Services	380	1,536	2,133
42	Meters	381	-	-
43	Meter Installations	382	-	-
44	House Regulators	383	-	-
45	House Regulatory Installations	384	-	-
46	Industrial Measuring & Reg. Station Equipment	385	25	-
47	Other Property	386	-	-
48	Other Equipment	387	-	-
49	TOTAL DISTRIBUTION		3,934	3,567
<b>GENERAL PLANT</b>				
50	Land & Land Rights	389	-	-
51	Structures & Improvements	390	18	39
52	Office Furniture & Equipment	391	-	-
53	Transportation Equipment	392	-	-
54	Stores Equipment	393	-	-
55	Tools & Garage Equipment	394	-	-
56	Laboratory Equipment	395	-	-
57	Power Operated Equipment	396	-	-
58	Communication Equipment	397	-	-
59	Miscellaneous Equipment	398	-	-
60	Other Tangible Property	399	-	-
61	TOTAL GENERAL		18	39
62	Total Plant		\$ 3,952	\$ 3,606

**UGI Penn Natural Gas, Inc.**  
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**Negative Net Salvage Amortization**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2017	[ 3 ] September 30, 2018
<b><u>INTANGIBLE PLANT</u></b>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		<u>-</u>	<u>-</u>
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>	<u>-</u>
<b><u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u></b>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
20	Land	350.1	-	-
21	Rights of Way	350.2	-	-
22	Structures & Improvements	351	-	-
23	Wells	352	-	-
24	Lines	353	-	-
25	Compressor Station Equipment	354	-	-
26	Measuring & Regulating Equipment	355	-	-
27	Purification Equipment	356	-	-
28	Other Equipment	357	-	-
29	TOTAL STORAGE & PROCESSING		<u>-</u>	<u>-</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**Negative Net Salvage Amortization**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2017	2018
<b>TRANSMISSION PLANT</b>				
30	Land & Land Rights	365.1	-	-
31	Rights of Way	365.2	-	-
32	Structures & Improvements	366	-	-
33	Mains	367	-	-
34	Measuring & Regulating Station Equipment	369	-	-
35	Communication Equipment	370	-	-
36	Other Equipment	371	-	-
37	TOTAL TRANSMISSION		-	-
<b>DISTRIBUTION PLANT</b>				
38	Land & Land Rights	374	-	-
39	Structures & Improvements	375	-	-
40	Mains	376	890	1,042
41	Measuring & Regulating Station Equipment	378	110	138
42	Measuring & Regulating Station Equipment	379	14	13
43	Services	380	1,401	1,618
44	Meters	381	-	-
45	Meter Installations	382	-	-
46	House Regulators	383	-	-
47	House Regulatory Installations	384	-	-
48	Industrial Measuring & Reg. Station Equipment	385	8	8
49	Other Property	386	-	-
50	Other Equipment	387	-	-
51	TOTAL DISTRIBUTION		2,423	2,819
<b>GENERAL PLANT</b>				
52	Land & Land Rights	389	-	-
53	Structures & Improvements	390	18	26
54	Office Furniture & Equipment	391	-	-
55	Transportation Equipment	392	(133)	(129)
56	Stores Equipment	393	-	-
57	Tools & Garage Equipment	394	-	-
58	Laboratory Equipment	395	-	-
59	Power Operated Equipment	396	(1)	(1)
60	Communication Equipment	397	-	-
61	Miscellaneous Equipment	398	-	-
62	Other Tangible Property	399	-	-
63	TOTAL GENERAL		(116)	(104)
64	Total Plant		\$ 2,307	\$ 2,715

**UGI Penn Natural Gas, Inc.**  
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**Salvage**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2017	[ 3 ] September 30, 2018
<b><u>INTANGIBLE PLANT</u></b>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
<b><u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u></b>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
20	Land	350.1	-	-
21	Rights of Way	350.2	-	-
22	Structures & Improvements	351	-	-
23	Wells	352	-	-
24	Lines	353	-	-
25	Compressor Station Equipment	354	-	-
26	Measuring & Regulating Equipment	355	-	-
27	Purification Equipment	356	-	-
28	Other Equipment	357	-	-
29	TOTAL STORAGE & PROCESSING		-	-

**UGI Penn Natural Gas, Inc.**  
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**Salvage**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2017	[ 3 ] September 30, 2018
<b>TRANSMISSION PLANT</b>				
30	Land & Land Rights	365.1	-	-
31	Rights of Way	365.2	-	-
32	Structures & Improvements	366	-	-
33	Mains	367	-	-
34	Measuring & Regulating Station Equipment	369	-	-
35	Communication Equipment	370	-	-
36	Other Equipment	371	-	-
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>
<b>DISTRIBUTION PLANT</b>				
38	Land & Land Rights	374	-	-
39	Structures & Improvements	375	-	-
40	Mains	376	-	-
41	Measuring & Regulating Station Equipment	378	(26)	(33)
42	Measuring & Regulating Station Equipment	379	-	-
43	Services	380	-	-
44	Meters	381	-	-
45	Meter Installations	382	-	-
46	House Regulators	383	-	-
47	House Regulatory Installations	384	-	-
48	Industrial Measuring & Reg. Station Equipment	385	-	-
49	Other Property	386	-	-
50	Other Equipment	387	-	-
51	TOTAL DISTRIBUTION		<u>(26)</u>	<u>(33)</u>
<b>GENERAL PLANT</b>				
52	Land & Land Rights	389	-	-
53	Structures & Improvements	390	-	-
54	Office Furniture & Equipment	391	-	-
55	Transportation Equipment	392	(189)	(211)
56	Stores Equipment	393	-	-
57	Tools & Garage Equipment	394	-	-
58	Laboratory Equipment	395	-	-
59	Power Operated Equipment	396	-	-
60	Communication Equipment	397	-	-
61	Miscellaneous Equipment	398	-	-
62	Other Tangible Property	399	-	-
63	TOTAL GENERAL		<u>(189)</u>	<u>(211)</u>
64	Total Plant		<u>\$ (215)</u>	<u>\$ (244)</u>

Working Capital

Line No	Description	[ 1 ]	[ 2 ]
		Future FTY 9-30-18	Reference
1	Working Capital for O & M Expense	\$ 6,457	C-4, Page 2
2	Interest Payments	(1,421)	C-4, Page 7
3	Tax Payment Lag Calculations	728	C-4, Page 8
4	Prepaid Expenses	1,639	C-4, Page 9
5	Total Cash Working Capital Requirements	<u>\$ 7,404</u>	

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

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**Summary of Working Capital**

Line #	Description	[ 1 ] Reference	[ 2 ] Test Year Expenses	[ 3 ] Factor	[ 4 ] Number of (Lead) / Lag Days [ 2 ] * [ 3 ]	[ 5 ] Totals
<b>WORKING CAPITAL REQUIREMENT</b>						
1	REVENUE LAG DAYS	Page 3				46.49
2	EXPENSE LAG DAYS	Page 4				
3	Payroll	Sch D-7	\$ 23,471	12.00	\$ 281,650	
4	Purchased Gas Costs	Sch D-6	63,562	31.38	1,994,615	
5	Other Expenses	L 19 - L 2 to L 4	46,554	33.88	1,577,251	
6	Total	Sum (L 3 to L 5)	<u>\$ 133,587</u>		<u>\$ 3,853,516</u>	
7	O & M Expense Lag Days	L6, C 4 / C 2				28.85
8	Net (Lead) Lag Days	L 1 - L 7				17.64
9	Operating Expenses Per Day	L 6, C 2 / 365				<u>\$ 366</u>
10	Working Capital for O & M Expense	L 8 * L 9				\$ 6,457
11	Interest Payments	Page 7				(1,421)
12	Tax Payment Lag Calculations	Page 8				728
13	Prepaid Expenses	Page 9				1,639
14	Total Working Capital Requirement	Sum (L 10 to L 13)				<u>\$ 7,404</u>
15	Pro Forma O & M Expense		\$ 136,217			
16	Less: Uncollectible Expense		<u>2,630</u>			
17	Sub-Total		<u>2,630</u>			
18	Pro Forma Cash O&M Expense		<u>\$ 133,587</u>			

**UGI Penn Natural Gas, Inc.**  
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		<b>Revenue Lag</b>							
Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] Accounts Receivable Balance End of Month	[ 3 ] Total Monthly Sales Page 2	[ 4 ] A/R Turnover [ 3 ] / [ 2 ]	[ 5 ] Days Lag 365 / [ 4 ]			
1	Annual Number of Days					<u>365</u>			
2	September, 2015		\$ 7,936						
3	October		6,731	9,290					
4	November		8,326	14,630					
5	December, 2015		12,950	20,315					
6	January, 2016		22,135	26,457					
7	February		26,084	28,350					
8	March		23,451	23,294					
9	April		21,887	16,506					
10	May		16,653	10,856					
11	June		12,769	7,614					
12	July		10,013	6,902					
13	August		7,173	6,844					
14	September, 2016		5,211	7,034					
15	Total	Sum L 2 to L 14	<u>\$181,319</u>						
16	Number of Months	<u>13</u>							
17	Average Acct Rec Balance	L 15 / L 16	<u>\$13,948</u>						
18	Total Sales for Year	Sum L 2 to L 14		<u>\$ 178,092</u>					
19	Acct Rec Turnover Ratio	L 18 / L 17			<u>12.77</u>				
20	Collection Lag Day Factor	L 1 / L 19				28.58			
21	Meter Read Lag Factor					2.70			
22	Midpoint Lag Factor		365	/	12	/	2	=	<u>15.21</u>
23	Total Revenue Lag Days	Sum L 20 to L 22					<u>46.49</u>		

**UGI Penn Natural Gas, Inc.**  
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**Summary of Expense Lag Calculations**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] Amount	[ 3 ] (Lead) / Lag Days	[ 4 ] Weighted Dollar Value [ 2 ] * [ 3 ]	[ 5 ] (Lead) / Lag Days [ 4 ] / [ 2 ]
<b><u>PAYROLL</u></b>						
1	Union Payrolls	Bi-Weekly	\$ 14,624	12.00		
2	Exempt & Non-Exempt	Bi-Weekly	8,845	12.00		
3	Weighted for Union	L1, C2 * C3			\$ 175,493	
4	Weighted for Other	L2, C2 * C3			106,143	
5	Payroll Lag	L 3 + L 4	<u>\$ 23,470</u>		<u>\$ 281,636</u>	
6	Payroll Lag Days	C 4 / C 2				<u>12.00</u>
<b><u>PURCHASE GAS COSTS</u></b>						
7	Payment Lag	Page 6	<u>\$ 66,862</u>		<u>\$ 2,098,180</u>	
8	Gas Cost Lag Days	C 4 / C 2				<u>31.38</u>
<b><u>OTHER O &amp; M EXPENSES</u></b>						
9	JANUARY 2016	Page 5	2,124		72,612	
10	MARCH 2016	Page 5	2,709		97,152	
11	JUNE 2016	Page 5	3,130		117,124	
12	SEPTEMBER 2016	Page 5	3,989		118,071	
13	TOTAL		<u>11,952</u>		<u>404,959</u>	
14	Other O&M Expense Lag Days	C 4 / C 2				<u>33.88</u>

**UGI Penn Natural Gas, Inc.**  
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**General Disbursements Payment Lag Summary**

Line #	Description	[ 1 ] Number of CDs	[ 2 ] Cash Disbursements	[ 3 ] Dollar-Days	[ 4 ] Expense Lag-Days [ 3 ] / [ 2 ]
<b><u>JANUARY 2016</u></b>					
1	Total Disbursements for Month	<u>1,508</u>	<u>\$ 8,486</u>		
2	Total Disbursements for Expenses	<u>823</u>	<u>\$ 2,124</u>	<u>\$ 72,612</u>	<u>34.19</u>
<b><u>MARCH 2016</u></b>					
3	Total Disbursements for Month	<u>1,753</u>	<u>\$ 9,694</u>		
4	Total Disbursements for Expenses	<u>1,159</u>	<u>\$ 2,709</u>	<u>\$ 97,152</u>	<u>35.86</u>
<b><u>JUNE 2016</u></b>					
5	Total Disbursements for Month	<u>1,872</u>	<u>\$ 10,056</u>		
6	Total Disbursements for Expenses	<u>1,061</u>	<u>\$ 3,130</u>	<u>\$ 117,124</u>	<u>37.42</u>
<b><u>SEPTEMBER 2016</u></b>					
7	Total Disbursements for Month	<u>2,111</u>	<u>\$ 12,571</u>		
8	Total Disbursements for Expenses	<u>1,181</u>	<u>\$ 3,989</u>	<u>\$ 118,071</u>	<u>29.60</u>
<b><u>TOTAL FOUR TEST MONTHS</u></b>					
9	Total Test Month Expense Disbursement	<u>4,224</u>	<u>\$ 11,952</u>	<u>\$ 404,959</u>	<u>33.88</u>

**Purchase Gas Cost Payment Lag Summary**

Line #	Description	[ 1 ] Number of Invoices	[ 2 ] Amount of Invoice	[ 3 ] Dollar Days	[ 4 ] Total Payment Lag-Days
1	October 2015	24	\$ 5,404	\$ 244,402	45.23
2	November	22	10,534	217,993	20.69
3	December	19	8,246	121,590	14.75
4	January 2016	25	4,728	122,271	25.86
5	February	26	9,069	287,071	31.65
6	March	23	6,644	200,754	30.22
7	April	23	2,442	87,076	35.66
8	May	29	4,396	178,674	40.64
9	June	31	4,554	178,219	39.13
10	July	31	3,499	136,975	39.15
11	August	29	4,226	190,055	44.97
12	September 2016	31	<u>3,120</u>	<u>133,100</u>	42.66
13	Total		<u>\$ 66,862</u>	<u>\$ 2,098,180</u>	
14	Purchase Gas Lag Days				<u>31.38</u>

**Interest Payments**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] # of Days	[ 3 ] # of Days	[ 4 ] Total
1	Measure of Value at September 30, 2018	Sch C-1			\$ 555,975
2	Long-term Debt Ratio	Sch B-6			41.68%
3	Embedded Cost of Long-term Debt	Sch B-6			5.00%
4	Pro forma Interest Expense	L 1 * L 2 * L 3			<u>\$ 11,587</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 32
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days	Page 3		46.49	
8	Interest Payment lag days	L 7 - L 6			(44.8)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (1,421)</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**

**Tax Lag Day Calculations**

Line #	Description	[ 1 ] Payment Dates	[ 2 ] Mid-Point of Service Period	[ 3 ] Lead (Lag) Payment Days [ 1 ] - [ 2 ]	[ 4 ] Payment Amount	[ 5 ] Weighted Lead (Lag) Dollars [ 3 ] * [ 4 ]	[ 6 ] Payment Lead (Lag) Days [ 5 ] / [ 4 ]	[ 7 ] Revenue (Lag) Days	[ 8 ] Net Payment Lead (Lag) Days [ 6 ] - [ 7 ]	[ 9 ] Total Dollar Days	[ 10 ] Working Capital Amount
											365
1	<b>FEDERAL INCOME TAX</b>				<u>\$ 18,599</u>						
2	First Payment	01/05/18	04/01/18	86.00	\$ 4,650	399,876					
3	Second Payment	03/15/18	04/01/18	17.00	4,650	79,045					
4	Third Payment	06/15/18	04/01/18	(75.00)	4,650	(348,729)					
5	Fourth Payment	09/15/18	04/01/18	(167.00)	4,650	(776,504)					
6	Total				<u>\$ 18,599</u>	<u>\$ (646,312)</u>	<u>(34.75)</u>	<u>(46.49)</u>	<u>11.74</u>	<u>\$ 218,351</u>	\$ 598
7	<b>STATE INCOME TAX</b>				<u>\$ 2,985</u>						
8	First Payment	12/15/17	04/01/18	107.00	\$ 746	79,850					
9	Second Payment	03/15/18	04/01/18	17.00	746	12,686					
10	Third Payment	06/15/18	04/01/18	(75.00)	746	(55,970)					
11	Fourth Payment	09/15/18	04/01/18	(167.00)	746	(124,626)					
12	Total				<u>\$ 2,985</u>	<u>(88,059)</u>	<u>(29.50)</u>	<u>(46.49)</u>	<u>16.99</u>	<u>\$ 50,716</u>	\$ 139
13	<b>PA PROPERTY TAX</b>				<u>\$ 122</u>						
14	First Payment	03/31/18	04/01/18	1.00	\$ 61	61					
15	Second Payment	09/30/18	04/01/18	(182.00)	61	(11,102)					
16	Total				<u>\$ 122</u>	<u>(11,041)</u>	<u>(90.50)</u>	<u>(46.49)</u>	<u>(44.01)</u>	<u>\$ (5,369)</u>	\$ (15)
17	<b>PURTA</b>				<u>\$ 132</u>						
18	Payment	05/01/18	04/01/18	(30.00)	<u>\$ 132</u>	<u>(3,960)</u>	<u>(30.00)</u>	<u>(46.49)</u>	<u>16.49</u>	<u>\$ 2,177</u>	\$ 6
19	Total Working Capital For Other Taxes										<u>\$ 728</u>

Prepaid Expenses

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]	[ 7 ]	[ 8 ]	[ 9 ]
		TOTAL	Insurance	PUC Assessment	Property Taxes	Subscriptions	Postage	Rent	Maintenance & Services	
1	September, 2015	2,424	\$ 722	\$ 771	\$ 191	\$ 9	\$ -	\$ -	\$ 731	
2	October	2,213	639	685	160	29	-	-	700	
3	November	1,947	557	600	129	14	-	-	647	
4	December, 2015	1,747	526	514	97	-	-	-	610	
5	January, 2016	1,588	438	428	93	21	-	-	608	
6	February	1,490	350	343	217	43	-	-	537	
7	March	1,301	262	257	186	26	-	-	570	
8	April	1,058	174	171	155	49	-	-	509	
9	May	1,111	182	86	123	33	-	-	687	
10	June	1,233	101	-	92	18	-	-	1,022	
11	July	1,338	87	(86)	227	40	-	-	1,070	
12	August	1,896	793	(171)	261	24	-	-	989	
13	September, 2016	1,958	763	-	229	9	-	-	957	
14	TOTAL	\$ 21,304	\$ 5,594	\$ 3,598	\$ 2,160	\$ 315	\$ -	\$ -	\$ 9,637	
15	Percent to Gas		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
16	Amount to Gas		\$ 5,594	\$ 3,598	\$ 2,160	\$ 315	\$ -	\$ -	\$ 9,637	
17	Monthly Average	13	\$ 430	\$ 277	\$ 166	\$ 24	\$ -	\$ -	\$ 741	
18	Rate Case Amount		\$ 1,639							

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule C-5**  
**Witness: K. S. Walker**  
 Page 1 of 1

**Gas Inventory**

[ 1 ]

Line #	Description	Stored Underground
1	September, 2017	\$ 5,571
2	October	6,612
3	November	7,612
4	December, 2017	7,612
5	January, 2018	6,722
6	February	4,897
7	March	2,675
8	April	416
9	May	1,192
10	June	2,554
11	July	3,878
12	August	5,251
13	September, 2018	6,483
14	Total	<u>\$ 61,475</u>
15	Number of Months	<u>13</u>
16	Average Monthly Balance	<u>\$ 4,729</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule C-6**  
**Witness: N. M. McKinney**  
Page 1 of 1

**Accumulated Deferred Income Taxes**

[ 1 ]

[ 2 ]

Line #	Description	Amount	Total
<b><u>Accumulated Deferred Income Tax</u></b>			
1	Gas Utility Plant - a/c # 282	\$ (137,702)	
2	Sub-total		(137,702)
3	ADIT on CIAC	12,335	
4	Sub-total		<u>12,335</u>
5	Federal ADIT		(125,367)
6	State Repair Regulatory Liability	(4,775)	(4,775)
7	Pro-Rata Adjustment	11,709	11,709
8	Balance At September 30, 2018		<u><u>\$ (118,433)</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule C-7**  
**Witness: M. Mattern**  
Page 1 of 1

**Customer Deposits**

[ 1 ]

Line #	Description	Balance At End Of Month
1	Balance as of September 30, 2016	<u>\$ 4,975</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Schedule C-8**  
**Witness: M. Mattern**  
 Page 1 of 1

**Materials & Supplies**

Line #	Month	[ 1 ] Materials & Supplies
<hr/>		
1	September, 2015	\$ 4,835
2	October	4,980
3	November	5,100
4	December, 2015	4,925
5	January, 2016	4,865
6	February	4,937
7	March	4,697
8	April	4,695
9	May	4,307
10	June	4,110
11	July	4,127
12	August	4,170
13	September, 2016	4,326
<hr/>		
14	Total	<u><u>\$ 60,074</u></u>
15	Number of Months	<u><u>13</u></u>
16	Average Monthly Balance	<u><u>\$ 4,621</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule D-1  
Witness: K. S. Walker  
Page 1 of 1

**Summary of Revenue and Expenses**  
**Pro Forma with Proposed Revenue Increase**

Line #	Description	Factor Or Reference	Pro Forma Test Year		
			[ 1 ] At Present Rates	[ 2 ] Rate Increase	[ 3 ] At Proposed Rates
<b>OPERATING REVENUES</b>					
1	Customer & Distribution Revenue		\$ 138,996	\$ -	\$ 138,996
2	Gas Supply & Cost Adjustment Revenue		67,294	-	67,294
3	Other Revenues		2,278	-	2,278
4	Revenue Increase			21,661	21,661
5	Total operating revenues		<u>208,568</u>	<u>21,661</u>	<u>230,229</u>
<b>OPERATING EXPENSES</b>					
6	Manufactured Gas		1,477	-	1,477
7	Gas Supply Production		63,562	-	63,562
8	Distribution		27,725	-	27,725
9	Customer Accounts		9,447	-	9,447
10	Uncollectible Expense	1.264%	2,630	274	2,904
11	Customer Information & Services		735	-	735
12	Sales		2,274	-	2,274
13	Administrative & General		28,367	-	28,367
14	Depreciation & Amortization		22,653	-	22,653
15	Taxes other than income taxes		2,801	-	2,801
16	Total operating expenses		<u>161,671</u>	<u>274</u>	<u>161,944</u>
17	Net operating income Before Income Tax		46,898	21,387	68,285
<u>Income Taxes</u>					
18	Pro Forma Income Tax At Present Rates		12,709		12,709
19	Pro Forma Income Tax on Revenue Increase			8,875	8,875
20	Net Income (loss)		<u>\$ 34,188</u>	<u>\$ 12,513</u>	<u>\$ 46,701</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule D-2  
Witness: K. S. Walker  
Page 1 of 1

**Summary of Pro Forma Revenue and Expense  
Adjustments with Proposed Revenue Increase**

Line #	Description	[ 1 ]	Test Year At Present Rates			[ 5 ]	[ 6 ]
		Factor Or Reference	Budget For Year End 09/30/18	Adjustments Sch D-3 Increase (Decrease)	Pro Forma Adjusted For Test Year 9/30/18	Proposed Increase	Pro Forma Test Year With Proposed Increase
<u>OPERATING REVENUES</u>					[ 2 ] + [ 3 ]		[ 4 ] + [ 5 ]
1	Residential (R/RT)	480	\$ 139,772	\$ (1,500)	\$ 138,272		\$ 138,272
2	Comm & Ind (N/NT)	481	37,057	(873)	36,183		36,183
3	Comm & Ind (DS)	489	8,284	(58)	8,226		8,226
4	Lg Transport/Other	489	19,764	2,899	22,664		22,664
5	Interruptible	489	2,583	(1,638)	945		945
6	Forfeited Discounts		1,863	(81)	1,782		1,782
7	Miscellaneous Service Revenues		829	(339)	490		490
8	Rent from Gas Properties		6	-	6		6
9	Rate Increase			-	-	21,661	21,661
10	Total operating revenues		<u>210,158</u>	<u>(1,590)</u>	<u>208,568</u>	<u>21,661</u>	<u>230,229</u>
<u>OPERATING EXPENSES</u>							
11	Gas Production		1,186	291	1,477		1,477
12	Gas Supply Production		61,978	1,583	63,562		63,562
13	Distribution		26,022	1,703	27,725		27,725
14	Customer Accounts		9,302	145	9,447		9,447
15	Uncollectible Expense	1.264%	2,255	375	2,630	274	2,904
16	Customer Information & Services		730	5	735		735
17	Sales		525	1,749	2,274		2,274
18	Administrative & General		24,273	4,094	28,367		28,367
19	Depreciation & Amortization		20,644	2,010	22,653		22,653
20	Taxes other than income taxes		3,022	(221)	2,801		2,801
21	Total operating expenses		<u>149,937</u>	<u>11,733</u>	<u>161,671</u>	<u>274</u>	<u>161,944</u>
22	Net Operating Income - BIT		<u>\$ 60,221</u>	<u>\$ (13,323)</u>	<u>\$ 46,898</u>	<u>\$ 21,387</u>	<u>\$ 68,285</u>

UGI Penn Natural Gas, Inc.  
 Before the Pennsylvania Public Utility Commission  
 Future Period - 12 Months Ended September 30, 2018  
 (\$ in Thousands)

Schedule D-3  
 Witness: K. S. Walker  
 Page 1 of 2

Summary of Pro Forma Adjustments

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	
		As Budgeted And Allocated	Company Use Gas D-4	Revenues D-5	Gas Costs D-6	Salaries & Wages D-7	Environmental Expense D-8	Headcount Additions D-9	Rate Case D-10	Uncollectibles Expense D-11	Facility Expense D-12	D-13	Sub-Total Adjustments	Total Proforma	
<b>OPERATING REVENUES</b>															
<b>Customer &amp; Distribution Revenue</b>															
1	Residential (R/RT)	480	\$ 87,597	\$ (2,663)									\$ (2,663)	\$ 84,934	
2	Comm & Ind (N/NT)	481	23,321	(1,094)									(58)	22,227	
3	Comm & Ind (DS)	489	8,284	(58)										8,226	
4	Lg Transport/Other	489	19,764	2,899										22,664	
5	Interruptible	489	2,583	(1,638)									(1,638)	945	
<b>Revenue for Cost of Gas</b>															
6	Residential (R/RT)	480	52,175	1,163									1,163	53,338	
7	Comm & Ind (N/NT)	481	13,736	220									220	13,956	
8	Comm & Ind (DS)	489	-	-									-	-	
9	Lg Transport/Other	489	-	-									-	-	
10	Interruptible Transport	489	-	-									-	-	
11	Forfeited Discounts		1,863	(81)									(81)	1,782	
12	Miscellaneous Service Revenues		829	(339)									(339)	490	
13	Rent from Gas Properties		6	-									-	6	
14	Rate Increase		-	-									-	-	
15	Total operating revenues		210,158	(1,590)	-	-	-	-	-	-	-	-	(1,590)	208,568	
<b>OPERATING EXPENSES</b>															
16	Gas Production		1,186			0	290						291	1,477	
17	Gas Supply Production		61,978	200	1,383								1,583	63,562	
18	Distribution		26,022	(172)		152		418					398	26,420	
19	Customer Accounts		9,302			43							43	9,346	
20	Uncollectible Expense		2,255							375			375	2,630	
21	Customer Information & Services		730			5							5	735	
22	Sales		525			2							2	527	
23	Administrative & General		24,273	(28)		85	1,313	858	274		270		2,772	27,045	
24	Depreciation & Amortization		20,644										-	20,644	
25	Taxes other than income taxes		3,022										-	3,022	
26	Total operating expenses		\$ 149,937	\$ -	\$ 1,383	\$ 288	\$ 1,603	\$ 1,276	\$ 274	\$ 375	\$ 270	\$ -	\$ 5,469	\$ 155,406	
27	Net operating income Before Income Tax		\$ 60,221	\$ -	\$ (1,590)	\$ (1,383)	\$ (288)	\$ (1,603)	\$ (1,276)	\$ (274)	\$ (375)	\$ (270)	\$ -	\$ (7,059)	\$ 53,162

UGI Penn Natural Gas, Inc.  
 Before the Pennsylvania Public Utility Commission  
 Future Period - 12 Months Ended September 30, 2018  
 (\$ in Thousands)

Summary of Pro Forma Adjustments

Line #	Description	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
		From Page 1 Sub-total		Benefits Adjustments D-14	Other Adjustments D-15	Universal Service D-16	Adjustments D-17		Conservation Program D-19	Adjustments	Depreciation D-21	Taxes Other Than Income D-31		TOTAL Adjusted
<b>OPERATING REVENUES</b>														
28	<b>Customer &amp; Distribution Revenue</b>													
29	Residential (R/RT)	\$ 84,934												\$ 84,934
30	Comm & Ind (N/NT)	22,227												22,227
31	Comm & Ind (DS)	8,226												8,226
32	Lg Transport/Other	22,664												22,664
33	Interruptible	945												945
<b>Revenue for Cost of Gas</b>														
34	Residential (R/RT)	53,338												53,338
35	Comm & Ind (N/NT)	13,956												13,956
36	Comm & Ind (DS)	-												-
37	Lg Transport/Other	-												-
38	Interruptible Transport	-												-
39	Forfeited Discounts	1,782												1,782
40	Miscellaneous Service Revenues	490												490
41	Rent from Gas Properties	6												6
42	Rate Increase	-												-
43	Total operating revenues	208,568	-	-	-	-	-	-	-	-	-	-	-	208,568
<b>OPERATING EXPENSES</b>														
44	Gas Production	1,477												1,477
45	Gas Supply Production	63,562												63,562
46	Distribution	26,420			1,305									27,725
47	Customer Accounts	9,346			418	(317)								9,447
48	Uncollectible Expense	2,630												2,630
49	Customer Information & Services	735												735
50	Sales	527			17			1,730						2,274
51	Administrative & General	27,045		(160)	1,482									28,367
52	Depreciation & Amortization	20,644								2,010				22,653
53	Taxes other than income taxes	3,022										(221)		2,801
54	Total operating expenses	155,406	-	(160)	3,222	(317)	-	1,730	-	2,010	(221)	-	-	161,671
55	Net operating income Before Income Tax	53,162	-	160	(3,222)	317	-	(1,730)	-	(2,010)	221	-	-	46,898

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule D-4  
Witness: K. S. Walker  
Page 1 of 1

**Company Use of Fuel**

Line #	Description	[ 1 ] Reference	[ 2 ] Amount	[ 3 ] Total
1	Remove Company Use of Fuel	a/c 880.001	\$ (125)	
2	Remove Company Use of Fuel	a/c 880.001	(47)	
3	Remove Company Use of Fuel	a/c 930.201	(28)	
4				<u>\$ (200)</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule D-5  
Witness: D. E. Lahoff  
Page 1 of 1

**Adjustment - Revenue Adjustments**

[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]		
<u>PRO FORMA ADJUSTMENTS</u>							
Line #	Description	Reference Or Account Number	2018 Budget	Rev Adj Annualization D-5A	Other Adjustments D-5B	Total Proforma Adjustments	Proforma Adjusted At Present Rates
<b>Customer &amp; Distribution Revenue</b>							
1	Residential (R/RT)	480	\$ 87,597	\$ (2,663)		\$ (2,663)	\$ 84,934
2	Comm & Ind (N/NT)	481	23,321	(1,094)		(1,094)	22,227
3	Comm & Ind (DS)	489	8,284	(58)		(58)	8,226
4	Lg Transport/Other	489	19,764	2,899		2,899	22,664
5	Interruptible	489	2,583	(1,638)		(1,638)	945
6	Cust Chg & Distrib Revenue		141,549	(2,553)	-	(2,553)	138,996
<b>Revenue for Cost of Gas</b>							
7	Residential (R/RT)	480	52,175	1,163		1,163	53,338
8	Comm & Ind (N/NT)	481	13,736	220		220	13,956
9	Comm & Ind (DS)	489	-	-		-	-
10	Lg Transport/Other	489	-	-		-	-
11	Interruptible Transport	489	-	-		-	-
12	Revenue for Cost of Gas		65,911	1,383	-	1,383	67,294
13	Total Customer Revenue		207,460	(1,170)	-	(1,170)	206,290
14	Forfeited Discounts	487	1,863		(81)	(81)	1,782
15	Miscellaneous Service Revenues	488	829		(339)	(339)	490
16	Rent from Gas Properties	493	6		-	-	6
17	Other Revenues	495	0		-	-	0
18	<b>TOTAL REVENUES</b>		<u>\$ 210,158</u>	<u>\$ (1,170)</u>	<u>\$ (420)</u>	<u>\$ (1,590)</u>	<u>\$ 208,569</u>

UGI Penn Natural Gas, Inc.  
 Before the Pennsylvania Public Utility Commission  
 Future Period - 12 Months Ended September 30, 2018  
 ( \$ in Thousands )

Schedule D-5A  
 Witness: D. E. Lahoff  
 Page 1 of 1

**Adjustment - Test Year Revenue Changes**

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Budgeted Jurisdictional	[ 3 ] Revised Jurisdictional	[ 4 ] Adjustment [ 3 ] - [ 2 ]	[ 5 ] Total Adjustment
<b>TOTAL REVENUE</b>						
1	Residential (R/RT)		\$ 139,772	\$ 138,272	\$ (1,500)	
2	Comm & Ind (N/NT)		37,056	36,183	(873)	
3	Comm & Ind (DS)		8,284	8,226	(58)	
4	Lg Transport/Other		19,764	22,664	2,899	
5	Interruptible		2,583	945	(1,638)	
6	Total		<u>\$ 207,459</u>	<u>\$ 206,257</u>	<u>\$ (1,170)</u>	<u>\$ (1,170)</u>
<b>COST OF COMMODITY</b>						
7	Residential (R/RT)		\$ 52,175	\$ 53,338	\$ 1,163	
8	Comm & Ind (N/NT)		13,736	13,956	220	
9	Comm & Ind (DS)		0	0	0	
10	Lg Transport/Other		0	0	0	
11	Interruptible		0	0	0	
12	Total		<u>\$ 65,911</u>	<u>\$ 67,294</u>	<u>\$ 1,383</u>	<u>\$ 1,383</u>
<b>NET CUSTOMER &amp; DISTRIBUTION</b>						
13	Residential (R/RT)		\$ 87,597	\$ 84,934	\$ (2,663)	
14	Comm & Ind (N/NT)		23,321	22,227	(1,094)	
15	Comm & Ind (DS)		8,284	8,226	(58)	
16	Lg Transport/Other		19,764	22,664	2,899	
17	Interruptible		2,583	945	(1,638)	
18	Total		<u>\$ 141,549</u>	<u>\$ 138,996</u>	<u>\$ (2,553)</u>	<u>\$ (2,553)</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule D-5B  
 Witness: D. E. Lahoff  
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**Adjustment - Other Revenue Items**

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Other Adjustments	[ 3 ] Total
<b><u>OTHER REVENUES</u></b>				
1	Miscellaneous Service Revenues	488	\$ (339)	
2	Forfeited Discounts	487	(81)	
3	Rent from Other Property	493	<u>0</u>	
4	Adjustment Other Revenue			\$ (420)
2	Adjust Other Revenues			<u><u>\$ (420)</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-6  
Witness: D. E. Lahoff  
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**Adjustment - Gas Costs**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
		Budgeted Gas Costs	PRO FORMA ADJUSTMENTS			Pro Forma Gas Costs At Pres Rates
			D-5A Gas Costs	Co Use	Gas Cost Pro Forma Adjustments	
1	Budgeted Gas Costs	\$ 61,978			\$ -	\$ 61,978
2	Residential (R/RT)		1,163		1,163	1,163
3	Comm & Ind (N/NT)		220		220	220
4	Comm & Ind (DS)		-		-	-
5	Lg Transport/Other		-		-	-
6	Interruptible		-		-	-
7	Company Use of Fuel			200	200	200
8	<b>Total Gas Costs</b>	<u>\$ 61,978</u>	<u>\$ 1,383</u>	<u>\$ 200</u>	<u>\$ 1,583</u>	<u>\$ 63,562</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

**Adjustment - Salaries & Wages**

Line #	Description	[ 1 ] Budgeted Year 09/30/18	[ 2 ] Adjustment	[ 3 ] Payroll As Distributed	[ 4 ] Annualization Adjustment	[ 5 ] Total Pro Forma Payroll
<u>OPERATIONS</u>						
1	Total Natural Gas Production Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Underground Storage Expenses	33	-	33	0	33
3	Total Transmission Operation Expenses	4	-	4	0	4
4	Total Distribution Operation Expenses	6,227	418	6,645	82	6,727
5	Customer Account Operations Expenses	3,307	-	3,307	43	3,350
6	Total Cust. Service & Inform. Operations Exp	375	-	375	5	380
7	Total Operation Sales Expenses	182	-	182	2	184
8	Total A & G Operation Expenses	6,240	858	7,098	82	7,180
9	Total Operations	16,368	1,276	17,644	215	17,859
<u>MAINTENANCE</u>						
10	Total Underground Maintenance Expenses	-	-	-	-	-
11	Storage Maintenance Expenses	-	-	-	-	-
12	Total Transmission Maintenance Expenses	79	-	79	1	80
13	Total Distribution Maintenance Expenses	5,242	-	5,242	69	5,311
14	Maintenance of General Plant	218	-	218	3	221
15	Total Maintenance	5,539	-	5,539	73	5,612
16	Total Payroll to Expense	\$ 21,907	\$ 1,276	\$ 23,183	\$ 288	\$ 23,471
17	Percent Increase					1.242%

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

Schedule D-7  
Witness: K. S. Walker  
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**Adjustment - Salaries & Wages**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 5 ]	[ 6 ]
		Reference Or Function	Union Increase At 4-1	Non- Exempt	Exempt	Pro Forma Total Payroll
1	Budgeted Payroll For TY 9-30-18		\$ 14,392	\$ 2,870	\$ 4,644	<u>\$ 21,906</u>
<b><u>Annualize for Wage Increase to 9-30-18</u></b>						
2	Percent Increase		3.23%	2.50%	2.50%	
3	Union Increase At 4-1 Annualization Factor	4/1/18	50%			
4	Non-Exempt Annualization Factor	4/1/18		50%		
5	Exempt Annualization Factor	12/1/17			17%	
6	Increase for wage rate changes	L 1 * L 2 * Ls 3 to 5	<u>232</u>	<u>36</u>	<u>19</u>	\$ 288
7	Annualized Salaries & Wages at 9-30-18 Rates	L 1 + L 6	\$ 14,624	\$ 2,906	\$ 4,663	
8	Annualization of D-9 changes FY2018				\$ 1,276	
9	Pro Forma Salaries & Wages for TY		<u>\$ 14,624</u>	<u>\$ 2,906</u>	<u>\$ 5,939</u>	
10	Pro Forma Adjustment to S&W					<u>\$ 288</u>
11	Annualization Factor	L 11 / L 1				<u>1.313%</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

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 Witness: K. S. Walker  
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**Adjustment - Environmental**

[ 1 ]                      [ 2 ]

Line #	Description	Amount	Total
<b>Environmental Adjustment - #1</b>			
1	2014 Environmental expenditures	\$ 1,972	
2	2015 Environmental expenditures	1,392	
3	2016 Environmental expenditures	<u>963</u>	
4	Three year average of Environmental expenditures	1,442	
5	Budgeted Environmental Expense	\$ 1,152	
6	Pro Forma Adjustment		<u>\$ 290</u>
<b><u>Environmental Adjustment - #2</u></b>			
7	Environmental expenditures since last rate case	12,739	
8	Less: Total recovery since last rate case	8,800	
9	Unrecovered expenditures	3,939	
8	Amortized over 3 years	<u>3</u>	\$ 1,313
9	Recovery of current deferred Environmental expenditures included in the budget		-
10	Pro Forma Adjustment		<u>\$ 1,313</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-9  
 Witness: K. S. Walker  
 Page 1 of 1

**Adjustment - Employee Additions**

[ 1 ]                      [ 2 ]                      [ 3 ]

Line #	Description	Number of Employees	Amount	Total
1	Additional headcount for Operations Support	8	\$ 413	
2	Adjust salaries and wages for Unite employees	-	834	
3	Adjust salaries and wages for revised incentive comp program		24	
4	Adjust salaries and wages for new wage banding	-	<u>5</u>	
5				<u><u>\$ 1,276</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

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Witness: K. S. Walker  
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**Adjustment - Rate Case Expense**

[ 1 ]                      [ 2 ]                      [ 3 ]

Line #	Description	Reference	Amount	Total
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**Rate Case Expenditures**

1	External Consultants		\$ 221	
2	External Legal		600	
3	Sub-Total	L 1 to L 2		821

**Total Expenditures for Rate Case Filing**

4	TOTAL COSTS	L 3		<u>\$ 821</u>
5	Normalized over 3 years (Line 4 / 3)		<u>3</u>	\$ 274
6	Rate Case Expense included in Budget			-
7	Pro Forma Adjustment	L 5 - L 6		<u>\$ 274</u>

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

Schedule D-11  
Witness: K. S. Walker  
Page 1 of 1

**Adjustment - Uncollectibles**

Line #	Description	[ 1 ] Reference Or Factor	[ 2 ] Uncollectible Expense	[ 3 ] Tariff Revenue	[ 4 ] Percent [ 2 ] / [ 3 ]	[ 5 ] Total [ 2 ] / [ 3 ]
1	2014		<u>\$ 3,063</u>	<u>\$ 253,181</u>	<u>1.21%</u>	
2	2015		<u>\$ 3,385</u>	<u>\$ 259,167</u>	<u>1.31%</u>	
3	2016		<u>\$ 2,336</u>	<u>\$ 182,696</u>	<u>1.28%</u>	
4	Three Year Average Sum (Line 1 to Line 3) / 3	<u>3</u>	<u>\$ 2,928</u>	<u>\$ 231,681</u>		<u>1.264%</u>
5	<u>2018 Budget</u>				\$ 2,255	
	Pro Forma Adjustment					
6	Adjusted Revenues	<u>1.264%</u>		<u>\$ 208,072</u>		
7	Pro Forma at Present Rate Revenue	[ 1 ] * [ 3 ]			<u>2,630</u>	
8	Total for Test Year					<u>\$ 375</u>

**UGI Penn Natural Gas, Inc.**  
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**(\$ in Thousands)**

Schedule D-12  
 Witness: K. S. Walker  
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**Adjustment - Office Building Operating Expense**

Line		[ 1 ]	[ 2 ]	[ 3 ]
#	Description		Sub-total	Pro Forma Adjustment
<b>One Time Facility Adjustments</b>				
1	Transitional Facility Expense	121		
2	Decommissioning and Moving Expense	<u>300</u>		
3	Total One Time Facility Expenses	<u>420</u>		
4	Amortization Period (Years)	3		
5	One time Facility Expense Adjustment		<u>\$ 140</u>	
<b>New Facility Expenses</b>				
6	Current Budgeted Facility Expense	241		
7	New Facility Expense	<u>371</u>		
8	Pro Forma Adjustment		<u>\$ 130</u>	

**UGI Penn Natural Gas, Inc.**  
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Schedule D-14  
Witness: K. S. Walker  
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**Adjustment - Benefits Adjustments**

Line #	Description	[ 1 ] Amount	[ 2 ] Subtotal	[ 3 ] Pro Forma Adjustment
<b><u>Pension Expense Adjustment</u></b>				
1	Total budgeted pension expense		\$ 1,515	
2	Total cash contributions per revised estimate	10,097		
3	Estimated Cash Contributions attributable to PNG Gas	1,807		
4	Less: estimated capitalized portion (25%)	<u>(452)</u>		
5	Pension cash contributions per updated estimates		<u>1,355</u>	
6	Pro Forma Adjustment			<u><u>\$ (160)</u></u>

**UGI Penn Natural Gas, Inc.**  
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Schedule D-15  
Witness: K. S. Walker  
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**Adjustment - Other Adjustments**

Line #	Description	[ 1 ] Sub-Total	[ 2 ] Total
<b>Injuries &amp; Damages Reserve Adjustment</b>			
1	2014 Injuries & Damages Expense	\$ 1,235	
2	2015 Injuries & Damages Expense	2,004	
3	2016 Injuries & Damages Expense	<u>2,588</u>	
4	Three Year Average of Injuries and Damages Expense	1,942	
5	Budgeted Injuries and Damanges Expense	<u>\$ 1,157</u>	
6	Pro Forma Adjustment		<u><u>\$ 785</u></u>
<b>Membership Dues Adjustment</b>			
7	Budgeted American Gas Association Membership Dues Attributable to Lobbying	\$ (7)	
8	Budgeted Energy Association of Pennsylvania Membership Dues Attributable to Lobbying	(2)	
9	Misc. Memberships	<u>(3)</u>	
10	Pro Forma Adjustment		<u><u>\$ (12)</u></u>
<b>Licensing Fees for New Software</b>			
11	Contractor Management System Annual Licensing Fee	\$ 103	
12	Removal of Fees Related to Current Budgeted Payroll System	(148)	
13	Fees Related to New Payroll Systems	<u>145</u>	
14	Total		<u><u>\$ 100</u></u>
<b>Distribution Expense Adjustment</b>			
15	Tunkhannock Operations Support	\$ 96	
16	Adjust Right of Way Clearing Expenses	127	
17	Mechanical Tees	307	
18	Pro Forma Adjustment		<u><u>\$ 530</u></u>
<b>Customer Accounts Expense Adjustment</b>			
19	Unrecovered Interest on Customer Deposits		<u><u>\$ 149</u></u>
<b>Other Adjustments</b>			
20	Removed Budgeted Management Challenge		<u><u>\$ 1,670</u></u>

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

Schedule D-16  
 Witness: C. A. Rossi  
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**Adjustment - Universal Service**

[ 1 ]

Line #	Description	Amount
<b><u>Increase for Pro Forma TY Universal Service Expense</u></b>		
		Pro Forma
1	Customer Assistance Plan Credit	\$ 1,338
2	Administration Costs	348
3	LIURP	850
4	C.A.R.E.S. Program	9
5	Customer Assistance Plan Pre-program Arrearage	<u>1,187</u>
6	TOTAL	<u><u>\$ 3,732</u></u>
7	Budget	<u><u>\$ 4,049</u></u>
8	Total Adjustment	<u><u>\$ (317)</u></u>

**UGI Penn Natural Gas, Inc.**  
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Schedule D-19  
 Witness: T. M. Love  
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**Adjustment - Energy Efficiency and Conservation Programs**

		[ 1 ] Amount	[ 2 ] Sub-Total
Line #	Description		
<b><u>Energy Efficiency and Conservation Programs</u></b>			
1	Year 1 Program Costs	<u>\$ 1,730</u>	
2	Total		<u><u>\$ 1,730</u></u>

**UGI Penn Natural Gas, Inc.**  
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Schedule D-21  
Witness: J.F. Weidmayer  
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**Adjustment - Depreciation expense**

Line #	Description	[ 1 ] Account Number	[ 2 ] Budgeted 9/30/18 Depreciation Expense	[ 3 ] Adjustment To Annualize At New Depre Study Rates	[ 4 ] Pro Forma Test Year Depreciation
<b><u>INTANGIBLE PLANT</u></b>					
1	Organization	301	\$ -		\$ -
2	Franchise & Consent	302	-		-
3	Miscellaneous Intangible Plant	303	-		-
4	TOTAL INTANGIBLE		-	-	-
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>					
5	Producing Lands	325.1	-		-
6	Producing Leaseholds	325.2	-		-
7	Rights of Way	325.4	-		-
8	Other Land Rights	325.5	-		-
9	Field Measuring & Regulating Station Structures	328	-		-
10	Other Structures	329	-		-
11	Producing Gas Wells-Well Construction	330	-		-
12	Producing Gas Wells-Well Equipment	331	-		-
13	Field Lines	332	-		-
14	Field Measuring & Reg. Station Equipment	334	-		-
15	Drilling & Cleaning Equipment	335	-		-
16	Other Equipment	337	-		-
17	TOTAL PRODUCTION & GATHERING		-	-	-
<b><u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u></b>					
18	Land & Land Rights	304	-	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-	-
20	Land	350.1	-	-	-
21	Rights of Way	350.2	-	-	-
22	Structures & Improvements	351	-	-	-
23	Wells	352	-	-	-
24	Lines	353	-	-	-
25	Compressor Station Equipment	354	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-
27	Purification Equipment	356	-	-	-
28	Other Equipment	357	-	-	-
29	TOTAL STORAGE & PROCESSING		-	-	-

**UGI Penn Natural Gas, Inc.**  
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Schedule D-21  
Witness: J.F. Weidmayer  
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**Adjustment - Depreciation expense**

Line #	Description	[ 1 ] Account Number	[ 2 ] Budgeted 9/30/18 Depreciation Expense	[ 3 ] Adjustment To Annualize At New Depre Study Rates	[ 4 ] Pro Forma Test Year Depreciation
<b>TRANSMISSION PLANT</b>					
30	Land & Land Rights	365.1	-	-	-
31	Rights of Way	365.2	-	-	-
32	Structures & Improvements	366	-	-	-
33	Mains	367	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-
35	Communication Equipment	370	-	-	-
36	Other Equipment	371	-	-	-
37	<b>TOTAL TRANSMISSION</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION PLANT</b>					
38	Land & Land Rights	374	-	-	-
39	Structures & Improvements	375	52	3	55
40	Mains	376	7,194	693	7,887
41	Measuring & Regulating Station Equipment	378	647	(40)	607
42	Measuring & Regulating Station Equipment	379	597	(36)	561
43	Services	380	5,209	368	5,577
44	Meters	381	1,648	(81)	1,567
45	Meter Installations	382	-	-	-
46	House Regulators	383	50	(12)	38
47	House Regulatory Installations	384	48	(1)	47
48	Industrial Measuring & Reg. Station Equipment	385	197	12	209
49	Other Property	386	-	-	-
50	Other Equipment	387	4	-	4
51	<b>TOTAL DISTRIBUTION</b>		<u>15,646</u>	<u>906</u>	<u>16,552</u>
<b>GENERAL PLANT</b>					
52	Land & Land Rights	389	-	-	-
53	Structures & Improvements	390	505	370	875
54	Office Furniture & Equipment	391	2,325	128	2,453
55	Transportation Equipment	392	-	752	752
56	Stores Equipment	393	-	-	-
57	Tools & Garage Equipment	394	718	(351)	367
58	Laboratory Equipment	395	-	-	-
59	Power Operated Equipment	396	60	(46)	14
60	Communication Equipment	397	26	(18)	8
61	Miscellaneous Equipment	398	46	12	58
62	Other Tangible Property	399	-	-	-
63	<b>TOTAL GENERAL</b>		<u>3,680</u>	<u>847</u>	<u>4,527</u>
64	<b>TOTAL DEPRECIATION</b>		<u>\$ 19,326</u>	<u>\$ 1,753</u>	<u>\$ 21,079</u>
65	<b>CHARGED TO CLEARING ACCOUNTS</b>		<u>\$ (402)</u>	<u>\$ (739)</u>	<u>\$ (1,141)</u>
66	<b>NET SALVAGE AMORTIZATION</b>		<u>\$ 1,720</u>	<u>995</u>	<u>\$ 2,715</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-31  
Witness: K. S. Walker  
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**Adjustment - Taxes Other Than Income Taxes**

Line #	Description	[ 1 ] Account Number	[ 2 ] Factor or Reference	[ 3 ] Budget Amounts 9/30/18	[ 4 ] Pro Forma Adjustments	[ 5 ] Pro Forma Tax Expense 9/30/18
1	PURTA Taxes	408.1		\$ 132	\$ -	\$ 132
2	Capital Stock	408.1		329	(329)	-
3	PA & Local Use taxes	408.1		122	-	122
4	Social Security	408.1	D-32	1,374	98	1,472
5	FUTA	408.1	D-32	11	1	12
6	SUTA	408.1	D-32	120	9	129
7	PUC Assessment	408.1		935	-	935
8	Total			<u>\$ 3,023</u>	<u>\$ (221)</u>	<u>\$ 2,802</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-32  
Witness: K. S. Walker  
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**Adjustment - Payroll Taxes**

Line #	Description	[ 1 ] Account Number	[ 2 ] Test Year 9/30/18 Present Rates	[ 3 ] Pro Forma Adjustments	[ 4 ] Increase in Payroll Taxes
1	Total Payroll Charged to Expense		<u>\$ 21,907</u>	<u>\$ 1,564</u>	
2	FICA Expense		<u>1,374</u>		
3	FICA Expense - Percent	L 2 / L 1	<u>6.27%</u>	<u>6.27%</u>	
4	Pro Forma FICA Expense on Pro Forma S&W	[ 4 ] L 1 * L 3			\$ 98
5	FUTA Expense		<u>11</u>		
6	FUTA Expense - Percent	L 5 / L 1	<u>0.05%</u>	<u>0.05%</u>	
7	Pro Forma FUTA Expense on Pro Forma S&W	[ 4 ] L 1 * L 6			1
8	SUTA Expense		<u>120</u>		
9	SUTA Expense - Percent	L 8 / L 1	<u>0.55%</u>	<u>0.55%</u>	
10	Pro Forma SUTA Expense on Pro Forma S&W	[ 4 ] L 1 * L 9			9
11	Pro Forma Adjustment	Sum L 4 to L 10			<u>\$ 108</u>

**UGI Penn Natural Gas, Inc.**  
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Schedule D-33  
Witness: N. McKinney  
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Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Element Or Amount	[ 3 ] Pro Forma Test Year At Present Rates	[ 4 ] Revenue Increase	[ 5 ] Pro Forma Test Year At Proposed Rates [ 3 ] + [ 4 ]
1	Revenue			\$ 208,568	\$ 21,661	\$ 230,229
2	Operating Expenses			(161,671)	(274)	(161,944)
3	OIBIT	L 1 + L 2		46,898	21,387	68,285
<b>Interest Expense</b>						
4	Rate Base	Sch A-1	555,975			
5	Weighted Cost of Debt	Sch B-7	0.02150			
6	Synchronized Interest Expense	L 4 * L 5		(11,953)	-	(11,953)
7	Base Taxable Income	L 3 + L 6		34,945	21,387	56,332
8	Total Tax Depreciation	Pg 2	\$ 60,197			
9	Pro Forma Book Depreciation	Pg 2	23,449			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8		(36,748)		(36,748)
11	Other				-	-
12	State Taxable Income	Sum L 7 to L 11		\$ (1,803)	\$ 21,387	\$ 19,584
13	State Income Tax (Expense)/Refund	L 12 * Rate [ 2 ]	9.99%	\$ 180	\$ (2,137)	\$ (1,956)
14	Total Tax Depreciation	Pg 2	\$ 70,216			
15	Pro Forma Book Depreciation	Pg 2	23,449			
16	Federal Tax Deducts (Over) Under Book	L 14 - L 13		(46,766)	-	(46,766)
17	Other				-	-
18	Federal Taxable Income	L 7 + sum L 13 to L 17		(11,642)	19,251	7,609
19	Federal Income Tax (Expense)/Refund	-L 18 * Rate [ 2 ]	35.00%	4,075	(6,738)	(2,663)
20	Total Tax Expense before Deferred Income Tax	L 13 + L 19		4,255	(8,875)	(4,620)
<b>Deferred Federal Income Taxes</b>						
21	Total Straight Line Tax Depreciation	Pg 2	\$ 21,079			
22	Total Tax Depreciation	Pg 2	66,610			
23	Federal Tax Deducts (Over) Under Book	L 22 - L 21		45,531	-	45,531
24	Deferred Federal Taxable Income	L 23		\$ 45,531	\$ -	\$ 45,531
25	Federal Income Tax (Expense)/Refund	-L 24 * Rate [ 2 ]	35.00%	(15,936)	-	(15,936)
<b>Deferred State Income Taxes</b>						
26	Repairs			(965)		(965)
27	CIAC			(63)		(63)
28	State Deferred Income Tax (Expense)/Refund			(1,029)	-	(1,029)
29	Net Income Tax Expense	L20 + L 25 + L28		(12,709)	(8,875)	(21,584)
<b>Other Tax Adjustments</b>						
30	ITC			-		-
31	Combined Income Tax Expense	L 29 + L 30		\$ (12,709)	\$ (8,875)	\$ (21,584)
32	Federal Income Tax Expense	L 19 + L 25 + L 30				\$ (18,599)
33	State Income Tax Expense	L 13 + L 28				(2,985)
34	Total Income Tax Expense	L 32 + L 33				\$ (21,584)

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2018**  
**( \$ in Thousands )**

Schedule D-34  
Witness: N. McKinney  
Page 1 of 1

**Tax Depreciation**

Line #	Description	[ 1 ] Amount	[ 2 ] Amount	[ 3 ] Total
<b><u>Accelerated Tax Depreciation</u></b>				
1	Gas Plant		\$ 47,884	
2	Cost of Removal		3,606	
3	Repairs Tax Deduction		20,341	
4	Other Tax Basis Adjustments		<u>(1,615)</u>	
5	Total Federal Accelerated Tax Depreciation			<u>\$ 70,216</u>
6	Adjustment for PA Tax Depreciation - Bonus Decoupling		<u>(10,018)</u>	
7	Total State Accelerated Tax Depreciation			<u><u>\$60,197</u></u>
<b><u>Straight Line Tax Depreciation</u></b>				
8	Gas Plant		<u>\$ 21,079</u>	
9	Total Tax Depreciation			<u><u>\$ 21,079</u></u>
<b><u>Book Depreciation</u></b>				
10	Pro Forma Book Depreciation		\$ 21,079	
11	Net Salvage Amortization		2,715	
12	Depreciation Charged to Clearing Accounts	(1,141)		
13	Estimated Percent of Clearing Charged to CWIP	<u>30%</u>		
14	Depreciation Charged to CWIP		(345)	
15	Book Depreciation for Tax Calculation			<u><u>\$ 23,449</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-35  
Witness: K. S. Walker  
Page 1 of 1

**Gross Revenue Conversion Factor**

Line #	Description	[ 1 ] Reference Or Factor	[ 2 ] Tax Rate	[ 3 ] Factor
<b><u>GROSS REVENUE CONVERSION FACTOR</u></b>				
1	GROSS REVENUE FACTOR			1.000000
2	UNCOLLECTIBLE EXPENSES			<u>(0.012640)</u>
3	NET REVENUES	Sum L 1 to L 2		0.987360
4	STATE INCOME TAXES	[ 3 ] L 3 * Rate [ 2 ]	9.9900%	<u>(0.098637)</u>
5	FACTOR AFTER STATE TAXES	L 3 + L 4		0.888723
6	FEDERAL INCOME TAXES	[ 3 ] L 5 * Rate [ 2 ]	35.00%	<u>(0.311053)</u>
7	NET OPERATING INCOME FACTOR	L 5 + L 6		<u>0.577670</u>
8	GROSS REVENUE CONVERSION FACTOR	1 / L 7		<u>1.731092</u>
9	Combined Income Tax Factor On Gross Revenues	-L 4 - L 6		<u>40.969%</u>

**INCOME TAX FACTOR**

10	GROSS REVENUE FACTOR			1.000000
11	STATE INCOME TAXES	[ 3 ] L 10 * Rate [ 2 ]	9.9900%	<u>(0.099900)</u>
12	FACTOR AFTER STATE TAXES	L 10 + L 11		0.900100
13	FEDERAL INCOME TAXES	[ 3 ] L 12 * Rate [ 2 ]	35.00%	<u>(0.315035)</u>
14	NET OPERATING INCOME FACTOR	L 12 + L 13		0.585065
15	GROSS REVENUE CONVERSION FACTOR	1 / L 14		<u>1.709212</u>
16	Combined Income Tax Factor On Taxable Income	-L 11 - L 13		<u>41.494%</u>

**UGI PNG EXHIBIT A – FUTURE**

Future Period - 12 Months Ended September 30, 2017  
(\$ in Thousands )  
Table of Contents

	Description	<u>Witness:</u>
	<b><u>SECTION A</u></b>	
<b><u>Schedule</u></b>		
A-1	<u>Summary of Measure of Value and Revenue Increase</u>	K. S. Walker
	<b><u>SECTION B</u></b>	
<b><u>Schedule</u></b>		
B-1	<u>Balance Sheet</u>	K. S. Walker
B-2	<u>Statement of Net Utility Operating Income</u>	K. S. Walker
B-3	<u>Statement of Operating Revenues</u>	K. S. Walker
B-4	<u>Operation and Maintenance Expenses</u>	K. S. Walker
B-5	<u>Detail of Taxes</u>	K. S. Walker
B-6	<u>Composite Cost of Debt</u>	P. R. Moul
B-7	<u>Rate of Return</u>	P. R. Moul
	<b><u>SECTION C</u></b>	
<b><u>Schedule</u></b>		
C-1	<u>Measure of Value</u>	M. Mattern
C-2	<u>Pro Forma Gas Plant in Service</u> <u>Pro Forma Plant Adjustment Summary</u> <u>Pro Forma Year End Plant Balances</u> <u>Additions to Plant</u> <u>Retirements</u>	M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern
C-3	<u>Accumulated Provision for Depreciation</u> <u>Summary of Accumulated Depreciation</u> <u>Accumulated Depreciation by FERC Account</u> <u>Cost of Removal</u> <u>Negative Net Salvage Amortization</u> <u>Salvage</u>	M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern
C-4	<u>Working Capital</u> <u>Summary of Working Capital</u> <u>Revenue Lag</u> <u>Summary of Expense Lag Calculations</u> <u>General Disbursements Payment Lag Summary</u> <u>Commodity Purchases Payment Lag Summary</u> <u>Interest Payments</u> <u>Tax Payment Lag Calculations</u> <u>Prepaid Expenses</u>	M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern
C-5	<u>Gas Inventory</u>	K. S. Walker
C-6	<u>Accumulated Deferred Income Taxes</u>	N. M. McKinney
C-7	<u>Customer Deposits</u>	M. Mattern
C-8	<u>Materials &amp; Supplies</u>	M. Mattern
C-9	<u>SCHEDULE NOT USED</u>	N/A

Future Period - 12 Months Ended September 30, 2017

Table of Contents

<u>Schedule</u>	<u>Description</u>	<u>Witness:</u>
<b><u>SECTION D</u></b>		
D-1	<u>Summary of Revenue and Expenses</u> Pro Forma with Proposed Revenue Increase	K. S. Walker
D-2	<u>Summary of Pro Forma Revenue and Expense</u> Adjustments with Proposed Revenue Increase	K. S. Walker
D-3	<u>Summary of Pro Forma Adjustments</u>	K. S. Walker
D-4	<u>Company Use of Fuel</u>	K. S. Walker
D-5	<u>Adjustment - Revenue Adjustments</u>	D. E. Lahoff
D-5A	<u>Adjustment - Test Year Revenue Changes</u>	D. E. Lahoff
D-5B	<u>Adjustment - Other Revenue Items</u>	D. E. Lahoff
D-6	<u>Adjustment - Gas Costs</u>	D. E. Lahoff
D-7	<u>Adjustment - Salaries &amp; Wages</u>	K. S. Walker
D-8	<u>SCHEDULE NOT USED</u>	N/A
D-9	<u>SCHEDULE NOT USED</u>	N/A
D-10	<u>SCHEDULE NOT USED</u>	N/A
D-11	<u>Adjustment - Uncollectibles</u>	K. S. Walker
D-12	<u>SCHEDULE NOT USED</u>	N/A
D-13	<u>SCHEDULE NOT USED</u>	N/A
D-14	<u>SCHEDULE NOT USED</u>	N/A
D-15	<u>SCHEDULE NOT USED</u>	N/A
D-16	<u>Adjustment - Universal Service</u>	C. A. Rossi
D-17	<u>SCHEDULE NOT USED</u>	N/A
D-18	<u>SCHEDULE NOT USED</u>	N/A
D-19	<u>SCHEDULE NOT USED</u>	N/A
D-21	<u>Adjustment - Depreciation expense</u>	J.F. Weidmayer
D-31	<u>Adjustment - Taxes Other Than Income Taxes</u>	K. S. Walker
D-32	<u>Adjustment - Payroll Taxes</u>	K. S. Walker
D-33	<u>Income Tax Calculation</u>	N. McKinney
D-34	<u>Tax Depreciation</u>	N. McKinney
D-35	<u>Gross Revenue Conversion Factor</u>	K. S. Walker

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule A-1**  
**Witness: K. S. Walker**  
Page 1 of 1

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

Line #	Description	[ 1 ] Function	[ 2 ] Reference Section	[ 3 ] Pro Forma Test Year Ended September 30, 2017 At Present Rates	[ 4 ] Increase	[ 5 ] Proposed Rates
<b><u>RATE BASE</u></b>						
1	Utility Plant		C-2	\$ 895,100		\$ 895,100
2	Accumulated Depreciation		C-3	(280,922)		(280,922)
3	Net Plant in service	L 1 + L 2		614,178	-	614,178
4	Working Capital		C-4	7,032		7,032
5	Gas Inventory		C-5	4,043		4,043
6	Accumulated Deferred Income Taxes		C-6	(113,201)		(113,201)
7	Customer Deposits		C-7	(4,975)		(4,975)
8	Materials & Supplies		C-8	4,835		4,835
9	TOTAL RATE BASE	Sum L 3 to L 8		<u>\$ 511,912</u>	<u>\$ -</u>	<u>\$ 511,912</u>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>						
<u>Operating Revenues</u>						
10	Base Customer Charges		D-5	\$ 124,925	\$ 14,114	\$ 139,039
11	Gas Cost Revenue		D-5	67,744		67,744
12	Other Operating Revenues		D-5	5,157		5,157
13	Total Revenues	Sum L 10 to L 12		<u>197,826</u>	<u>14,114</u>	<u>211,940</u>
14	Operating Expenses		D	<u>(150,246)</u>	<u>(178)</u>	<u>(150,424)</u>
15	OIBIT	L 13 + L 14		47,580	13,936	61,516
16	Pro Forma Income Tax at Present Rates		D-33	(13,193)		(18,975)
17	Pro Forma Income Tax on Revenue Increase		D-33		<u>(5,782)</u>	<u>(18,975)</u>
18	NET OPERATING INCOME	Sum L 15 to L 17		<u>\$ 34,387</u>	<u>\$ 8,153</u>	<u>\$ 42,540</u>
19	RATE OF RETURN	L 18 / L 9		<u>6.7173%</u>		<u>8.310%</u>
<b><u>REVENUE INCREASE REQUIRED</u></b>						
20	Rate of Return at Present Rates	L 19, Col 4		6.7173%		
21	Rate of Return Required		B-7	<u>8.3100%</u>		
22	Change in ROR	L 21 - L 20		<u>1.59269%</u>		
23	Change in Operating Income	L 22 * L 9		\$ 8,153		
24	Gross Revenue Conversion Factor		D-35	<u>1.731092</u>		
25	Change in Revenues	L 23 * L 24		<u>\$ 14,114</u>		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4			<u>11.30%</u>	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4			<u>7.13%</u>	

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule B-1**  
**Witness: K. S. Walker**  
Page 1 of 2

**Balance Sheet**

[ 1 ]

Line No	Description/(Account No)	Budget TYE 9-30-17
	UTILITY PLANT (101 - 106, 108)	
1	Gas Utility Plant	\$1,770,328
2	Other Utility Plant	-
3	Total Plant In Service	<u>1,770,328</u>
4	Construction Work In Progress (107)	20,945
5	Total Utility Plant	<u>1,791,273</u>
6	Accumulated Provision for Depreciation - Gas (108)	(503,111)
7	Utility Acquisition Adjustment (114)	-
8	Accumulated Provision for Depreciation - Other (119)	-
9	Net Utility Plant	<u>1,288,162</u>
	OTHER PROPERTY INVESTMENTS	
10	Non-utility Property (121)	-
11	Accumulated Depreciation on NUP (122)	-
12	Investment in Associated & Subsidiary Companies (123.1)	-
13	Other Investments (124)	-
14	Total Other Property and Investments	-
	CURRENT AND ACCRUED ASSETS	
15	Cash & Other Temporary Investments(131-136)	2,843
16	Unbilled Revenues	-
17	Customer Accounts Receivable (142)	27,873
18	Other Accounts Receivable (143)	901
19	Accum Provision for Uncollectible (144)	(3,297)
20	Receivables from Associated Companies (145)	-
21	Accounts Receivable Assoc. Comp. (146)	(46)
22	Plant Materials & Operating Supplies (154)	2,674
23	Stores Expense - Undistributed (163)	(380)
24	Gas Stored - Current (164.1)	27,868
25	Liquefied Natural Gas stored (164.2)	-
26	Prepayments (165)	3,997
27	Accrued Utility Revenues (173)	6,639
28	Miscellaneous Current & Accrued Assets (174)	232
29	Derivative Instrument Assets (175)	<u>436</u>
30	Total Current and Accrued Assets	69,740
	DEFERRED DEBITS	
31	Unamortized Debt Expense (181)	1,045
32	Other Regulatory Assets (182.3)	246,665
33	Other Preliminary Survey & Investigation Charges (183.2)	915
34	Clearing Accounts (184)	(380)
35	Miscellaneous Deferred Debits (186)	3,443
36	Unamortized Loss on Reacquired Debt (189)	1,034
37	Accumulated Deferred Income Taxes (190)	23,660
38	O/U Collected Gas (191.4, 191.41)	-
39	Total Deferred Debits	<u>276,382</u>
40	TOTAL ASSETS AND OTHER DEBITS	<u>\$1,634,285</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule B-1**  
**Witness: K. S. Walker**  
Page 2 of 2

**Balance Sheet**

[ 1 ]

Line No	Description/(Account No)	Budget TYE 9-30-17
PROPRIETARY CAPITAL		
41	Common Stock Issued (201)	\$ 51,878
42	Preferred Stock Issued (204)	-
43	Miscellaneous Paid-in-Capital (211)	406,270
44	Capital Stock Expense (214)	-
45	Retained Earnings (215, 215.2, 216)	266,273
46	Accum Other Comprehensive Income (219)	<u>(12,499)</u>
47	Total Proprietary Capital	711,922
LONG TERM DEBT		
48	Bonds (221)	-
49	Advances from Associated Companies (223)	-
50	Other Long-Term Debt (224)	364,363
51	Unamortized Premium on LTD (225)	-
52	Unamortized Discount on LTD (226)	-
53	Total Long-term Debt	<u>364,363</u>
OTHER NON-CURRENT LIABILITIES		
54	Obligations under Capital Leases (227)	-
55	Advances from Associated Companies (223)	527
56	Other Long-Term Debt (224)	71,239
57	Unamortized Premium on LTD (225)	3,333
58	Unamortized Discount on LTD (226)	62
59	Total Non-Current Liabilities	<u>75,161</u>
CURRENT & ACCRUED LIABILITIES		
60	Notes Payable (231)	59,531
61	Accounts Payable (232)	38,447
62	Notes Payable to Assoc. Companies (233)	-
63	Accounts Payable to Assoc. Cos (234)	9,245
64	Customer Deposits (235)	12,956
65	Taxes Accrued (236)	(3,737)
66	Interest Accrued (237)	5,631
67	Tax Collections Payable (241)	129
68	Accrued Interest on Other Liabilities (237)	25,716
69	Tax Collections Payable (241)	1,652
70	Misc Current & Accrued Liabilities (242)	5,146
71	Total Current & Accrued Liabilities	<u>154,716</u>
OTHER DEFERRED CREDITS		
72	Customer Advances for Construction (252)	-
73	Other Deferred Credits (253)	15,682
74	Other Regulatory Liabilities (254)	20,786
75	Deferred ITC (255)	3,201
76	Accumulated Deferred Income Taxes (282)	293,289
77	Accumulated Deferred Income Taxes (283)	(4,835)
78	Total Other Deferred Credits	<u>328,123</u>
79	TOTAL LIABILITIES & OTHER CREDITS	<u>\$1,634,285</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule B-2**  
**Witness: K. S. Walker**  
 Page 1 of 1

**Statement of Net Utility Operating Income**

Line No	Description	[ 1 ] Budget TYE 9-30-17	[ 2 ] Reference
<b>Total Operating Revenues</b>			
1	Total Sales Revenues	\$ 201,526	B-3
2	Other Operating Revenues	2,698	B-3
3	Total Revenues	204,224	
<b>Total Operating Expenses</b>			
4	Operation & Maintenance Expenses	124,917	B-4
5	Depreciation Expense	18,073	D-21
6	Taxes Other Than Income Taxes	2,996	B-5
7	Total Operating Expenses	145,986	
8	Operating Income Before Income Taxes (OIBIT)	58,238	
Income Taxes:			
9	State	1,223	B-5
10	Federal	11,970	B-5
11	Total Income Taxes	13,193	
12	<b>Net Utility Operating Income</b>	<b>\$ 45,045</b>	

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule B-3**  
**Witness: K. S. Walker**  
Page 1 of 1

**Statement of Operating Revenues**

[ 1 ]

Line No	Description	Budget TYE 9-30-17
<b>Gas Operating Revenues</b>		
1	Residential (R/RT) (480)	\$ 138,912
2	Comm & Ind (N/NT) (481)	36,897
3	Comm & Ind (DS) (489)	7,729
4	Lg Transport/Other (489)	15,350
5	Interruptible (489)	<u>2,638</u>
6	Sub-Total Gas Operating Revenues	201,526
<b>Other Operating Revenues</b>		
7	Forfeited Discounts (487)	1,863
8	Miscellaneous Service Revenues (488)	829
9	Rent from Gas Properties (493)	6
10	Other Revenues (495)	<u>-</u>
11	Sub-Total Other Operating Revenues	<u>2,698</u>
12	<b>Total Operating Revenues</b>	<u><u>\$ 204,224</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule B-4**  
**Witness: K. S. Walker**  
Page 1 of 3

**Operation and Maintenance Expenses**

Line No	Description	Account No	[ 1 ] Budget TYE 9-30-17
<b>Gas Raw Materials</b>			
1	Liquefied Petroleum Gas Expenses	717	\$ -
2	Miscellaneous Production Expenses	735	-
3	Total Gas Raw Materials Expenses		-
<b>Production and Gathering - Operations</b>			
4	Operating Supervision and Engineering	750	-
5	Production Maps and Records	751	-
6	Gas Wells Expenses	752	-
7	Field Lines Expenses	753	-
8	Gas Well Royalties	758	-
9	Other Expenses	759	-
10	Total Production & Gathering Operation Expenses		-
<b>Production and Gathering - Maintenance</b>			
11	Maintenance of Producing Gas Wells	763	-
12	Maintenance of Field Lines	764	-
13	Maintenance of Field Measuring and Reg. Station Equip.	766	-
14	Gas Supply Operation Expenses		-
<b>Other Gas Supply Expense - Operations</b>			
15	Natural Gas City Gate Purchases	804.0	96,402
16	Other Gas Purchases	805.0	-
17	Purchases Gas Cost Adjustments	805.1	(29,208)
18	Gas Withdrawn from Storage-Debit	808.1	11,002
19	Purchased Gas Expenses	807.0	-
20	Gas Used for Other Utility Operations-Credit	812.0	(196)
21	Gas Delivered to Storage-Credit	808.2	(12,168)
22	Other Gas Supply Expenses	813.0	-
23	Gas Supply Operation Expenses		65,832
<b>Underground Storage Expense - Operation</b>			
24	Operation Supervision and Engineering	814	-
25	Maps and Records	815	-
26	Wells Expenses	816	-
27	Lines Expenses	817	-
28	Measuring and Regulating Station Expenses	820	-
29	Purification Expenses	821	-
30	Gas Losses	823	-
31	Other Expenses	824	1
32	Total Underground Storage Expenses		1
<b>Underground Storage Expense - Maintenance</b>			
33	Maintenance Supervision and Engineering	830	-
34	Maintenance of Structures and Improvements	831	-
35	Maintenance of Reservoirs and Wells	832	-
36	Maintenance of Lines	833	-
37	Maintenance of Measuring & Regulating Station Equip.	835	-
38	Total Underground Maintenance Expenses		-

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule B-4**  
**Witness: K. S. Walker**  
Page 2 of 3

**Operation and Maintenance Expenses**

Line No	Description	Account No	[ 1 ] Budget TYE 9-30-17
<b>Transmission Expense - Operations</b>			
39	Operating Supervision and Engineering	850	-
40	System Control and Load Dispatching	851	-
41	Communication System Expenses	852	-
42	Mains Expenses	856	-
43	Measuring and Regulating Station Expenses	857	-
44	Other Expenses	859	-
45	Total Transmission Operation Expenses		-
<b>Transmission Expense - Maintenance</b>			
46	Maintenance Supervision and Engineering	861	-
47	Maintenance of Structures and Improvements	862	-
48	Maintenance of Mains	863	-
49	Maintenance of Measuring and Regulating Station Equip.	865	-
50	Maintenance of Communication Equipment	866	-
51	Total Transmission Maintenance Expenses		-
<b>Distribution Expense - Operations</b>			
52	Operation Supervision and Engineering	870	1,991
53	Distribution Load Dispatching	871	653
54	Compressor Station Fuel and Power (Major Only)	873	-
55	Mains and Services Expenses	874	6,496
56	Measuring and Regulating Station Expenses-General	875	555
57	Measuring and Regulating Station Expenses-Industrial	876	79
58	Measuring and Regulating Station Expenses-City Gate	877	20
59	Meter and House Regulator Expenses	878	1,233
60	Customer Installations Expenses	879	551
61	Other Expenses	880	753
62	Rents	881	99
63	Total Distribution Operation Expenses		12,430
<b>Distribution Expense - Maintenance</b>			
64	Maintenance Supervision and Engineering	885	493
65	Maintenance of Structures and Improvements	886	4
66	Maintenance of Mains	887	9,211
67	Maintenance of Measuring & Reg. Station Equip.-Genl.	889	399
68	Maintenance of Measuring & Reg. Station Equip.-Indtrl.	890	407
69	Maintenance of Measuring & Reg. Station Equip.-City G	891	425
70	Maintenance of Services	892	1,441
71	Maintenance of Meters & House Regulators	893	705
72	Maintenance of Other Equipment	894	146
73	Construction & Maintenance	895	-
74	Total Distribution Maintenance Expenses		13,231
<b>Customer Accounts Expense - Operations</b>			
75	Supervision	901	129
76	Meter Reading Expenses	902	429
77	Customer Records & Collection Expenses	903	4,195
78	Uncollectable Accounts	904	2,145
79	Miscellaneous Customer Accounts Expenses	905	493
80	Total Administrative & General		7,391

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule B-4**  
**Witness: K. S. Walker**  
Page 3 of 3

**Operation and Maintenance Expenses**

Line No	Description	Account No	[ 1 ] Budget TYE 9-30-17
<b>Customer Service &amp; Information Expense</b>			
82	Supervision	907	-
83	Customer Assistance Expenses	908	416
84	Informational & Instructional Advertising Expenses	909	294
85	Miscellaneous Customer Service & Informational Exp.	910	22
86	Total Cust. Service & Inform. Operations Exp		<u>732</u>
87	Description		
<b>Sales Expense</b>			
88	Supervision	911	-
89	Demonstrating and Selling Expenses	912	244
90	Advertising Expenses	913	89
91	Miscellaneous Sales Expenses	916	50
92	Total Operation Sales Expenses		<u>383</u>
<b>Administrative &amp; General - Operations</b>			
93	Administrative and General Salaries	920.0	5,643
94	Office Supplies and Expenses	921.0	4,634
95	Outside Service Employed	923.0	5,825
96	Property Insurance	924.0	35
97	Injuries and Damages	925.0	1,299
98	Employee Pensions and Benefits	926.0	4,826
99	Regulatory Commission Expenses	928.0	-
100	General Advertising Expenses	930.1	137
101	Miscellaneous General Expenses	930.2	172
102	Rents	931.0	277
103	Total A & G Operation Expenses		<u>22,848</u>
<b>Administrative &amp; General - Maintenance</b>			
104	Maintenance of General Plant	932	880
105	Maintenance of General Plant	935	5
106	Total A & G Maintenance Expenses		<u>885</u>
107	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 123,733</u>
108	Total Gas Operation Expenses		109,617
109	Total Gas Maintenance Expense		14,116
110	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 123,733</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule B-5**  
**Witness: K. S. Walker**  
Page 1 of 1

**Detail of Taxes**

[ 1 ]

Line No	Description	Reference	Budget TYE 9-30-17
<b>Taxes Other Than Income Taxes</b>			
<b>Non-revenue related:</b>			
1	Pennsylvania - PURTA	D-31	\$ 132
2	Capital Stock	D-31	329
3	PA and Local Use taxes	D-31	122
4	Miscellaneous Taxes	D-31	935
5	Subtotal		<u>1,518</u>
<b>Payroll Taxes</b>			
6	FICA	D-31	1,349
7	SUTA	D-31	118
8	FUTA	D-31	11
9	Other		-
10	Subtotal		<u>1,478</u>
11	Total Taxes Other Than Income Taxes		<u><u>\$ 2,996</u></u>
<b>Income Taxes</b>			
12	State		\$ 1,223
13	Federal		11,970
14	Total Income Taxes		<u><u>\$ 13,193</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule B-6**  
**Witness: P. R. Moul**  
 Page 1 of 1

**Composite Cost of Debt**

Line No	Description	[ 1 ] Amount Outstanding	[ 2 ] Percent to Total	[ 3 ] Effective Interest Rate	[ 4 ] Average Weighted Cost Rate [ 2 ] * [ 3 ]
<b><u>Medium Term Notes</u></b>					
1	7.25% Due 11/01/17	\$ 20,000	2.65%	7.32%	0.19%
2	5.670% Due 01/15/18	\$ 20,000	2.65%	5.75%	0.15%
3	6.500% Due 08/15/2033	\$ 20,000	2.65%	6.56%	0.17%
4	6.133% Due 10/15/2034	20,000	2.65%	6.19%	0.16%
<b><u>Senior Unsecured Notes</u></b>					
5	6.206% Due 9/30/2036	100,000	13.25%	6.32%	0.84%
6	4.980% Due 3/26/2044	175,000	23.18%	5.00%	1.16%
7	2.950% Due 6/30/2026	100,000	13.25%	3.92%	0.52%
8	4.120% Due 9/30/2046	200,000	26.49%	5.00%	1.32%
9	4.120% Due 10/31/2046	100,000	13.25%	4.28%	0.57%
10	Total Long-Term Debt	755,000	<u>100.00%</u>		<u>5.08%</u>
11	Total Long-Term Debt	\$ 755,000	94.30%	5.08%	4.79%
12	Total Short-Term Debt	45,602	5.70%	2.98%	0.17%
13	TOTAL	<u>\$ 800,602</u>	<u>100.00%</u>		
14	Weighted Cost of Debt				<u>4.96%</u>

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

**Schedule B-7**  
**Witness: P. R. Moul**  
Page 1 of 1

**Rate of Return**

[ 1 ]                      [ 2 ]                      [ 3 ]                      [ 4 ]

<u>Line No</u>	<u>Description</u>	<u>Capitalization Ratio</u>	<u>Embedded Cost</u>	<u>Statement Reference</u>	<u>Return-%</u>
1	Long-Term Debt	40.30%	5.08%	B-6	2.05%
2	Short-Term Debt	5.15%	2.98%	B-6	0.15%
3	Common Equity	<u>54.55%</u>	11.20%		<u>6.11%</u>
4	Total	<u><u>100.00%</u></u>			<u><u>8.31%</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule C-1**  
**Witness: M. Mattern**  
 Page 1 of 1

**Measure of Value**

Line #	Description	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]
		Reference Schedule	# of Pages	Pro Forma Test Year Ended September 30, 2017 At Present Rates	Adjustments	Proposed Rates
<b><u>MEASURE OF VALUE</u></b>						
1	Utility Plant	C-2	9	\$ 895,100		\$ 895,100
2	Accumulated Depreciation	C-3	11	<u>(280,922)</u>		<u>(280,922)</u>
3	Net Plant in service			614,178	-	614,178
4	Working Capital	C-4	9	7,032		7,032
5	Gas Inventory	C-5	1	4,043		4,043
6	Accumulated Deferred Income Taxes	C-6	1	(113,201)		(113,201)
7	Customer Deposits	C-7	1	(4,975)		(4,975)
8	Materials & Supplies	C-8	1	4,835		4,835
9	TOTAL MEASURE OF VALUE			<u>\$ 511,912</u>	<u>\$ -</u>	<u>\$ 511,912</u>

Pro Forma Gas Plant in Service

Line No	Description	[ 1 ] Account No	[ 2 ] Pro Forma FTY 9-30-17
INTANGIBLE PLANT			
1	Organization	301	\$ 106
2	Franchise & Consent	302	9
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>115</u>
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Reg. Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
NATURAL GAS STORAGE & PROCESSING PLANT			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350	-
21	Rights of Way	350	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL STORAGE & PROCESSING		<u>-</u>

Pro Forma Gas Plant in Service

Line No	Description	[ 1 ] Account No	[ 2 ] Pro Forma FTY 9-30-17
TRANSMISSION PLANT			
30	Land & Land Rights	365.1	\$ -
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		<u>-</u>
DISTRIBUTION PLANT			
38	Land & Land Rights	374	3,386
39	Structures & Improvements	375	2,772
40	Mains	376	445,933
41	Measuring & Regulating Station Equipment	378	20,292
42	Measuring & Regulating Station Equipment	379	18,791
43	Services	380	257,327
44	Meters	381	60,093
45	Meter Installations	382	-
46	House Regulators	383	2,815
47	House Regulatory Installations	384	3,623
48	Industrial Measuring & Reg. Station Equipment	385	11,152
49	Other Property	386	-
50	Other Equipment	387	117
51	TOTAL DISTRIBUTION		<u>826,301</u>
GENERAL PLANT			
52	Land & Land Rights	389	770
53	Structures & Improvements	390	21,113
54	Office Furniture & Equipment	391	32,431
55	Transportation Equipment	392	5,589
56	Stores Equipment	393	2
57	Tools & Garage Equipment	394	6,280
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,518
60	Communication Equipment	397	167
61	Miscellaneous Equipment	398	814
62	Other Tangible Property	399	-
63	TOTAL GENERAL		<u>68,684</u>
64	Total Plant		<u>\$ 895,100</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
Page 3 of 9

**Pro Forma Plant Adjustment Summary**

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Test Year 9/30/17 Budget	[ 3 ] Adjustments	[ 4 ] Pro Forma Test Year [ 2 ] + [ 3 ]
1	Intangible Plant	Sch C-2, Pg 4	\$ 95	\$ 20	\$ 115
2	Natural Gas Production & Gathering	Sch C-2, Pg 4	-	-	-
3	Natural Gas Storage & Processing Plant	Sch C-2, Pg 4	-	-	-
4	Transmission Plant	Sch C-2, Page 5	-	-	-
5	Distribution Plant	Sch C-2, Page 5	834,497	(8,196)	826,301
6	General Plant	Sch C-2, Page 5	42,664	26,020	68,684
7	Other Plant		-	-	-
8	Total Utility Plant		<u>\$ 877,256</u>	<u>\$ 17,844</u>	<u>\$ 895,100</u>

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Pro Forma Year End Plant Balances**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30,		[ 3 ]	[ 4 ]	[ 5 ]
			2016	2017		Pro Forma Adjustment	Balance
<b>INTANGIBLE PLANT</b>							
1	Organization	301	\$ 106	\$ 86		\$ 20	\$ 106
2	Franchise & Consent	302	9	9		-	9
3	Miscellaneous Intangible Plant	303	-	-		-	-
4	TOTAL INTANGIBLE		<u>115</u>	<u>95</u>		<u>20</u>	<u>115</u>
<b>NATURAL GAS PRODUCTION &amp; GATHERING</b>							
5	Producing Lands	325.1	-	-		-	-
6	Producing Leaseholds	325.2	-	-		-	-
7	Rights of Way	325.4	-	-		-	-
8	Other Land Rights	325.5	-	-		-	-
9	Field Measuring & Regulating Station Structures	328	-	-		-	-
10	Other Structures	329	-	-		-	-
11	Producing Gas Wells-Well Construction	330	-	-		-	-
12	Producing Gas Wells-Well Equipment	331	-	-		-	-
13	Field Lines	332	-	-		-	-
14	Field Measuring & Reg. Station Equipment	334	-	-		-	-
15	Drilling & Cleaning Equipment	335	-	-		-	-
16	Other Equipment	337	-	-		-	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
<b>NATURAL GAS STORAGE &amp; PROCESSING PLANT</b>							
18	Land & Land Rights	304	-	-		-	-
19	Production Plant-Manufactured Gas Plants	305	-	-		-	-
20	Land	350.1	-	-		-	-
21	Rights of Way	350.2	-	-		-	-
22	Structures & Improvements	351	-	-		-	-
23	Wells	352	-	-		-	-
24	Lines	353	-	-		-	-
25	Compressor Station Equipment	354	-	-		-	-
26	Measuring & Regulating Equipment	355	-	-		-	-
27	Purification Equipment	356	-	-		-	-
28	Other Equipment	357	-	-		-	-
29	TOTAL STORAGE & PROCESSING		<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Pro Forma Year End Plant Balances**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2016	[ 3 ] 2017	[ 4 ] Pro Forma Adjustment	[ 5 ] Balance
<b>TRANSMISSION PLANT</b>						
30	Land & Land Rights	365.1	-	-	-	-
31	Rights of Way	365.2	-	-	-	-
32	Structures & Improvements	366	-	-	-	-
33	Mains	367	-	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-	-
35	Communication Equipment	370	-	-	-	-
36	Other Equipment	371	-	-	-	-
37	<b>TOTAL TRANSMISSION</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION PLANT</b>						
38	Land & Land Rights	374	3,386	3,386	-	3,386
39	Structures & Improvements	375	2,625	2,670	102	2,772
40	Mains	376	365,720	449,055	(3,122)	445,933
41	Measuring & Regulating Station Equipment	378	19,107	22,445	(2,153)	20,292
42	Measuring & Regulating Station Equipment	379	18,328	17,952	839	18,791
43	Services	380	244,157	260,555	(3,228)	257,327
44	Meters	381	58,463	59,904	189	60,093
45	Meter Installations	382	-	-	-	-
46	House Regulators	383	2,815	3,546	(731)	2,815
47	House Regulatory Installations	384	3,623	3,669	(46)	3,623
48	Industrial Measuring & Reg. Station Equipment	385	10,936	11,198	(46)	11,152
49	Other Property	386	-	-	-	-
50	Other Equipment	387	117	117	-	117
51	<b>TOTAL DISTRIBUTION</b>		<u>729,277</u>	<u>834,497</u>	<u>(8,196)</u>	<u>826,301</u>
<b>GENERAL PLANT</b>						
52	Land & Land Rights	389	770	770	-	770
53	Structures & Improvements	390	20,093	22,073	(960)	21,113
54	Office Furniture & Equipment	391	16,010	4,411	28,020	32,431
55	Transportation Equipment	392	4,339	5,930	(341)	5,589
56	Stores Equipment	393	2	2	-	2
57	Tools & Garage Equipment	394	5,877	6,355	(75)	6,280
58	Laboratory Equipment	395	-	-	-	-
59	Power Operated Equipment	396	1,518	1,548	(30)	1,518
60	Communication Equipment	397	1,290	938	(771)	167
61	Miscellaneous Equipment	398	865	637	177	814
62	Other Tangible Property	399	-	-	-	-
63	<b>TOTAL GENERAL</b>		<u>50,764</u>	<u>42,664</u>	<u>26,020</u>	<u>68,684</u>
64	<b>Total Plant</b>		<u>\$ 780,156</u>	<u>\$ 877,256</u>	<u>\$ 17,844</u>	<u>\$ 895,100</u>

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

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Witness: M. Mattern  
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**Additions to Plant**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year ended September 30, 2016	[ 3 ] 2017
Plant Additions				
<u>INTANGIBLE PLANT</u>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
<u>NATURAL GAS PRODUCTION &amp; GATHERING</u>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
<u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
18	Land	350.1	-	-
19	Rights of Way	350.2	-	-
20	Structures & Improvements	351	-	-
21	Wells	352	-	-
22	Lines	353	-	-
23	Compressor Station Equipment	354	-	-
24	Measuring & Regulating Equipment	355	-	-
25	Purification Equipment	356	-	-
26	Other Equipment	357	-	-
27	TOTAL STORAGE & PROCESSING		-	-

**UGI Penn Natural Gas, Inc.**  
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Schedule C-2  
Witness: M. Mattern  
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**Additions to Plant**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year ended September 30, 2016	[ 3 ] 2017
<b>TRANSMISSION PLANT</b>				
28	Land & Land Rights	365.1	-	-
29	Rights of Way	365.2	-	-
30	Structures & Improvements	366	-	-
31	Mains	367	-	-
32	Measuring & Regulating Station Equipment	369	-	-
33	Communication Equipment	370	-	-
34	Other Equipment	371	-	-
35	TOTAL TRANSMISSION		-	-
<b>DISTRIBUTION PLANT</b>				
36	Land & Land Rights	374	-	-
37	Structures & Improvements	375	-	170
38	Mains	376	23,563	81,542
39	Measuring & Regulating Station Equipment	378	410	1,331
40	Measuring & Regulating Station Equipment	379	322	525
41	Services	380	15,286	13,754
42	Meters	381	1,209	1,810
43	Meter Installations	382	-	-
44	House Regulators	383	-	-
45	House Regulatory Installations	384	92	-
46	Industrial Measuring & Reg. Station Equipment	385	2,144	242
47	Other Property	386	-	-
48	Other Equipment	387	-	-
49	TOTAL DISTRIBUTION		43,026	99,374
<b>GENERAL PLANT</b>				
50	Land & Land Rights	389	-	-
51	Structures & Improvements	390	834	1,134
52	Office Furniture & Equipment	391	280	25,074
53	Transportation Equipment	392	880	2,500
54	Stores Equipment	393	-	-
55	Tools & Garage Equipment	394	533	670
56	Laboratory Equipment	395	-	-
57	Power Operated Equipment	396	-	-
58	Communication Equipment	397	-	-
59	Miscellaneous Equipment	398	152	25
60	Other Tangible Property	399	-	-
61	TOTAL GENERAL		2,679	29,403
62	Total Plant		\$ 45,705	\$ 128,777

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Retirements**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2016	2017
<b>INTANGIBLE PLANT</b>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
<b>NATURAL GAS PRODUCTION &amp; GATHERING</b>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
<b>NATURAL GAS STORAGE &amp; PROCESSING PLANT</b>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
20	Land	350.1	-	-
21	Rights of Way	350.2	-	-
22	Structures & Improvements	351	-	-
23	Wells	352	-	-
24	Lines	353	-	-
25	Compressor Station Equipment	354	-	-
26	Measuring & Regulating Equipment	355	-	-
27	Purification Equipment	356	-	-
28	Other Equipment	357	-	-
29	TOTAL STORAGE & PROCESSING		-	-

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Retirements**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2016	[ 3 ] 2017
<b>TRANSMISSION PLANT</b>				
30	Land & Land Rights	365.1	-	-
31	Rights of Way	365.2	-	-
32	Structures & Improvements	366	-	-
33	Mains	367	-	-
34	Measuring & Regulating Station Equipment	369	-	-
35	Communication Equipment	370	-	-
36	Other Equipment	371	-	-
37	TOTAL TRANSMISSION		-	-
<b>DISTRIBUTION PLANT</b>				
38	Land & Land Rights	374	25	-
39	Structures & Improvements	375	-	23
40	Mains	376	304	1,331
41	Measuring & Regulating Station Equipment	378	71	146
42	Measuring & Regulating Station Equipment	379	-	61
43	Services	380	154	584
44	Meters	381	232	181
45	Meter Installations	382	-	-
46	House Regulators	383	-	-
47	House Regulatory Installations	384	-	-
48	Industrial Measuring & Reg. Station Equipment	385	-	27
49	Other Property	386	-	-
50	Other Equipment	387	-	-
51	TOTAL DISTRIBUTION		786	2,353
<b>GENERAL PLANT</b>				
52	Land & Land Rights	389	-	-
53	Structures & Improvements	390	96	113
54	Office Furniture & Equipment	391	525	8,657
55	Transportation Equipment	392	345	1,250
56	Stores Equipment	393	-	-
57	Tools & Garage Equipment	394	151	267
58	Laboratory Equipment	395	-	-
59	Power Operated Equipment	396	30	-
60	Communication Equipment	397	-	1,123
61	Miscellaneous Equipment	398	-	76
62	Other Tangible Property	399	-	-
63	TOTAL GENERAL		1,147	11,486
64	Total Plant		\$ 1,933	\$ 13,839

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule C-3**  
**Witness: M. Mattern**  
Page 1 of 11

**Accumulated Provision for Depreciation**

Line No	Description	[ 1 ] Account No	[ 2 ] Pro Forma FTY 9-30-17
	INTANGIBLE PLANT		
1	Organization	301	\$ -
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
	NATURAL GAS PRODUCTION & GATHERING		
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Reg. Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
	NATURAL GAS STORAGE & PROCESSING PLANT		
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350	-
21	Rights of Way	350	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL STORAGE & PROCESSING		-

Accumulated Provision for Depreciation

Line No	Description	[ 1 ] Account No	[ 2 ] Pro Forma FTY 9-30-17
TRANSMISSION PLANT			
30	Land & Land Rights	365	-
31	Rights of Way	365	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		<u>-</u>
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	1,173
40	Mains	376	105,151
41	Measuring & Regulating Station Equipment	378	7,208
42	Measuring & Regulating Station Equipment	379	4,031
43	Services	380	101,588
44	Meters	381	33,214
45	Meter Installations	382	-
46	House Regulators	383	1,793
47	House Regulatory Installations	384	2,206
48	Industrial Measuring & Reg. Station Equipment	385	4,499
49	Other Property	386	-
50	Other Equipment	387	71
51	TOTAL DISTRIBUTION		<u>260,934</u>
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	8,855
54	Office Furniture & Equipment	391	4,233
55	Transportation Equipment	392	2,436
56	Stores Equipment	393	1
57	Tools & Garage Equipment	394	2,514
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,447
60	Communication Equipment	397	143
61	Miscellaneous Equipment	398	359
62	Other Tangible Property	399	-
63	TOTAL GENERAL		<u>19,988</u>
64	Total Plant		<u>\$ 280,922</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**Summary of Accumulated Depreciation**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]
		Factor Or Reference	Test Year Ended September 30, 2017 Amount	Pro Forma Adjustment	Balance
1	Intangible Plant	Sch C-3, Pg 4	\$ -	\$ -	\$ -
2	Natural Gas Production & Gathering	Sch C-3, Pg 4	-	-	-
3	Natural Gas Storage & Processing Plant	Sch C-3, Pg 4	-	-	-
4	Transmission Plant	Sch C-3, Pg 5	-	-	-
5	Distribution Plant	Sch C-3, Pg 5	265,408	(4,474)	260,934
6	General Plant	Sch C-3, Pg 5	31,258	(11,270)	19,988
7	Other Plant		-	-	-
8	<b>TOTAL ACC DEPR &amp; AMORTIZATION</b>		<u>\$ 296,666</u>	<u>\$ (15,744)</u>	<u>\$280,922</u>

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

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**Accumulated Depreciation by FERC Account**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2016	[ 3 ] 2017	[ 4 ] Pro Forma Adjustment	[ 5 ] Balance
<b><u>INTANGIBLE PLANT</u></b>						
1	Organization	301	\$ -	\$ -	\$ -	\$ -
2	Franchise & Consent	302	-	-	-	-
3	Miscellaneous Intangible Plant	303	-	-	-	-
4	TOTAL INTANGIBLE		-	-	-	-
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>						
5	Producing Lands	325.1	-	-	-	-
6	Producing Leaseholds	325.2	-	-	-	-
7	Rights of Way	325.4	-	-	-	-
8	Other Land Rights	325.5	-	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-	-
10	Other Structures	329	-	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-	-
13	Field Lines	332	-	-	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-	-
16	Other Equipment	337	-	-	-	-
17	TOTAL PRODUCTION & GATHERING		-	-	-	-
<b><u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u></b>						
18	Land & Land Rights	304	-	-	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-	-	-
20	Land	350.1	-	-	-	-
21	Rights of Way	350.2	-	-	-	-
22	Structures & Improvements	351	-	-	-	-
23	Wells	352	-	-	-	-
24	Lines	353	-	-	-	-
25	Compressor Station Equipment	354	-	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-	-
27	Purification Equipment	356	-	-	-	-
28	Other Equipment	357	-	-	-	-
29	TOTAL STORAGE & PROCESSING		-	-	-	-

**UGI Penn Natural Gas, Inc.**  
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**Accumulated Depreciation by FERC Account**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2016	[ 3 ] 2017	[ 4 ] Pro Forma Adjustment	[ 5 ] Balance
<b>TRANSMISSION PLANT</b>						
30	Land & Land Rights	365.1	-	-	-	-
31	Rights of Way	365.2	-	-	-	-
32	Structures & Improvements	366	-	-	-	-
33	Mains	367	-	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-	-
35	Communication Equipment	370	-	-	-	-
36	Other Equipment	371	-	-	-	-
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION PLANT</b>						
38	Land & Land Rights	374	-	-	-	-
39	Structures & Improvements	375	1,146	1,196	(23)	1,173
40	Mains	376	101,682	108,186	(3,035)	105,151
41	Measuring & Regulating Station Equipment	378	6,834	7,439	(231)	7,208
42	Measuring & Regulating Station Equipment	379	3,489	4,085	(54)	4,031
43	Services	380	97,496	102,452	(864)	101,588
44	Meters	381	31,832	33,447	(233)	33,214
45	Meter Installations	382	-	-	-	-
46	House Regulators	383	1,751	1,799	(6)	1,793
47	House Regulatory Installations	384	2,158	2,206	-	2,206
48	Industrial Measuring & Reg. Station Equipment	385	4,333	4,527	(28)	4,499
49	Other Property	386	-	-	-	-
50	Other Equipment	387	67	71	-	71
51	TOTAL DISTRIBUTION		<u>250,788</u>	<u>265,408</u>	<u>(4,474)</u>	<u>260,934</u>
<b>GENERAL PLANT</b>						
52	Land & Land Rights	389	-	-	-	-
53	Structures & Improvements	390	8,433	8,966	(111)	8,855
54	Office Furniture & Equipment	391	12,100	12,882	(8,649)	4,233
55	Transportation Equipment	392	3,453	3,453	(1,017)	2,436
56	Stores Equipment	393	1	1	-	1
57	Tools & Garage Equipment	394	2,462	2,799	(285)	2,514
58	Laboratory Equipment	395	-	-	-	-
59	Power Operated Equipment	396	1,427	1,457	(10)	1,447
60	Communication Equipment	397	1,260	1,273	(1,130)	143
61	Miscellaneous Equipment	398	379	427	(68)	359
62	Other Tangible Property	399	-	-	-	-
63	TOTAL GENERAL		<u>29,515</u>	<u>31,258</u>	<u>(11,270)</u>	<u>19,988</u>
64	Total Plant		<u>\$ 280,303</u>	<u>\$ 296,666</u>	<u>\$ (15,744)</u>	<u>\$280,922</u>

**UGI Penn Natural Gas, Inc.**  
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**Cost of Removal**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2016	2017
<b><u>INTANGIBLE PLANT</u></b>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		<u>-</u>	<u>-</u>
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>	<u>-</u>
<b><u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u></b>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
18	Land	350.1	-	-
19	Rights of Way	350.2	-	-
20	Structures & Improvements	351	-	-
21	Wells	352	-	-
22	Lines	353	-	-
23	Compressor Station Equipment	354	-	-
24	Measuring & Regulating Equipment	355	-	-
25	Purification Equipment	356	-	-
26	Other Equipment	357	-	-
27	TOTAL STORAGE & PROCESSING		<u>-</u>	<u>-</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**(\$ in Thousands)**

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**Cost of Removal**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2016	2017
<b>TRANSMISSION PLANT</b>				
28	Land & Land Rights	365.1	-	-
29	Rights of Way	365.2	-	-
30	Structures & Improvements	366	-	-
31	Mains	367	-	-
32	Measuring & Regulating Station Equipment	369	-	-
33	Communication Equipment	370	-	-
34	Other Equipment	371	-	-
35	TOTAL TRANSMISSION		-	-
<b>DISTRIBUTION PLANT</b>				
36	Land & Land Rights	374	-	-
37	Structures & Improvements	375	-	-
38	Mains	376	682	2,230
39	Measuring & Regulating Station Equipment	378	43	138
40	Measuring & Regulating Station Equipment	379	-	5
41	Services	380	1,631	1,536
42	Meters	381	-	-
43	Meter Installations	382	-	-
44	House Regulators	383	-	-
45	House Regulatory Installations	384	-	-
46	Industrial Measuring & Reg. Station Equipment	385	5	25
47	Other Property	386	-	-
48	Other Equipment	387	-	-
49	TOTAL DISTRIBUTION		2,361	3,934
<b>GENERAL PLANT</b>				
50	Land & Land Rights	389	-	-
51	Structures & Improvements	390	8	18
52	Office Furniture & Equipment	391	-	-
53	Transportation Equipment	392	7	-
54	Stores Equipment	393	-	-
55	Tools & Garage Equipment	394	-	-
56	Laboratory Equipment	395	-	-
57	Power Operated Equipment	396	2	-
58	Communication Equipment	397	-	-
59	Miscellaneous Equipment	398	-	-
60	Other Tangible Property	399	-	-
61	TOTAL GENERAL		17	18
62	Total Plant		\$ 2,378	\$ 3,952

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

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**Negative Net Salvage Amortization**

Line #	Description	[ 1 ] Account Number	[ 2 ] Year Ended September 30, 2016	[ 3 ] Year Ended September 30, 2017
<b><u>INTANGIBLE PLANT</u></b>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		-	-
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		-	-
<b><u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u></b>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
20	Land	350.1	-	-
21	Rights of Way	350.2	-	-
22	Structures & Improvements	351	-	-
23	Wells	352	-	-
24	Lines	353	-	-
25	Compressor Station Equipment	354	-	-
26	Measuring & Regulating Equipment	355	-	-
27	Purification Equipment	356	-	-
28	Other Equipment	357	-	-
29	TOTAL STORAGE & PROCESSING		-	-

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**(\$ in Thousands)**

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**Negative Net Salvage Amortization**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2016	2017
<b>TRANSMISSION PLANT</b>				
30	Land & Land Rights	365.1	-	-
31	Rights of Way	365.2	-	-
32	Structures & Improvements	366	-	-
33	Mains	367	-	-
34	Measuring & Regulating Station Equipment	369	-	-
35	Communication Equipment	370	-	-
36	Other Equipment	371	-	-
37	TOTAL TRANSMISSION		-	-
<b>DISTRIBUTION PLANT</b>				
38	Land & Land Rights	374	-	-
39	Structures & Improvements	375	-	-
40	Mains	376	556	890
41	Measuring & Regulating Station Equipment	378	93	110
42	Measuring & Regulating Station Equipment	379	24	14
43	Services	380	1,250	1,401
44	Meters	381	3	-
45	Meter Installations	382	-	-
46	House Regulators	383	4	-
47	House Regulatory Installations	384	-	-
48	Industrial Measuring & Reg. Station Equipment	385	5	8
49	Other Property	386	-	-
50	Other Equipment	387	-	-
51	TOTAL DISTRIBUTION		1,935	2,423
<b>GENERAL PLANT</b>				
52	Land & Land Rights	389	-	-
53	Structures & Improvements	390	14	18
54	Office Furniture & Equipment	391	-	-
55	Transportation Equipment	392	(95)	(133)
56	Stores Equipment	393	-	-
57	Tools & Garage Equipment	394	-	-
58	Laboratory Equipment	395	-	-
59	Power Operated Equipment	396	(1)	(1)
60	Communication Equipment	397	-	-
61	Miscellaneous Equipment	398	-	-
62	Other Tangible Property	399	-	-
63	TOTAL GENERAL		(82)	(116)
64	Total Plant		\$ 1,853	\$ 2,307

**UGI Penn Natural Gas, Inc.**  
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**Salvage**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2016	2017
<b><u>INTANGIBLE PLANT</u></b>				
1	Organization	301	\$ -	\$ -
2	Franchise & Consent	302	-	-
3	Miscellaneous Intangible Plant	303	-	-
4	TOTAL INTANGIBLE		<u>-</u>	<u>-</u>
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>				
5	Producing Lands	325.1	-	-
6	Producing Leaseholds	325.2	-	-
7	Rights of Way	325.4	-	-
8	Other Land Rights	325.5	-	-
9	Field Measuring & Regulating Station Structures	328	-	-
10	Other Structures	329	-	-
11	Producing Gas Wells-Well Construction	330	-	-
12	Producing Gas Wells-Well Equipment	331	-	-
13	Field Lines	332	-	-
14	Field Measuring & Reg. Station Equipment	334	-	-
15	Drilling & Cleaning Equipment	335	-	-
16	Other Equipment	337	-	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>	<u>-</u>
<b><u>NATURAL GAS STORAGE &amp; PROCESSING PLANT</u></b>				
18	Land & Land Rights	304	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-
20	Land	350.1	-	-
21	Rights of Way	350.2	-	-
22	Structures & Improvements	351	-	-
23	Wells	352	-	-
24	Lines	353	-	-
25	Compressor Station Equipment	354	-	-
26	Measuring & Regulating Equipment	355	-	-
27	Purification Equipment	356	-	-
28	Other Equipment	357	-	-
29	TOTAL STORAGE & PROCESSING		<u>-</u>	<u>-</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

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**Salvage**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
		Account Number	Year Ended September 30,	
			2016	2017
<b>TRANSMISSION PLANT</b>				
30	Land & Land Rights	365.1	-	-
31	Rights of Way	365.2	-	-
32	Structures & Improvements	366	-	-
33	Mains	367	-	-
34	Measuring & Regulating Station Equipment	369	-	-
35	Communication Equipment	370	-	-
36	Other Equipment	371	-	-
37	TOTAL TRANSMISSION		-	-
<b>DISTRIBUTION PLANT</b>				
38	Land & Land Rights	374	-	-
39	Structures & Improvements	375	-	-
40	Mains	376	-	-
41	Measuring & Regulating Station Equipment	378	(14)	(26)
42	Measuring & Regulating Station Equipment	379	-	-
43	Services	380	-	-
44	Meters	381	-	-
45	Meter Installations	382	-	-
46	House Regulators	383	-	-
47	House Regulatory Installations	384	-	-
48	Industrial Measuring & Reg. Station Equipment	385	-	-
49	Other Property	386	-	-
50	Other Equipment	387	-	-
51	TOTAL DISTRIBUTION		(14)	(26)
<b>GENERAL PLANT</b>				
52	Land & Land Rights	389	-	-
53	Structures & Improvements	390	-	-
54	Office Furniture & Equipment	391	-	-
55	Transportation Equipment	392	(33)	(189)
56	Stores Equipment	393	-	-
57	Tools & Garage Equipment	394	-	-
58	Laboratory Equipment	395	-	-
59	Power Operated Equipment	396	(9)	-
60	Communication Equipment	397	-	-
61	Miscellaneous Equipment	398	-	-
62	Other Tangible Property	399	-	-
63	TOTAL GENERAL		(42)	(189)
64	Total Plant		\$ (56)	\$ (215)

Working Capital

Line No	Description	[ 1 ]	[ 2 ]
		Future FTY 9-30-17	Reference
1	Working Capital for O & M Expense	\$ 6,008	C-4, Page 2
2	Interest Payments	(1,285)	C-4, Page 7
3	Tax Payment Lag Calculations	639	C-4, Page 8
4	Prepaid Expenses	1,639	C-4, Page 9
5	Total Cash Working Capital Requirements	<u>\$ 7,001</u>	

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

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**Summary of Working Capital**

Line #	Description	Reference	Test Year Expenses	Factor	Number of (Lead) / Lag Days	Totals
					[ 4 ] [ 2 ] * [ 3 ]	
<b>WORKING CAPITAL REQUIREMENT</b>						
1	REVENUE LAG DAYS	Page 3				46.49
2	EXPENSE LAG DAYS	Page 4				
3	Payroll	Sch D-7	\$ 21,001	12.00	\$ 252,008	
4	Purchased Gas Costs	Sch D-6	67,744	31.38	2,125,846	
5	Other Expenses	L 19 - L 2 to L 4	35,503	33.88	1,202,836	
6	Total	Sum (L 3 to L 5)	<u>\$ 124,247</u>		<u>\$3,580,691</u>	
7	O & M Expense Lag Days	L6, C 4 / C 2				28.82
8	Net (Lead) Lag Days	L 1 - L 7				17.67
9	Operating Expenses Per Day	L 6, C 2 / 365				<u>\$ 340</u>
10	Working Capital for O & M Expense	L 8 * L 9				\$ 6,008
11	Interest Payments	Page 7				(1,285)
12	Tax Payment Lag Calculations	Page 8				639
13	Prepaid Expenses	Page 9				1,639
14	Total Working Capital Requirement	Sum (L 10 to L 13)				<u>\$ 7,001</u>
15	Pro Forma O & M Expense		\$ 126,706			
16	Less: Uncollectible Expense		<u>2,459</u>			
17	Sub-Total		<u>2,459</u>			
18	Pro Forma Cash O&M Expense		<u>\$ 124,247</u>			

**UGI Penn Natural Gas, Inc.**  
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**Revenue Lag**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] Accounts Receivable Balance End of Month	[ 3 ] Total Monthly Sales Page 2	[ 4 ] A/R Turnover [ 3 ] / [ 2 ]	[ 5 ] Days Lag 365 / [ 4 ]
1	Annual Number of Days					<u>365</u>
2	September, 2015		\$ 7,936			
3	October		6,731	9,290		
4	November		8,326	14,630		
5	December, 2015		12,950	20,315		
6	January, 2016		22,135	26,457		
7	February		26,084	28,350		
8	March		23,451	23,294		
9	April		21,887	16,506		
10	May		16,653	10,856		
11	June		12,769	7,614		
12	July		10,013	6,902		
13	August		7,173	6,844		
14	September, 2016		5,211	7,034		
15	Total	Sum L 2 to L 14	<u>\$181,319</u>			
16	Number of Months	<u>13</u>				
17	Average Acct Rec Balance	L 15 / L 16	<u>\$13,948</u>			
18	Total Sales for Year	Sum L 2 to L 14		<u>\$ 178,092</u>		
19	Acct Rec Turnover Ratio	L 18 / L 17			<u>12.77</u>	
20	Collection Lag Day Factor	L 1 / L 19				28.58
21	Meter Read Lag Factor					2.70
22	Midpoint Lag Factor		365	/	12	/
					2	=
						<u>15.21</u>
23	Total Revenue Lag Days	Sum L 20 to L 22				<u>46.49</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule C-4  
 Witness: M. Mattern  
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**Summary of Expense Lag Calculations**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] Amount	[ 3 ] (Lead) / Lag Days	[ 4 ] Weighted Dollar Value [ 2 ] * [ 3 ]	[ 5 ] (Lead) / Lag Days [ 4 ] / [ 2 ]
<b><u>PAYROLL</u></b>						
1	Union Payrolls	Bi-Weekly	\$ 13,834	12.00		
2	Exempt & Non-Exempt	Bi-Weekly	7,160	12.00		
3	Weighted for Union	L1, C2 * C3			\$ 166,006	
4	Weighted for Other	L2, C2 * C3			<u>85,915</u>	
5	Payroll Lag	L 3 + L 4	<u>\$ 20,993</u>		<u>\$ 251,922</u>	
6	Payroll Lag Days	C 4 / C 2				<u>12.00</u>
<b><u>PURCHASE GAS COSTS</u></b>						
7	Payment Lag	Page 6	<u>\$ 66,862</u>		<u>\$ 2,098,180</u>	
8	Gas Cost Lag Days	C 4 / C 2				<u>31.38</u>
<b><u>OTHER O &amp; M EXPENSES</u></b>						
9	JANUARY 2016	Page 5	2,124		72,612	
10	MARCH 2016	Page 5	2,709		97,152	
11	JUNE 2016	Page 5	3,130		117,124	
12	SEPTEMBER 2016	Page 5	3,989		118,071	
13	TOTAL		<u>11,952</u>		<u>404,959</u>	
14	Other O&M Expense Lag Days	C 4 / C 2				<u>33.88</u>

**UGI Penn Natural Gas, Inc.**  
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Schedule C-4  
Witness: M. Mattern  
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**General Disbursements Payment Lag Summary**

Line #	Description	[ 1 ] Number of CDs	[ 2 ] Cash Disbursements	[ 3 ] Dollar-Days	[ 4 ] Expense Lag-Days [ 3 ] / [ 2 ]
<b><u>JANUARY 2016</u></b>					
1	Total Disbursements for Month	<u>1,508</u>	<u>\$ 8,486</u>		
2	Total Disbursements for Expenses	<u>823</u>	<u>\$ 2,124</u>	<u>\$ 72,612</u>	<u>34.19</u>
<b><u>MARCH 2016</u></b>					
3	Total Disbursements for Month	<u>1,753</u>	<u>\$ 9,694</u>		
4	Total Disbursements for Expenses	<u>1,159</u>	<u>\$ 2,709</u>	<u>\$ 97,152</u>	<u>35.86</u>
<b><u>JUNE 2016</u></b>					
5	Total Disbursements for Month	<u>1,872</u>	<u>\$ 10,056</u>		
6	Total Disbursements for Expenses	<u>1,061</u>	<u>\$ 3,130</u>	<u>\$ 117,124</u>	<u>37.42</u>
<b><u>SEPTEMBER 2016</u></b>					
7	Total Disbursements for Month	<u>2,111</u>	<u>\$ 12,571</u>		
8	Total Disbursements for Expenses	<u>1,181</u>	<u>\$ 3,989</u>	<u>\$ 118,071</u>	<u>29.60</u>
<b><u>TOTAL FOUR TEST MONTHS</u></b>					
9	Total Test Month Expense Disbursement	<u>4,224</u>	<u>\$ 11,952</u>	<u>\$ 404,959</u>	<u>33.88</u>

**Purchase Gas Cost Payment Lag Summary**

Line #	Description	[ 1 ] Number of Invoices	[ 2 ] Amount of Invoice	[ 3 ] Dollar Days	[ 4 ] Total Payment Lag-Days
1	October 2015	24	\$ 5,404	\$ 244,402	45.23
2	November	22	10,534	217,993	20.69
3	December	19	8,246	121,590	14.75
4	January 2016	25	4,728	122,271	25.86
5	February	26	9,069	287,071	31.65
6	March	23	6,644	200,754	30.22
7	April	23	2,442	87,076	35.66
8	May	29	4,396	178,674	40.64
9	June	31	4,554	178,219	39.13
10	July	31	3,499	136,975	39.15
11	August	29	4,226	190,055	44.97
12	September 2016	31	<u>3,120</u>	<u>133,100</u>	42.66
13	Total		<u>\$ 66,862</u>	<u>\$ 2,098,180</u>	
14	Purchase Gas Lag Days				<u>31.38</u>

**Interest Payments**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] # of Days	[ 3 ] # of Days	[ 4 ] Total
1	Measure of Value at September 30, 2017	Sch C-1			\$ 511,912
2	Long-term Debt Ratio	Sch B-6			40.30%
3	Embedded Cost of Long-term Debt	Sch B-6			5.08%
4	Pro forma Interest Expense	L 1 * L 2 * L 3			<u>\$ 10,480</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 29
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days	Page 3		46.49	
8	Interest Payment lag days	L 7 - L 6			(44.8)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (1,285)</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**

**Tax Lag Day Calculations**

Line #	Description	[ 1 ] Payment Dates	[ 2 ] Mid-Point of Service Period	[ 3 ] Lead (Lag) Payment Days [ 1 ] - [ 2 ]	[ 4 ] Payment Amount	[ 5 ] Weighted Lead (Lag) Dollars [ 3 ] * [ 4 ]	[ 6 ] Payment Lead (Lag) Days [ 5 ] / [ 4 ]	[ 7 ] Revenue (Lag) Days	[ 8 ] Net Payment Lead (Lag) Days [ 6 ] - [ 7 ]	[ 9 ] Total Dollar Days	[ 10 ] Working Capital Amount
											365
1	<b>FEDERAL INCOME TAX</b>				<u>\$ 16,360</u>						
2	First Payment	01/05/17	04/01/17	86.00	\$ 4,090	351,731					
3	Second Payment	03/15/17	04/01/17	17.00	4,090	69,528					
4	Third Payment	06/15/17	04/01/17	(75.00)	4,090	(306,742)					
5	Fourth Payment	09/15/17	04/01/17	(167.00)	4,090	(683,012)					
6	Total				<u>\$ 16,360</u>	<u>\$ (568,495)</u>	<u>(34.75)</u>	<u>(46.49)</u>	<u>11.74</u>	<u>\$ 192,061</u>	\$ 526
7	<b>STATE INCOME TAX</b>				<u>\$ 2,616</u>						
8	First Payment	12/15/16	04/01/17	107.00	\$ 654	69,965					
9	Second Payment	03/15/17	04/01/17	17.00	654	11,116					
10	Third Payment	06/15/17	04/01/17	(75.00)	654	(49,041)					
11	Fourth Payment	09/15/17	04/01/17	(167.00)	654	(109,197)					
12	Total				<u>\$ 2,616</u>	<u>(77,157)</u>	<u>(29.50)</u>	<u>(46.49)</u>	<u>16.99</u>	<u>\$ 44,437</u>	\$ 122
13	<b>PA PROPERTY TAX</b>				<u>\$ 122</u>						
14	First Payment	03/31/17	04/01/17	1.00	\$ 61	61					
15	Second Payment	09/30/17	04/01/17	(182.00)	61	(11,102)					
16	Total				<u>\$ 122</u>	<u>(11,041)</u>	<u>(90.50)</u>	<u>(46.49)</u>	<u>(44.01)</u>	<u>\$ (5,369)</u>	\$ (15)
17	<b>PURTA</b>				<u>\$ 132</u>						
18	Payment	05/01/11	04/01/11	(30.00)	<u>\$ 132</u>	<u>(3,960)</u>	<u>(30.00)</u>	<u>(46.49)</u>	<u>16.49</u>	<u>\$ 2,177</u>	\$ 6
19	Total Working Capital For Other Taxes										<u>\$ 639</u>

Prepaid Expenses

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]	[ 7 ]	[ 8 ]	[ 9 ]
		TOTAL	Insurance	PUC Assessment	Property Taxes	Subscriptions	Postage	Rent	Maintenance & Services	
1	September, 2015	2,424	\$ 722	\$ 771	\$ 191	\$ 9	\$ -	\$ -	\$ 731	
2	October	2,213	639	685	160	29	-	-	700	
3	November	1,947	557	600	129	14	-	-	647	
4	December, 2015	1,747	526	514	97	-	-	-	610	
5	January, 2016	1,588	438	428	93	21	-	-	608	
6	February	1,490	350	343	217	43	-	-	537	
7	March	1,301	262	257	186	26	-	-	570	
8	April	1,058	174	171	155	49	-	-	509	
9	May	1,111	182	86	123	33	-	-	687	
10	June	1,233	101	-	92	18	-	-	1,022	
11	July	1,338	87	(86)	227	40	-	-	1,070	
12	August	1,896	793	(171)	261	24	-	-	989	
13	September, 2016	1,958	763	-	229	9	-	-	957	
14	TOTAL	\$ 21,304	\$ 5,594	\$ 3,598	\$ 2,160	# \$ 315	\$ -	\$ -	\$ 9,637	
15	Percent to Gas		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
16	Amount to Gas		<u>\$ 5,594</u>	<u>\$ 3,598</u>	<u>\$ 2,160</u>	# <u>\$ 315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,637</u>	
17	Monthly Average	13	<u>\$ 430</u>	<u>\$ 277</u>	<u>\$ 166</u>	# <u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 741</u>	
18	Rate Case Amount		<u>\$ 1,639</u>							

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

**Schedule C-5**  
**Witness: K. S. Walker**  
Page 1 of 1

**Gas Inventory**

[ 1 ]

Line #	Description	Stored Underground
1	September, 2016	\$ 4,326
2	October	6,575
3	November	6,566
4	December, 2016	6,566
5	January, 2017	5,752
6	February	4,129
7	March	2,159
8	April	82
9	May	847
10	June	2,124
11	July	3,339
12	August	4,519
13	September, 2017	5,571
	Total	<u>\$ 52,555</u>
14	Number of Months	<u>13</u>
15		
16	Average Monthly Balance	<u>\$ 4,043</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule C-6**  
**Witness: N. M. McKinney**  
Page 1 of 1

**Accumulated Deferred Income Taxes**

[ 1 ]

[ 2 ]

Line #	Description	Amount	Total
<b><u>Accumulated Deferred Income Tax</u></b>			
1	Gas Utility Plant - a/c # 282	\$ (122,131)	
2	Sub-total		(122,131)
3	ADIT on CIAC	12,740	
4	Sub-total		<u>12,740</u>
5	Federal ADIT		(109,391)
6	State Repair Regulatory Liability		<u>(3,810)</u>
7	Balance At September 30, 2017		<u><u>\$ (113,201)</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule C-7**  
**Witness: M. Mattern**  
Page 1 of 1

**Customer Deposits**

[ 1 ]

Line #	Description	Balance At End Of Month
1	Balance as of September 30, 2016	<u>\$ 4,975</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule C-8**  
**Witness: M. Mattern**  
 Page 1 of 1

**Materials & Supplies**

Line #	Description	[ 1 ] Materials & Supplies
1	September, 2015	\$ 4,835
2	October	4,980
3	November	5,100
4	December, 2015	4,925
5	January, 2016	4,865
6	February	4,937
7	March	4,697
8	April	4,695
9	May	4,307
10	June	4,110
11	July	4,127
12	August	4,170
13	September, 2016	4,326
14	Total	\$ 60,074
15	Number of Months	13
16	Average Monthly Balance	\$ 4,621

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule D-1  
Witness: K. S. Walker  
Page 1 of 1

**Summary of Revenue and Expenses**  
**Pro Forma with Proposed Revenue Increase**

Line #	Description	Factor Or Reference	Pro Forma Test Year		
			[ 1 ] At Present Rates	[ 2 ] Rate Increase	[ 3 ] At Proposed Rates
<b>OPERATING REVENUES</b>					
1	Customer & Distribution Revenue		\$ 125,122	\$ -	\$ 125,122
2	Gas Supply & Cost Adjustment Revenue		67,547	-	67,547
3	Other Revenues		5,157	-	5,157
4	Revenue Increase			14,114	14,114
5	Total operating revenues		<u>197,826</u>	<u>14,114</u>	<u>211,940</u>
<b>OPERATING EXPENSES</b>					
6	Manufactured Gas		1,184	-	1,184
7	Gas Supply Production		67,744	-	67,744
8	Distribution		25,639	-	25,639
9	Customer Accounts		4,771	-	4,771
10	Uncollectible Expense	1.264%	2,459	178	2,637
11	Customer Information & Services		737	-	737
12	Sales		385	-	385
13	Administrative & General		23,787	-	23,787
14	Depreciation & Amortization		20,853	-	20,853
15	Taxes other than income taxes		2,687	-	2,687
16	Total operating expenses		<u>150,246</u>	<u>178</u>	<u>150,424</u>
17	Net operating income Before Income Tax		47,580	13,936	61,516
<u>Income Taxes</u>					
18	Pro Forma Income Tax At Present Rates		13,193		13,193
19	Pro Forma Income Tax on Revenue Increase			5,782	5,782
20	Net Income (loss)		<u>\$ 34,387</u>	<u>\$ 8,153</u>	<u>\$ 42,540</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule D-2  
Witness: K. S. Walker  
Page 1 of 1

**Summary of Pro Forma Revenue and Expense  
Adjustments with Proposed Revenue Increase**

Line #	Description	[ 1 ] Factor Or Reference	Test Year At Present Rates			[ 5 ] Proposed Increase	[ 6 ] Pro Forma Test Year With Proposed Increase
			[ 2 ] Budget For Year End 09/30/17	[ 3 ] Adjustments Sch D-3 Increase (Decrease)	[ 4 ] Pro Forma Adjusted For Test Year 9/30/17		
	<u>OPERATING REVENUES</u>			-	[ 2 ] + [ 3 ]		[ 4 ] + [ 5 ]
1	Residential (R/RT)	480	\$ 138,912	\$ (4,191)	\$ 134,721		\$ 134,721
2	Comm & Ind (N/NT)	481	36,897	(1,470)	35,427		35,427
3	Comm & Ind (DS)	489	7,729	(394)	7,335		7,335
4	Lg Transport/Other	489	15,350	(1,108)	14,242		14,242
5	Interruptible	489	2,638	(1,693)	945		945
6	Forfeited Discounts		1,863	-	1,863		1,863
7	Miscellaneous Service Revenues		829	-	829		829
8	Rent from Gas Properties		6	-	6		6
9	Other Revenues		2,459	-	2,459		2,459
10	Rate Increase					14,114	14,114
11	Total operating revenues		<u>206,683</u>	<u>(8,857)</u>	<u>197,826</u>	<u>14,114</u>	<u>211,940</u>
	<u>OPERATING EXPENSES</u>						
12	Gas Production		1,184	-	1,184		1,184
13	Gas Supply Production		65,832	1,912	67,744		67,744
14	Distribution		25,661	(22)	25,639		25,639
15	Customer Accounts		5,246	(475)	4,771		4,771
16	Uncollectible Expense	1.264%	2,145	314	2,459	178	2,637
17	Customer Information & Services		732	5	737		737
18	Sales		383	2	385		385
19	Administrative & General		23,733	54	23,787		23,787
20	Depreciation & Amortization		18,073	2,780	20,853		20,853
21	Taxes other than income taxes		2,996	(309)	2,687		2,687
22	Total operating expenses		<u>145,985</u>	<u>4,261</u>	<u>150,246</u>	<u>178</u>	<u>150,424</u>
23	Net Operating Income - BIT		<u>\$ 60,698</u>	<u>\$ (13,118)</u>	<u>\$ 47,580</u>	<u>\$ 13,936</u>	<u>\$ 61,516</u>

UGI Penn Natural Gas, Inc.  
 Before the Pennsylvania Public Utility Commission  
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 (\$ in Thousands)

Schedule D-3  
 Witness: K. S. Walker  
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Summary of Pro Forma Adjustments

Line #	Description	As Budgeted And Allocated	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
			Company Use Gas	Revenues	Gas Costs	Salaries & Wages	Adjustments		Rate Case	Uncollectibles Expense	Sub-Total Adjustments	Total Proforma			
OPERATING REVENUES			D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12	D-13			
<b>Customer &amp; Distribution Revenue</b>															
1	Residential (R/RT)	480	\$ 86,899	\$ (5,611)										\$ (5,611)	\$ 81,288
2	Comm & Ind (N/NT)	481	23,078	(1,766)										(1,766)	21,312
3	Comm & Ind (DS)	489	7,729	(394)										(394)	7,335
4	Lq Transport/Other	489	15,350	(1,108)										(1,108)	14,242
5	Interruptible	489	2,638	(1,693)										(1,693)	945
<b>Revenue for Cost of Gas</b>															
6	Residential (R/RT)	480	52,013	1,419										1,419	53,432
7	Comm & Ind (N/NT)	481	13,819	295										295	14,114
8	Comm & Ind (DS)	489	-	-										-	-
9	Lq Transport/Other	489	-	-										-	-
10	Interruptible Transport	489	-	-										-	-
11	Forfeited Discounts		1,863	-										-	1,863
12	Miscellaneous Service Revenues		829	-										-	829
13	Rent from Gas Properties		6	-										-	6
14	Other Revenues		2,459	-										-	2,459
15	Rate Increase		-	-										-	-
16	Total operating revenues		206,683	(8,857)	-	-	-	-	-	-	-	-	-	(8,857)	197,826
<b>OPERATING EXPENSES</b>															
17	Gas Production		1,184	-										-	1,184
18	Gas Supply Production		65,832	197	1,715									1,912	67,744
19	Distribution		25,661	(168)		146								(22)	25,639
20	Customer Accounts		5,248			42								42	5,290
21	Uncollectible Expense		2,145							314				314	2,459
22	Customer Information & Services		732			5								5	737
23	Sales		383			2								2	385
24	Administrative & General		23,733	(29)		83								54	23,787
25	Depreciation & Amortization		18,073											-	18,073
26	Taxes other than income taxes		2,996											-	2,996
27	Total operating expenses		145,985	-	1,715	279	-	-	-	314	-	-	-	2,307	148,292
28	Net operating income Before Income Tax		\$ 60,698	\$ -	\$ (8,857)	\$ (1,715)	\$ (279)	\$ -	\$ -	\$ (314)	\$ -	\$ -	\$ -	\$ (11,164)	\$ 49,534

UGI Penn Natural Gas, Inc.  
 Before the Pennsylvania Public Utility Commission  
 Future Period - 12 Months Ended September 30, 2017  
 (\$ in Thousands)

Summary of Pro Forma Adjustments

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]	[ 7 ]	[ 8 ]	[ 9 ]	[ 10 ]	[ 11 ]	[ 12 ]	[ 13 ]
		From Page 1 Sub-total				Universal Service	Adjustments			Adjustments	Depreciation	Taxes Other Than Income		TOTAL Adjusted
OPERATING REVENUES														
29	<b>Customer &amp; Distribution Revenue</b>			D-14	D-15	D-16	D-17	D-18	D-19		D-21	D-31		
30	Residential (R/RT)	\$ 81,288												\$ 81,288
31	Comm & Ind (N/NT)	21,312												21,312
32	Comm & Ind (DS)	7,335												7,335
33	Lg Transport/Other	14,242												14,242
34	Interruptible	945												945
	<b>Revenue for Cost of Gas</b>													
35	Residential (R/RT)	53,432												53,432
36	Comm & Ind (N/NT)	14,114												14,114
37	Comm & Ind (DS)	-												-
38	Lg Transport/Other	-												-
39	Interruptible Transport	-												-
40	Forfeited Discounts	1,863												1,863
41	Miscellaneous Service Revenues	829												829
42	Rent from Gas Properties	6												6
43	Other Revenues	2,459												2,459
44	Rate Increase	-												-
45	Total operating revenues	197,826	-	-	-	-	-	-	-	-	-	-	-	197,826
	<b>OPERATING EXPENSES</b>													
46	Gas Production	1,184												1,184
47	Gas Supply Production	67,744												67,744
48	Distribution	25,639												25,639
49	Customer Accounts	5,288												4,771
50	Uncollectible Expense	2,459				(517)								2,459
51	Customer Information & Services	737												737
52	Sales	385												385
53	Administrative & General	23,787												23,787
54	Depreciation & Amortization	18,073									2,780			20,853
55	Taxes other than income taxes	2,996										(309)		2,687
56	Total operating expenses	148,292	-	-	-	(517)	-	-	-	-	2,780	(309)	-	150,246
57	Net operating income Before Income Tax	\$ 49,534	\$ -	\$ -	\$ -	\$ 517	\$ -	\$ -	\$ -	\$ -	\$ (2,780)	\$ 309	\$ -	\$ 47,580

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule D-4  
Witness: K. S. Walker  
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**Company Use of Fuel**

Line #	Description	[ 1 ] Reference	[ 2 ] Amount	[ 3 ] Total
1	Remove Company Use of Fuel	a/c 880.001	\$ (121)	
2	Remove Company Use of Fuel	a/c 880.001	(47)	
3	Remove Company Use of Fuel	a/c 930.201	(29)	
4				<u>\$ (197)</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule D-5  
Witness: D. E. Lahoff  
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**Adjustment - Revenue Adjustments**

	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]	
			<u>PRO FORMA ADJUSTMENTS</u>				
Line #	Description	Reference Or Account Number	2017 Budget	Rev Adj Annualization D-5A	Other Adjustments D-5B	Total Proforma Adjustments	Proforma Adjusted At Present Rates
<b>Customer &amp; Distribution Revenue</b>							
1	Residential (R/RT)	480	\$ 86,899	\$ (5,611)		\$ (5,611)	\$ 81,288
2	Comm & Ind (N/NT)	481	23,078	(1,766)		(1,766)	21,312
3	Comm & Ind (DS)	489	7,729	(394)		(394)	7,335
4	Lg Transport/Other	489	15,350	(1,108)		(1,108)	14,242
5	Interruptible	489	2,638	(1,693)		(1,693)	945
6	Cust Chg & Distrib Revenue		135,694	(10,572)	-	(10,572)	125,122
<b>Revenue for Cost of Gas</b>							
7	Residential (R/RT)	480	52,013	1,419		1,419	53,432
8	Comm & Ind (N/NT)	481	13,819	295		295	14,114
9	Comm & Ind (DS)	489	-	-		-	-
10	Lg Transport/Other	489	-	-		-	-
11	Interruptible Transport	489	-	-		-	-
12	Revenue for Cost of Gas		65,832	1,715	-	1,715	67,547
13	Total Customer Revenue		201,526	(8,857)	-	(8,857)	192,669
14	Forfeited Discounts	487	1,863		-	-	1,863
15	Miscellaneous Service Revenues	488	829		-	-	829
16	Rent from Gas Properties	493	6		-	-	6
17	Other Revenues	495	2,459		-	-	2,459
18	TOTAL REVENUES		<u>\$206,683</u>	<u>\$ (8,857)</u>	<u>\$ -</u>	<u>\$ (8,857)</u>	<u>\$ 197,826</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule D-5A  
Witness: D. E. Lahoff  
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**Adjustment - Test Year Revenue Changes**

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Budgeted Jurisdictional	[ 3 ] Revised Jurisdictional	[ 4 ] Adjustment [ 3 ] - [ 2 ]	[ 5 ] Total Adjustment
<b><u>TOTAL REVENUE</u></b>						
1	Residential (R/RT)		\$138,912	\$134,721	\$ (4,191)	
2	Comm & Ind (N/NT)		36,897	35,427	(1,470)	
3	Comm & Ind (DS)		7,729	7,335	(394)	
4	Lg Transport/Other		15,350	14,242	(1,108)	
5	Interruptible		2,638	945	(1,693)	
6	Total		<u>\$201,526</u>	<u>\$192,669</u>	<u>\$ (8,857)</u>	<u>\$ (8,857)</u>
<b><u>COST OF COMMODITY</u></b>						
7	Residential (R/RT)		\$ 52,013	\$ 53,432	\$ 1,419	
8	Comm & Ind (N/NT)		13,819	14,114	295	
9	Comm & Ind (DS)		0	-	0	
10	Lg Transport/Other		0	-	0	
11	Interruptible		0	-	0	
12	Total		<u>\$ 65,832</u>	<u>\$ 67,547</u>	<u>\$ 1,715</u>	<u>\$ 1,715</u>
<b><u>NET CUSTOMER &amp; DISTRIBUTION</u></b>						
13	Residential (R/RT)		\$ 86,899	\$ 81,288	\$ (5,611)	
14	Comm & Ind (N/NT)		23,078	21,312	(1,766)	
15	Comm & Ind (DS)		7,729	7,335	(394)	
16	Lg Transport/Other		15,350	14,242	(1,108)	
17	Interruptible		2,638	945	(1,693)	
18	Total		<u>\$135,694</u>	<u>\$125,122</u>	<u>\$ (10,572)</u>	<u>\$ (10,572)</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-5B  
 Witness: D. E. Lahoff  
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**Adjustment - Other Revenue Items**

<u>Line #</u>	<u>Description</u>	[ 1 ] <u>Factor Or Reference</u>	[ 2 ] <u>Budgeted</u>	[ 3 ] <u>Adjustment</u>
<b><u>OTHER REVENUES</u></b>				
1	Miscellaneous Service Revenues	488	\$ -	
2	Forefeited Discounts	487	-	
3	Rent from Gas Property	493	<u>-</u>	
4	Adjust Other Revenues			<u>\$ -</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule D-6  
Witness: D. E. Lahoff  
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**Adjustment - Gas Costs**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
		Budgeted Gas Costs	PRO FORMA ADJUSTMENTS			Pro Forma Gas Costs At Pres Rates
			D-5A Gas Costs	Co Use	Gas Cost Pro Forma Adjustments	
1	Budgeted Gas Costs	\$ 65,832			\$ -	\$ 65,832
2	Residential (R/RT)		1,419		1,419	1,419
3	Comm & Ind (N/NT)		295		295	295
4	Comm & Ind (DS)		-		-	-
5	Lg Transport/Other		-		-	-
6	Interruptible		-		-	-
7	Company Use of Fuel			197	197	197
8	<b>Total Gas Costs</b>	<u>\$ 65,832</u>	<u>\$ 1,715</u>	<u>\$ 197</u>	<u>\$ 1,912</u>	<u>\$ 67,744</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-7  
Witness: K. S. Walker  
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**Adjustment - Salaries & Wages**

Line #	Description	[ 1 ] Budgeted Year 09/30/17	[ 2 ] Adjustment	[ 3 ] Payroll As Distributed	[ 4 ] Annualization Adjustment	[ 5 ] Total Pro Forma Payroll
<b><u>OPERATIONS</u></b>						
1	Total Natural Gas Production Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Underground Storage Expenses	-	-	-	-	-
3	Total Transmission Operation Expenses	4	-	4	0.1	4
4	Total Distribution Operation Expenses	6,069	-	6,069	79.8	6,149
5	Customer Account Operations Expenses	3,211	-	3,211	42.2	3,253
6	Total Cust. Service & Inform. Operations Exp	363	-	363	4.8	368
7	Total Operation Sales Expenses	177	-	177	2.3	179
8	Total A & G Operation Expenses	5,553	-	5,553	80.0	5,633
9	Total Operations	<u>15,377</u>	<u>-</u>	<u>15,377</u>	<u>209</u>	<u>15,586</u>
<b><u>MAINTENANCE</u></b>						
10	Total Underground Maintenance Expenses	-	-	-	-	-
11	Storage Maintenance Expenses	-	-	-	-	-
12	Total Transmission Maintenance Expenses	76	-	76	1.0	77
13	Total Distribution Maintenance Expenses	5,056	-	5,056	66.5	5,122
14	Maintenance of General Plant	212	-	212	3.0	215
15	Total Maintenance	<u>5,344</u>	<u>-</u>	<u>5,344</u>	<u>70</u>	<u>5,414</u>
16	Total Payroll to Expense	<u>\$ 20,721</u>	<u>\$ -</u>	<u>\$ 20,721</u>	<u>\$ 279.7</u>	<u>\$ 21,001</u>
17	Percent Increase					<u>1.350%</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
**Future Period - 12 Months Ended September 30, 2017**  
**( \$ in Thousands )**

Schedule D-7  
 Witness: K. S. Walker  
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**Adjustment - Salaries & Wages**

Line #	Description	Reference Or Function	[ 1 ] Union Increase At 4-1	[ 2 ] Union Increase At 6-1	[ 3 ] Non-Exempt	[ 4 ] Exempt	[ 5 ] Exempt	[ 6 ] Pro Forma Total Payroll
1	Budgeted Payroll For TY 9-30-17		\$ 13,614	\$ -	\$ 2,714	\$ 4,393	<u>\$ 20,721</u>	
<b><u>Annualize for Wage Increase to 9-30-17</u></b>								
2	Percent Increase		3.23%	0.00%	2.50%	2.50%		
3	Union Increase At 4-1 Annualization Factor	4/1/17	50%					
4	Union Increase At 6-1 Annualization Factor	6/1/17		0%				
5	Non-Exempt Annualization Factor	4/1/17			50%			
6	Exempt Annualization Factor	12/1/16				17%		
7	Increase for wage rate changes	L 1 * L 2 * Ls 3 to 6	<u>220</u>	<u>0</u>	<u>34</u>	<u>19</u>	\$ 272	
8	Annualized Salaries & Wages at 9-30-17 Rate	L 1 + L 7	\$ 13,834	\$ -	\$ 2,748	\$ 4,412		
9	Additional headcount hired in FY2017					\$ -		
10	Pro Forma Salaries & Wages for TY		<u>\$ 13,834</u>	<u>\$ -</u>	<u>\$ 2,748</u>	<u>\$ 4,412</u>		
11	Pro Forma Adjustment to S&W						<u>\$ 272</u>	
12	Annualization Factor	L 11 / L 1					<u>1.315%</u>	

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-11  
Witness: K. S. Walker  
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**Adjustment - Uncollectibles**

Line #	Description	[ 1 ] Reference Or Factor	[ 2 ] Bad Debt Expense	[ 3 ] Tariff Revenue	[ 4 ] Percent [ 2 ]/[ 3 ]	[ 5 ] Total [ 2 ]/[ 3 ]
1	2014		<u>\$ 3,063</u>	<u>\$253,181</u>	<u>1.21%</u>	
2	2015		<u>\$ 3,385</u>	<u>\$259,167</u>	<u>1.31%</u>	
3	2016		<u>\$ 2,336</u>	<u>\$182,696</u>	<u>1.28%</u>	
4	Three Year Average Sum (Line 1 to Line 3) / 3	<u>3</u>	<u>\$ 2,928</u>	<u>\$231,681</u>		<u>1.264%</u>
5	<u>2017 Budget</u> Pro Forma Adjustment				\$ 2,145	
6	Adjusted Revenues	<u>1.264%</u>		<u>\$194,532</u>		
7	Pro Forma at Present Rate Revenue	[ 1 ] * [ 3 ]			<u>2,459</u>	
8	Total for Test Year					<u>\$ 314</u>

**UGI Penn Natural Gas, Inc.**  
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**( \$ in Thousands )**

Schedule D-16  
 Witness: C. A. Rossi  
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**Adjustment - Universal Service**

[ 1 ]

Line #	Description	Amount
<b><u>Increase for Pro Forma TY Universal Service Expense</u></b>		
		Pro Forma
1	Customer Assistance Plan Credit	\$ 1,216
2	Administration Costs	348
3	LIURP	850
4	C.A.R.E.S. Program	9
5	Customer Assistance Plan Pre-program Arrearage	<u>1,101</u>
6	TOTAL	<u><u>\$ 3,524</u></u>
7	Budget	<u><u>\$ 4,041</u></u>
8	Total Adjustment	<u><u>\$ (517)</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Adjustment - Depreciation expense**

Line #	Description	[ 1 ] Account Number	[ 2 ] Budgeted 9/30/17 Depreciation Expense	[ 3 ] Adjustment To Annualize At New Depre Study Rates	[ 4 ] Pro Forma Test Year Depreciation
<b>INTANGIBLE PLANT</b>					
1	Organization	301	\$ -		\$ -
2	Franchise & Consent	302	-		-
3	Miscellaneous Intangible Plant	303	-		-
4	TOTAL INTANGIBLE		-	-	-
<b>NATURAL GAS PRODUCTION &amp; GATHERING</b>					
5	Producing Lands	325.1	-		-
6	Producing Leaseholds	325.2	-		-
7	Rights of Way	325.4	-		-
8	Other Land Rights	325.5	-		-
9	Field Measuring & Regulating Station Structures	328	-		-
10	Other Structures	329	-		-
11	Producing Gas Wells-Well Construction	330	-		-
12	Producing Gas Wells-Well Equipment	331	-		-
13	Field Lines	332	-		-
14	Field Measuring & Reg. Station Equipment	334	-		-
15	Drilling & Cleaning Equipment	335	-		-
16	Other Equipment	337	-		-
17	TOTAL PRODUCTION & GATHERING		-	-	-
<b>NATURAL GAS STORAGE &amp; PROCESSING PLANT</b>					
18	Land & Land Rights	304	-	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-	-
20	Land	350.1	-	-	-
21	Rights of Way	350.2	-	-	-
22	Structures & Improvements	351	-	-	-
23	Wells	352	-	-	-
24	Lines	353	-	-	-
25	Compressor Station Equipment	354	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-
27	Purification Equipment	356	-	-	-
28	Other Equipment	357	-	-	-
29	TOTAL STORAGE & PROCESSING		-	-	-

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-21  
Witness: J.F. Weidmayer  
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**Adjustment - Depreciation expense**

Line #	Description	[ 1 ] Account Number	[ 2 ] Budgeted 9/30/17 Depreciation Expense	[ 3 ] Adjustment To Annualize At New Depre Study Rates	[ 4 ] Pro Forma Test Year Depreciation
<b>TRANSMISSION PLANT</b>					
30	Land & Land Rights	365.1	-	-	-
31	Rights of Way	365.2	-	-	-
32	Structures & Improvements	366	-	-	-
33	Mains	367	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-
35	Communication Equipment	370	-	-	-
36	Other Equipment	371	-	-	-
37	TOTAL TRANSMISSION		<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION PLANT</b>					
38	Land & Land Rights	374	-	-	-
39	Structures & Improvements	375	50	2	52
40	Mains	376	6,504	847	7,351
41	Measuring & Regulating Station Equipment	378	605	(46)	559
42	Measuring & Regulating Station Equipment	379	596	(18)	578
43	Services	380	4,956	193	5,149
44	Meters	381	1,615	(61)	1,554
45	Meter Installations	382	-	-	-
46	House Regulators	383	48	(9)	39
47	House Regulatory Installations	384	48	-	48
48	Industrial Measuring & Reg. Station Equipment	385	194	19	213
49	Other Property	386	-	-	-
50	Other Equipment	387	4	-	4
51	TOTAL DISTRIBUTION		<u>14,620</u>	<u>927</u>	<u>15,547</u>
<b>GENERAL PLANT</b>					
52	Land & Land Rights	389	-	-	-
53	Structures & Improvements	390	533	44	577
54	Office Furniture & Equipment	391	782	1,584	2,366
55	Transportation Equipment	392	-	418	418
56	Stores Equipment	393	-	-	-
57	Tools & Garage Equipment	394	614	(290)	324
58	Laboratory Equipment	395	-	-	-
59	Power Operated Equipment	396	60	(42)	18
60	Communication Equipment	397	26	(11)	15
61	Miscellaneous Equipment	398	48	8	56
62	Other Tangible Property	399	-	-	-
63	TOTAL GENERAL		<u>2,063</u>	<u>1,711</u>	<u>3,774</u>
64	TOTAL DEPRECIATION		<u>\$ 16,683</u>	<u>\$ 2,638</u>	<u>\$ 19,321</u>
65	CHARGED TO CLEARING ACCOUNTS		<u>\$ (350)</u>		<u>\$ (775)</u>
66	NET SALVAGE AMORTIZATION		<u>\$ 1,740</u>		<u>\$ 2,307</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-31  
Witness: K. S. Walker  
Page 1 of 1

**Adjustment - Taxes Other Than Income Taxes**

Line #	Description	[ 1 ] Account Number	[ 2 ] Factor or Reference	[ 3 ] Budget Amounts 9/30/17	[ 4 ] Pro Forma Adjustments	[ 5 ] Pro Forma Tax Expense 9/30/17
1	PURTA Taxes	408.1		\$ 132	\$ -	\$ 132
2	Capital Stock	408.1		329	(329)	-
3	PA & Local Use taxes	408.1		122	-	122
4	Social Security	408.1	D-32	1,349	18	1,367
5	FUTA	408.1	D-32	11	-	11
6	SUTA	408.1	D-32	118	2	120
7	PUC Assessment	408.1		935	-	935
8	Total			<u>\$ 2,996</u>	<u>\$ (309)</u>	<u>\$ 2,687</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-32  
Witness: K. S. Walker  
Page 1 of 1

**Adjustment - Payroll Taxes**

Line #	Description	[ 1 ] Account Number	[ 2 ] Test Year 9/30/17 Present Rates	[ 3 ] Pro Forma Adjustments	[ 4 ] Increase in Payroll Taxes
1	Total Payroll Charged to Expense		<u>\$ 20,721</u>	<u>\$ 280</u>	
2	FICA Expense		<u>1,349</u>		
3	FICA Expense - Percent	L 2 / L 1	<u>6.51%</u>	<u>6.51%</u>	
4	Pro Forma FICA Expense on Pro Forma S&W	[ 4 ] L 1 * L 3			\$ 18
5	FUTA Expense		<u>11</u>		
6	FUTA Expense - Percent	L 5 / L 1	<u>0.05%</u>	<u>0.05%</u>	
7	Pro Forma FUTA Expense on Pro Forma S&W	[ 4 ] L 1 * L 6			-
8	SUTA Expense		<u>118</u>		
9	SUTA Expense - Percent	L 8 / L 1	<u>0.57%</u>	<u>0.57%</u>	
10	Pro Forma SUTA Expense on Pro Forma S&W	[ 4 ] L 1 * L 9			2
11	Pro Forma Adjustment	Sum L 4 to L 10			<u>\$ 20</u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-33  
Witness: N. McKinney  
Page 1 of 1

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Element Or Amount	[ 3 ] Pro Forma Test Year At Present Rates	[ 4 ] Revenue Increase	[ 5 ] Pro Forma Test Year At Proposed Rates [ 3 ] + [ 4 ]
1	Revenue			\$ 197,826	\$ 14,114	\$ 211,940
2	Operating Expenses			(150,246)	(178)	(150,424)
3	OIBIT	L 1 + L 2		47,580	13,936	61,516
<b>Interest Expense</b>						
4	Rate Base	Sch A-1	511,912			
5	Weighted Cost of Debt	Sch B-7	0.02200			
6	Synchronized Interest Expense	L 4 * L 5		(11,262)	-	(11,262)
7	Base Taxable Income	L 3 + L 6		36,318	13,936	50,254
8	Total Tax Depreciation	Pg 2	\$ 55,300			
9	Pro Forma Book Depreciation	Pg 2	21,394			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8		(33,907)		(33,907)
11	Other				-	-
12	State Taxable Income	Sum L 7 to L 11		\$ 2,411	\$ 13,936	\$ 16,347
13	State Income Tax (Expense)/Refund	L 12 * Rate [ 2 ]	9.99%	\$ (241)	\$ (1,392)	\$ (1,633)
14	Total Tax Depreciation	Pg 2	\$ 105,906			
15	Pro Forma Book Depreciation	Pg 2	21,394			
16	Federal Tax Deducts (Over) Under Book	L 14 - L 13		(84,513)	-	(84,513)
17	Other				-	-
18	Federal Taxable Income	L 7 + sum L 13 to L 17		(48,436)	12,543	(35,892)
19	Federal Income Tax (Expense)/Refund	-L 18 * Rate [ 2 ]	35.00%	16,952	(4,390)	12,562
20	Total Tax Expense before Deferred Income Tax	L 13 + L 19		16,711	(5,782)	10,929
<b>Deferred Federal Income Taxes</b>						
21	Total Straight Line Tax Depreciation	Pg 2	\$ 19,321			
22	Total Tax Depreciation	Pg 2	101,955			
23	Federal Tax Deducts (Over) Under Book	L 22 - L 21		82,634	-	82,634
24	Deferred Federal Taxable Income	L 23		\$ 82,634	\$ -	\$ 82,634
25	Federal Income Tax (Expense)/Refund	-L 24 * Rate [ 2 ]	35.00%	(28,922)	-	(28,922)
<b>Deferred State Income Taxes</b>						
26	Repairs			(915)		(915)
27	CIAC			(68)		(68)
28	State Deferred Income Tax (Expense)/Refund			(982)	-	(982)
29	Net Income Tax Expense	L20 + L 25 + L28		(13,193)	(5,782)	(18,975)
<b>Other Tax Adjustments</b>						
30	ITC			-		-
31	Combined Income Tax Expense	L 29 + L 30		\$ (13,193)	\$ (5,782)	\$ (18,975)
32	Federal Income Tax Expense	L 19 + L 25 + L 30				\$ (16,360)
33	State Income Tax Expense	L 13 + L 28				(2,616)
34	Total Income Tax Expense	L 32 + L 33				\$ (18,975)

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-34  
Witness: N. McKinney  
Page 1 of 1

**Tax Depreciation**

Line #	Description	[ 1 ] Amount	[ 2 ] Amount	[ 3 ] Total
<b><u>Accelerated Tax Depreciation</u></b>				
1	Gas Plant		\$ 85,189	
2	Cost of Removal		3,952	
3	Repairs Tax Deduction		18,381	
4	Other Tax Basis Adjustments		<u>(1,615)</u>	
5	Total Federal Accelerated Tax Depreciation			<u>\$ 105,906</u>
6	Adjustment for PA Tax Depreciation - Bonus Decoupling		<u>(50,606)</u>	
7	Total State Accelerated Tax Depreciation			<u><u>\$55,300</u></u>
<b><u>Straight Line Tax Depreciation</u></b>				
8	Gas Plant		<u>\$ 19,321</u>	
9	Total Tax Depreciation			<u><u>\$ 19,321</u></u>
<b><u>Book Depreciation</u></b>				
10	Pro Forma Book Depreciation		\$ 19,321	
11	Net Salvage Amortization		2,307	
12	Depreciation Charged to Clearing Accounts	(775)		
13	Estimated Percent of Clearing Charged to CWIP	<u>30%</u>		
14	Depreciation Charged to CWIP		(234)	
15	Book Depreciation for Tax Calculation			<u><u>\$ 21,394</u></u>

**UGI Penn Natural Gas, Inc.**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule D-35  
Witness: K. S. Walker  
Page 1 of 1

**Gross Revenue Conversion Factor**

Line #	Description	[ 1 ] Reference Or Factor	[ 2 ] Tax Rate	[ 3 ] Factor
<b><u>GROSS REVENUE CONVERSION FACTOR</u></b>				
1	GROSS REVENUE FACTOR			1.000000
2	UNCOLLECTIBLE EXPENSES			<u>(0.012640)</u>
3	NET REVENUES	Sum L 1 to L 2		0.987360
4	STATE INCOME TAXES	[ 3 ] L 3 * Rate [ 2 ]	9.9900%	<u>(0.098637)</u>
5	FACTOR AFTER STATE TAXES	L 3 + L 4		0.888723
6	FEDERAL INCOME TAXES	[ 3 ] L 5 * Rate [ 2 ]	35.00%	<u>(0.311053)</u>
7	NET OPERATING INCOME FACTOR	L 5 + L 6		<u>0.577670</u>
8	GROSS REVENUE CONVERSION FACTOR	1 / L 7		<u>1.731092</u>
9	Combined Income Tax Factor On Gross Revenues	-L 4 - L 6		<u>40.969%</u>

**INCOME TAX FACTOR**

10	GROSS REVENUE FACTOR			1.000000
11	STATE INCOME TAXES	[ 3 ] L 10 * Rate [ 2 ]	9.9900%	<u>(0.099900)</u>
12	FACTOR AFTER STATE TAXES	L 10 + L 11		0.900100
13	FEDERAL INCOME TAXES	[ 3 ] L 12 * Rate [ 2 ]	35.00%	<u>(0.315035)</u>
14	NET OPERATING INCOME FACTOR	L 12 + L 13		0.585065
15	GROSS REVENUE CONVERSION FACTOR	1 / L 14		<u>1.709212</u>
16	Combined Income Tax Factor On Taxable Income	-L 11 - L 13		<u>41.494%</u>

**UGI PNG EXHIBIT A – HISTORIC**

Historic Period - 12 Months Ended September 30, 2016  
( \$ in Thousands )  
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<b><u>Schedule</u></b>		
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B-3	<u>Statement of Operating Revenues</u>	M. Mattern
B-4	<u>Operation and Maintenance Expenses</u>	M. Mattern
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C-3	<u>Accumulated Provision for Depreciation</u> <u>Summary of Accumulated Depreciation</u> <u>Accumulated Depreciation by FERC Account</u> <u>Cost of Removal</u> <u>Negative Net Salvage Amortization</u> <u>Salvage</u>	M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern
C-4	<u>Working Capital</u> <u>Summary of Working Capital</u> <u>Revenue Lag</u> <u>Summary of Expense Lag Calculations</u> <u>General Disbursements Payment Lag Summary</u> <u>Commodity Purchases Payment Lag Summary</u> <u>Interest Payments</u> <u>Tax Payment Lag Calculations</u> <u>Prepaid Expenses</u>	M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern M. Mattern
C-5	<u>Gas Inventory</u>	M. Mattern
C-6	<u>Accumulated Deferred Income Taxes</u>	N. M. McKinney
C-7	<u>Customer Deposits</u>	M. Mattern
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Historic Period - 12 Months Ended September 30, 2016

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D-3	<u>Summary of Pro Forma Adjustments</u>	M. Mattern
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D-5	<u>Adjustment - Revenue Adjustments</u>	D. E. Lahoff
D-5A	<u>Adjustment - Test Year Revenue Change</u>	D. E. Lahoff
D-5B	<u>SCHEDULE NOT USED</u>	N/A
D-5C	<u>SCHEDULE NOT USED</u>	N/A
D-6	<u>Adjustment - Gas Costs</u>	D. E. Lahoff
D-7	<u>Adjustment - Salaries &amp; Wages</u>	M. Mattern
D-8	<u>SCHEDULE NOT USED</u>	N/A
D-9	<u>Adjustment - Salary Annualization</u>	M. Mattern
D-10	<u>SCHEDULE NOT USED</u>	N/A
D-11	<u>Adjustment - Uncollectibles</u>	M. Mattern
D-12	<u>SCHEDULE NOT USED</u>	N/A
D-13	<u>SCHEDULE NOT USED</u>	N/A
D-14	<u>SCHEDULE NOT USED</u>	N/A
D-15	<u>SCHEDULE NOT USED</u>	N/A
D-16	<u>SCHEDULE NOT USED</u>	N/A
D-17	<u>SCHEDULE NOT USED</u>	N/A
D-18	<u>SCHEDULE NOT USED</u>	N/A
D-19	<u>SCHEDULE NOT USED</u>	N/A
D-21	<u>Adjustment - Depreciation expense</u>	J.F. Weidmayer
D-31	<u>Adjustment - Taxes Other Than Income Taxes</u>	N. M. McKinney
D-32	<u>Adjustment - Payroll Taxes</u>	M. Mattern
D-33	<u>Income Tax Calculation</u>	N. M. McKinney
D-34	<u>Tax Depreciation</u>	N. M. McKinney
D-35	<u>Gross Revenue Conversion Factor</u>	M. Mattern

**UGI Penn Natural Gas, Inc**  
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**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Schedule A-1**  
**Witness: M. Mattern**  
Page 1 of 1

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

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]
		Function	Section	Schedule	Pro Forma Test Year Ended September 30, 2016 At Present Rates	Increase	Proposed Rates
<b><u>RATE BASE</u></b>							
1	Utility Plant		C-2		\$ 780,156		\$ 780,156
2	Accumulated Depreciation		C-3		(280,303)		(280,303)
3	Net Plant in service	L 1 + L 2			499,853	-	499,853
4	Working Capital		C-4		7,701		7,701
5	Gas Inventory		C-5		5,522		5,522
6	Accumulated Deferred Income Taxes		C-6		(83,374)		(83,374)
7	Customer Deposits		C-7		(4,975)		(4,975)
8	Materials & Supplies		C-8		-		-
9	TOTAL RATE BASE	Sum L 3 to L 8			<u>\$ 424,727</u>	<u>\$ -</u>	<u>\$ 424,727</u>
<b><u>OPERATING REVENUES AND EXPENSES</u></b>							
<u>Operating Revenues</u>							
10	Base Customer Charges		D-5	\$ 182,696	\$ 103,444	\$ 21,725	\$ 125,169
11	Gas Cost Revenue		D-5		79,252		79,252
12	Other Operating Revenues		D-5		2,184		2,184
13	Total Revenues	Sum L 10 to L 12			<u>184,880</u>	<u>21,725</u>	<u>206,605</u>
14	Operating Expenses		D		<u>(155,582)</u>	<u>(275)</u>	<u>(155,856)</u>
15	OIBIT	L 13 + L 14			29,299	21,450	50,749
16	Pro Forma Income Tax at Present Rates		D-33		(7,106)		(16,006)
17	Pro Forma Income Tax on Revenue Increase		D-33			(8,901)	(16,006)
18	NET OPERATING INCOME	Sum L 15 to L 17			<u>\$ 22,193</u>	<u>\$ 12,550</u>	<u>\$ 34,743</u>
19	RATE OF RETURN	L 18 / L 9			<u>5.225%</u>		<u>8.180%</u>
<b><u>REVENUE INCREASE REQUIRED</u></b>							
20	Rate of Return at Present Rates	L 19, Col 4			5.225%		
21	Rate of Return Required		B-7		<u>8.1800%</u>		
22	Change in ROR	L 21 - L 20			<u>2.95472%</u>		
23	Change in Operating Income	L 22 * L 9			\$ 12,550		
24	Gross Revenue Conversion Factor		D-35		<u>1.731092</u>		
25	Change in Revenues	L 23 * L 24			<u>\$ 21,725</u>		
26	Percent Increase -- Delivery Revenues	L 25 / L 10, C 4				<u>21.00%</u>	
27	Percent Increase -- Total Revenues	L 25 / L 13, C 4				<u>11.75%</u>	

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Schedule B-1**  
**Witness: M. Mattern**  
Page 1 of 2

**Balance Sheet**

[ 1 ]

Line No	Description/(Account No)	Actual HY 9-30-16
	UTILITY PLANT (101 - 106, 108)	
1	Gas Utility Plant	770,007
2	Other Utility Plant	-
3	Total Plant In Service	<u>770,007</u>
4	Construction Work In Progress (107)	<u>26,578</u>
5	Total Utility Plant	796,585
6	Accumulated Provision for Depreciation - Gas (108)	(272,848)
7	Plant Acquisition Adjustment (114)	<u>161,726</u>
8	Net Utility Plant	685,464
	OTHER PROPERTY INVESTMENTS	
9	Non-utility Property (121)	70
10	Accumulated Depreciation on NUP (122)	-
11	Investment in Associated & Subsidiary Companies (123.1)	1,169
12	Other Investments (124)	<u>103</u>
13	Total Other Property and Investments	1,342
	CURRENT AND ACCRUED ASSETS	
14	Cash and Other Temporary Investments (131-136)	1,372
15	Notes Receivable (141)	-
16	Customer Accounts Receivable (142)	11,727
17	Other Accounts Receivable (143)	522
18	Accum Provision for Uncollectible (144)	(1,004)
19	Accounts Receivable Associated Companies (146)	781
20	Plant Materials & Operating Supplies (154)	3,532
21	Gas Stored - Undistributed (163)	794
22	Gas Stored - Current (164.1)	6,017
23	Liquefied Natural Gas Stored (164.2)	-
24	Prepayments (165)	2,281
25	Accrued Utility Revenues (173)	8,531
26	Miscellaneous Current & Accrued Assets (171, 174, 175)	<u>1,691</u>
27	Total Current and Accrued Assets	36,245
	DEFERRED DEBITS	
28	Unamortized Debt Expense (181)	1,365
29	Other Regulatory Assets (182.3)	63,774
30	Other Preliminary Survey & Investigation Charges (183.2)	678
31	Clearing Accounts (184)	8
32	Miscellaneous Deferred Debits (186)	1,841
33	Deferred Losses from Disposition of Utility Plant (187)	421
34	Unamortized Loss on Reacquired Debt (189)	-
35	Accumulated Deferred Income Taxes (190)	20,452
36	Unrecovered Purchase Gas Costs (191)	-
37	Total Deferred Debits	<u>88,539</u>
38	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 811,590</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule **B-1**  
Witness: **M. Mattern**  
Page 2 of 2

**Balance Sheet**

[ 1 ]

Line No	Description/(Account No)	Actual HY 9-30-16
<b>PROPRIETARY CAPITAL</b>		
39	Common Stock Issued (201)	\$ 0
40	Preferred Stock Issued (204)	-
41	Premium on Capital Stock (207)	613,389
42	Capital Stock Expense (214)	-
43	Retained Earnings (215, 215.2, 216)	(318,834)
44	Unappropriated Retained Earnings (216.1)	-
45	Accum Other Comprehensive Income (219)	<u>0</u>
46	Total Proprietary Capital	294,555
<b>LONG TERM DEBT</b>		
47	Bonds (221)	-
48	Advances from Associated Companies (223)	-
49	Other Long-Term Debt (224)	214,251
50	Unamortized Premium on LTD (225)	-
51	Unamortized Discount on LTD (226)	-
52	Total Long-term Debt	<u>214,251</u>
<b>OTHER NON-CURRENT LIABILITIES</b>		
53	Obligations under Capital Leases (227)	-
54	Accum. Prov for Injuries & Damages (228.2)	46
55	Accum. Prov for Pensions & Benefits (228.3)	30,730
56	Accum. Miscellaneous Operating Prov (228.4)	5,134
57	Asset Retirement Obligation (230)	<u>42</u>
58	Total Long-term Debt	35,952
<b>CURRENT &amp; ACCRUED LIABILITIES</b>		
59	Notes Payable (231)	6,542
60	Accounts Payable (232)	2,361
61	Notes Payable to Assoc. Companies (233)	36,068
62	Accounts Payable to Assoc. Cos (234)	21,087
63	Customer Deposits (235)	4,975
64	Taxes Accrued (236)	588
65	Interest Accrued (237)	755
66	Accrued Interest on Other Liabilities (237)	-
67	Tax Collections Payable (241)	35
68	Misc Current & Accrued Liabilities (242)	14,143
69	Derivative Instrument Liabilities (244)	7
70	Oth Reg Liab-Hedges-S/T-Non-Trading (245)	-
71	Total Current & Accrued Liabilities	<u>86,560</u>
<b>OTHER DEFERRED CREDITS</b>		
72	Customer Advances for Construction (252)	128
73	Other Deferred Credits (253)	535
74	Other Regulatory Liabilities (254)	21,447
75	Deferred ITC (255)	-
76	Accumulated Deferred Income Taxes (282)	112,435
77	Accumulated Deferred Income Taxes (283)	45,728
78	Total Other Deferred Credits	<u>\$ 180,273</u>
79	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	<u><u>\$ 811,590</u></u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Schedule B-2**  
**Witness: M. Mattern**  
 Page 1 of 1

**Statement of Net Utility Operating Income**

Line No	Description	[ 1 ] Acct No	[ 2 ] Actual HY 9-30-16	[ 3 ] Reference
<b>Total Operating Revenues</b>				
1	Total Sales Revenues		\$ 181,403	B-3
2	Other Operating Revenues		2,184	B-3
3	Total Revenues		<u>183,587</u>	
<b>Total Operating Expenses</b>				
4	Operation & Maintenance Expenses		117,834	B-4
5	Depreciation & Amortization Expense		17,418	
6	Taxes Other Than Income Taxes		2,371	B-5
7	Total Operating Expenses		<u>137,623</u>	
8	Operating Income Before Income Taxes (OIBIT)		45,964	
Income Taxes:				
9	State		702	B-5
10	Federal		6,404	B-5
11	Total Income Taxes		<u>7,106</u>	
12	<b>Net Utility Operating Income</b>		<u><u>\$ 38,859</u></u>	

**UGI Penn Natural Gas, Inc**  
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**( \$ in Thousands )**

**Schedule B-3**  
**Witness: M. Mattern**  
Page 1 of 1

**Statement of Operating Revenues**

[ 1 ]

<u>Line No</u>	<u>Description</u>	<u>Actual</u> <u>HY 9-30-16</u>
<b>Gas Operating Revenues</b>		
1	Residential (R/RT) (480)	\$ 126,909
2	Comm & Ind (N/NT) (481)	32,752
3	Comm & Ind (DS) (489)	6,236
4	Lg Transport/Other (489)	12,869
5	Interruptible (489)	<u>2,637</u>
6	Sub-Total Gas Operating Revenues	181,403
<b>Other Operating Revenues</b>		
7	Forfeited Discounts (487)	1,293
8	Miscellaneous Service Revenues (488)	697
9	Rent from Gas Properties (493)	11
10	Other Revenues (495)	<u>183</u>
11	Sub-Total Other Operating Revenues	<u>2,184</u>
12	<b>Total Operating Revenues</b>	<u><u>\$ 183,587</u></u>

**Operation and Maintenance Expenses**

[ 1 ]

Line No	Description	Account No	Actual HY 9-30-16
<b>Gas Raw Materials</b>			
1	Liquefied Petroleum Gas Expenses	717	\$ -
2	Miscellaneous Production Expenses	735	-
3	Maintenance of Structures and Improvements	741	1,100
4	Total Gas Raw Materials Expenses		<u>1,100</u>
<b>Production and Gathering - Operations</b>			
5	Operating Supervision and Engineering	750	-
6	Production Maps and Records	751	-
7	Gas Wells Expenses	752	-
8	Field Lines Expenses	753	-
9	Field Measuring and Regulating Station Expenses	756	-
10	Gas Well Royalties	758	-
11	Total Production & Gathering Operation Expenses		<u>-</u>
<b>Production and Gathering - Maintenance</b>			
12	Maintenance of Structures and Improvements	762	-
13	Maintenance of Producing Gas Wells	763	-
14	Maintenance of Field Lines	764	-
15	Maintenance of Field Measuring and Reg. Station Equip.	766	-
16	Gas Supply Operation Expenses		<u>-</u>
<b>Other Gas Supply Expense - Operations</b>			
17	Natural Gas City Gate Purchases	804.0	62,145
18	Other Gas Purchases	805.0	(39)
19	Purchases Gas Cost Adjustments	805.1	(6,429)
20	Purchased Gas Expenses	807.0	16
21	Gas Withdrawn from Storage-Debit	808.1	10,710
22	Gas Delivered to Storage-Credit	808.2	(7,161)
23	Gas Used for Other Utility Operations-Credit	812.0	(177)
24	Other Gas Supply Expenses	813.0	2,792
25	Gas Supply Operation Expenses		<u>61,858</u>
<b>Underground Storage Expense - Operation</b>			
26	Operation Supervision and Engineering	814	-
27	Maps and Records	815	-
28	Wells Expenses	816	-
29	Lines Expenses	817	-
30	Compressor Station Expenses	818	-
31	Compressor Station Fuel and Power	819	-
30	Measuring and Regulating Station Expenses	820	-
31	Purification Expenses	821	-
32	Gas Losses	823	-
33	Other Expenses	824	1
34	Total Underground Storage Expenses		<u>1</u>
<b>Underground Storage Expense - Maintenance</b>			
35	Maintenance Supervision and Engineering	830	-
36	Maintenance of Structures and Improvements	831	-
37	Maintenance of Reservoirs and Wells	832	-
38	Maintenance of Lines	833	-
39	Maintenance of Measuring & Regulating Station Equip.	835	-
40	Maintenance of Purification Equipment	836	-
41	Total Underground Maintenance Expenses		<u>-</u>

**Operation and Maintenance Expenses**

[ 1 ]

Line No	Description	Account No	Actual HY 9-30-16
<b>Other Storage Expense - Operations</b>			
42	Operating Supervision and Engineering	840	35
43	Operation Labor and Expenses	841	-
44	Rents	842	-
45	Fuel	842.1	-
46	Power	842.2	-
47	Gas Losses	842.3	-
48	Total Storage Operation Expenses		<u>35</u>
<b>Transmission Expense - Operations</b>			
49	Operating Supervision and Engineering	850	-
50	System Control and Load Dispatching	851	-
51	Communication System Expenses	852	-
52	Mains Expenses	856	-
53	Measuring and Regulating Station Expenses	857	-
54	Other Expenses	859	-
55	Total Transmission Operation Expenses		<u>-</u>
<b>Transmission Expense - Maintenance</b>			
56	Maintenance Supervision and Engineering	861	-
57	Maintenance of Structures and Improvements	862	-
58	Maintenance of Mains	863	-
59	Maintenance of Measuring and Regulating Station Equip.	865	-
60	Maintenance of Communication Equipment	866	-
61	Total Transmission Maintenance Expenses		<u>-</u>
<b>Distribution Expense - Operations</b>			
62	Operation Supervision and Engineering	870	1,886
63	Distribution Load Dispatching	871	312
64	Mains and Services Expenses	874	5,977
65	Measuring and Regulating Station Expenses-General	875	477
66	Measuring and Regulating Station Expenses-Industrial	876	118
67	Measuring and Regulating Station Expenses-City Gate	877	2
68	Meter and House Regulator Expenses	878	1,184
69	Customer Installations Expenses	879	625
70	Other Expenses	880	1,749
71	Rents	881	75
72	Total Distribution Operation Expenses		<u>12,405</u>
<b>Distribution Expense - Maintenance</b>			
73	Maintenance Supervision and Engineering	885	398
74	Maintenance of Structures and Improvements	886	6
75	Maintenance of Mains	887	7,832
76	Maintenance of Measuring & Reg. Station Equip.-Genl.	889	401
77	Maintenance of Measuring & Reg. Station Equip.-Indtrl.	890	246
78	Maintenance of Measuring & Reg. Station Equip.-City G	891	360
79	Maintenance of Services	892	1,277
80	Maintenance of Meters & House Regulators	893	679
81	Maintenance of Other Equipment	894	131
82	Construction & Maintenance	895	-
83	Total Distribution Maintenance Expenses		<u>11,329</u>
<b>Customer Accounts Expense - Operations</b>			
84	Supervision	901	167
85	Meter Reading Expenses	902	381
86	Customer Records & Collection Expenses	903	3,681
87	Uncollectable Accounts	904	2,336
88	Miscellaneous Customer Accounts Expenses	905	790
89	Total Administrative & General		<u>7,355</u>

**Operation and Maintenance Expenses**

[ 1 ]

Line No	Description	Account No	Actual HY 9-30-16
<b>Customer Service &amp; Information Expense</b>			
91	Supervision	907	-
92	Customer Assistance Expenses	908	483
93	Informational & Instructional Advertising Expenses	909	188
94	Miscellaneous Customer Service & Informational Exp.	910	55
95	Total Cust. Service & Inform. Operations Exp		<u>725</u>
<b>Sales Expense</b>			
96	Supervision	911	-
97	Demonstrating and Selling Expenses	912	301
98	Advertising Expenses	913	38
99	Miscellaneous Sales Expenses	916	37
100	Total Operation Sales Expenses		<u>375</u>
<b>Administrative &amp; General - Operations</b>			
101	Administrative and General Salaries	920.0	6,310
102	Office Supplies and Expenses	921.0	4,422
103	Outside Service Employed	923.0	2,962
104	Property Insurance	924.0	-
105	Injuries and Damages	925.0	2,784
106	Employee Pensions and Benefits	926.0	4,165
107	Regulatory Commission Expenses	928.0	-
108	General Advertising Expenses	930.1	171
109	Miscellaneous General Expenses	930.2	761
110	Rents	931.0	262
111	Total A & G Operation Expenses		<u>21,836</u>
<b>Administrative &amp; General - Maintenance</b>			
112	Maintenance of General Plant	932	807
113	Maintenance of General Plant	935	7
114	Total A & G Maintenance Expenses		<u>813</u>
115	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 117,834</u>
116	Total Gas Operation Expenses		105,691
117	Total Gas Maintenance Expense		12,143
118	TOTAL OPERATION & MAINTENANCE EXPENSE		<u>\$ 117,834</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

**Schedule B-5**  
**Witness: M. Mattern**  
 Page 1 of 1

**Detail of Taxes**

[ 1 ]

Line No	Description	Reference	Actual HY 9-30-16
<b>Taxes Other Than Income Taxes</b>			
<b>Non-revenue related:</b>			
1	Pennsylvania - PURTA		121
2	Capital Stock		133
3	PA and Local Use taxes		158
4	Miscellaneous Taxes		2
5	Subtotal	Sum L 1 to L 4	<u>414</u>
Payroll Taxes			
6	FICA		934
7	SUTA		12
8	FUTA		3
9	Other		1,008
10	Subtotal	Sum L 6 to L 9	<u>1,957</u>
11	Total Taxes Other Than Income Taxes	L 5 + L 10	<u><u>\$ 2,371</u></u>
<b>Income Taxes</b>			
12	State		\$ 702
13	Federal		6,404
14	Total Income Taxes	L 12 + L 13	<u><u>\$ 7,106</u></u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Schedule B-6**  
**Witness: P. R. Moul**  
 Page 1 of 1

**Composite Cost of Debt**

Line No	Description	[ 1 ] Amount Outstanding	[ 2 ] Percent to Total	[ 3 ] Effective Interest Rate	[ 4 ] Average Weighted Cost Rate [ 2 ] * [ 3 ]
<b><u>Medium Term Notes</u></b>					
1	6.169%, Due 6/15/2017	\$ 20,000	2.96%	6.29%	0.19%
2	7.25% Due 11/01/17	20,000	2.96%	7.32%	0.22%
3	5.670% Due 01/15/18	20,000	2.96%	5.75%	0.17%
4	6.500% Due 08/15/2033	20,000	2.96%	6.56%	0.19%
5	6.133% Due 10/15/2034	20,000	2.96%	6.18%	0.18%
<b><u>Senior Unsecured Notes</u></b>					
6	6.206% Due 9/30/2036	100,000	14.81%	6.32%	0.94%
7	4.980% Due 3/26/2044	175,000	25.93%	5.00%	1.30%
8	2.950% Due 6/30/2026	100,000	14.81%	3.92%	0.58%
9	4.120% Due 9/30/2046	200,000	29.63%	5.00%	1.48%
10	Total Long-Term Debt	675,000	<u>100.00%</u>		<u>5.25%</u>
11	Total Long-Term Debt	\$ 675,000	88.80%	5.25%	4.66%
12	Total Short-Term Debt	85,169	11.20%	2.98%	0.33%
13	TOTAL	<u>\$ 760,169</u>	<u>100.00%</u>		
14	Weighted Cost of Debt				<u>4.99%</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Schedule B-7**  
**Witness: P. R. Moul**  
 Page 1 of 1

**Rate of Return**

[ 1 ]                      [ 2 ]                      [ 3 ]                      [ 4 ]

<u>Line No</u>	<u>Description</u>	<u>Capitalization Ratio</u>	<u>Embedded Cost</u>	<u>Statement Reference</u>	<u>Return-%</u>
1	Long-Term Debt	38.46%	5.25%	B-6	2.02%
2	Short-Term Debt	8.86%	2.98%	B-6	0.26%
3	Common Equity	<u>52.68%</u>	11.20%		<u>5.90%</u>
4	Total	<u><u>100.00%</u></u>			<u><u>8.18%</u></u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Schedule C-1**  
**Witness: M. Mattern**  
Page 1 of 1

**Measure of Value**

Line #	Description	[ 2 ] <u>Reference Schedule</u>	[ 3 ] <u># of Pages</u>	[ 4 ] <u>Pro Forma Test Year Ended September 30, 2016 At Present Rates</u>	[ 5 ] <u>Adjustments</u>	[ 6 ] <u>Proposed Rates</u>
<b><u>MEASURE OF VALUE</u></b>						
1	Utility Plant	C-2	11	\$ 780,156		\$ 780,156
2	Accumulated Depreciation	C-3	11	<u>(280,303)</u>		<u>(280,303)</u>
3	Net Plant in service			499,853	-	499,853
4	Working Capital	C-4	9	7,701		7,701
5	Gas Inventory	C-5	1	5,522		5,522
6	Accumulated Deferred Income Taxes	C-6	1	(83,374)		(83,374)
7	Customer Deposits	C-7	1	(4,975)		(4,975)
8	Materials & Supplies	C-8	1	<u>-</u>		<u>-</u>
9	TOTAL MEASURE OF VALUE			<u>\$ 424,727</u>	<u>\$ -</u>	<u>\$ 424,727</u>

Pro Forma Gas Plant in Service

Line No	Description	[ 1 ]	[ 2 ]
		Account No	Pro Forma Year 9/30/2016
INTANGIBLE PLANT			
1	Organization	301	\$ 106
2	Franchise & Consent	302	9
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>115</u>
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
NATURAL GAS STORAGE & PROCESSING			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		<u>-</u>

Pro Forma Gas Plant in Service

[ 1 ] [ 2 ]

Line No	Description	Account No	Pro Forma Year 9/30/2016
	TRANSMISSION PLANT		
30	Land & Land Rights	365.1	\$ -
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
	DISTRIBUTION PLANT		
38	Land & Land Rights	374	3,386
39	Structures & Improvements	375	2,625
40	Mains	376	365,720
41	Measuring & Regulating Station Equipment	378	19,107
42	Measuring & Regulating Station Equipment	379	18,328
43	Services	380	244,157
44	Meters	381	58,463
45	Meter Installations	382	-
46	House Regulators	383	2,815
47	House Regulatory Installations	384	3,623
48	Industrial Measuring & Regulating Station Equipmer	385	10,936
49	Other Property	386	-
50	Other Equipment	387	117
51	TOTAL DISTRIBUTION		729,277
	GENERAL PLANT		
52	Land & Land Rights	389	770
53	Structures & Improvements	390	20,093
54	Office Furniture & Equipment	391	16,010
55	Transportation Equipment	392	4,339
56	Stores Equipment	393	2
57	Tools & Garage Equipment	394	5,877
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,518
60	Communication Equipment	397	1,290
61	Miscellaneous Equipment	398	865
62	TOTAL GENERAL		50,764
63	Total Plant		\$ 780,156

Pro Forma Plant Adjustment Summary

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Test Year 9/30/16	[ 3 ] Adjustments	[ 4 ] Pro Forma As Adjusted 09/30/16 [ 2 ] + [ 3 ]
1	INTANGIBLE PLANT	Sch C-2, Pg 4	\$ 115	\$ -	\$ 115
2	NATURAL GAS PRODUCTION & GATHERING	Sch C-2, Pg 4	-	-	-
3	NATURAL GAS STORAGE & PROCESSING	Sch C-2, Pg 4	-	-	-
4	TRANSMISSION PLANT	Sch C-2, Page 5	-	-	-
5	DISTRIBUTION PLANT	Sch C-2, Page 5	729,277	-	729,277
6	GENERAL PLANT	Sch C-2, Page 5	50,764	-	50,764
7	OTHER PLANT		-	-	-
8	SUB-TOTAL PLANT-IN-SERVICE	Sum (L 1 to L 7)	780,156	-	780,156
9	COMPLETED CONSTRUCTION NOT CLASSIFIED	G/L a/c # 106	-	-	-
10	PLANT-IN-SERVICE	L 8 + L 9	780,156	-	780,156
11	CONSTRUCTION WORK-IN-PROGRESS	G/L a/c # 107		-	-
12	OTHER		-	-	-
13	TOTAL UTILITY PLANT	Sum (L 10 to L 12)	<u>\$ 780,156</u>	<u>\$ -</u>	<u>\$ 780,156</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Pro Forma Year End Plant Balances**

Line #	Description	[ 1 ] Account Number	[ 2 ] Amount	[ 3 ] Pro Forma Adjustment	[ 4 ] Balance [ 2 ] + [ 3 ]
<b><u>INTANGIBLE PLANT</u></b>					
1	Organization	301	\$ 106	\$ -	\$ 106
2	Franchise & Consent	302	9	-	9
3	Miscellaneous Intangible Plant	303	-	-	-
4	TOTAL INTANGIBLE		115	-	115
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>					
5	Producing Lands	325.1	-	-	-
6	Producing Leaseholds	325.2	-	-	-
7	Rights of Way	325.4	-	-	-
8	Other Land Rights	325.5	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-
10	Other Structures	329	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-
13	Field Lines	332	-	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-
16	Other Equipment	337	-	-	-
17	TOTAL PRODUCTION & GATHERING		-	-	-
<b><u>NATURAL GAS STORAGE &amp; PROCESSING</u></b>					
18	Land & Land Rights	304	-	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-	-
20	Land	350.1	-	-	-
21	Rights of Way	350.2	-	-	-
22	Structures & Improvements	351	-	-	-
23	Wells	352	-	-	-
24	Lines	353	-	-	-
25	Compressor Station Equipment	354	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-
27	Purification Equipment	356	-	-	-
28	Other Equipment	357	-	-	-
29	TOTAL PRODUCTION & PROCESSING		-	-	-

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Pro Forma Year End Plant Balances**

Line #	Description	Account Number	[ 1 ] Amount	[ 2 ]	[ 3 ] Pro Forma Adjustment	[ 4 ] Balance [ 2 ] + [ 3 ]
<b>TRANSMISSION PLANT</b>						
30	Land & Land Rights	365.1	-		-	-
31	Rights of Way	365.2	-		-	-
32	Structures & Improvements	366	-		-	-
33	Mains	367	-		-	-
34	Measuring & Regulating Station Equipment	369	-		-	-
35	Communication Equipment	370	-		-	-
36	Other Equipment	371	-		-	-
37	<b>TOTAL TRANSMISSION</b>		-		-	-
<b>DISTRIBUTION PLANT</b>						
38	Land & Land Rights	374	3,386		-	3,386
39	Structures & Improvements	375	2,625		-	2,625
40	Mains	376	365,720		-	365,720
41	Measuring & Regulating Station Equipment	378	19,107		-	19,107
42	Measuring & Regulating Station Equipment	379	18,328		-	18,328
43	Services	380	244,157		-	244,157
44	Meters	381	58,463		-	58,463
45	Meter Installations	382	-		-	-
46	House Regulators	383	2,815		-	2,815
47	House Regulatory Installations	384	3,623		-	3,623
48	Industrial Measuring & Regulating Station Equipmen	385	10,936		-	10,936
49	Other Property	386	-		-	-
50	Other Equipment	387	117		-	117
51	<b>TOTAL DISTRIBUTION</b>		729,277		-	729,277
<b>GENERAL PLANT</b>						
52	Land & Land Rights	389	770		-	770
53	Structures & Improvements	390	20,093		-	20,093
54	Office Furniture & Equipment	391	16,010		-	16,010
55	Transportation Equipment	392	4,339		-	4,339
56	Stores Equipment	393	2		-	2
57	Tools & Garage Equipment	394	5,877		-	5,877
58	Laboratory Equipment	395	-		-	-
59	Power Operated Equipment	396	1,518		-	1,518
60	Communication Equipment	397	1,290		-	1,290
61	Miscellaneous Equipment	398	865		-	865
62	Other Tangible Property	399	-		-	-
63	<b>TOTAL GENERAL</b>		50,764		-	50,764
64	<b>Total Plant</b>		\$ 780,156		\$ -	\$ 780,156

UGI Penn Natural Gas, Inc  
 Before the Pennsylvania Public Utility Commission  
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 ( \$ in Thousands )

Schedule C-2  
 Witness: M. Mattern  
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**Additions to Plant**

		[ 1 ]	[ 2 ]
Line #	Description	Account Number	Amount
	Plant Additions		
<b>INTANGIBLE PLANT</b>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<b>NATURAL GAS PRODUCTION &amp; GATHERING</b>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<b>NATURAL GAS STORAGE &amp; PROCESSING</b>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		-

**UGI Penn Natural Gas, Inc**  
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**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Additions to Plant**

[ 1 ]                      [ 2 ]

Line #	Description	Account Number	Amount
<b>TRANSMISSION PLANT</b>			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
<b>DISTRIBUTION PLANT</b>			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	-
40	Mains	376	23,563
41	Measuring & Regulating Station Equipment	378	410
42	Measuring & Regulating Station Equipment	379	322
43	Services	380	15,286
44	Meters	381	1,209
45	Meter Installations	382	-
46	House Regulators	383	-
47	House Regulatory Installations	384	92
48	Industrial Measuring & Regulating Station Equipmen	385	2,144
49	Other Property	386	-
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		43,026
<b>GENERAL PLANT</b>			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	834
54	Office Furniture & Equipment	391	280
55	Transportation Equipment	392	880
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	533
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	-
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	152
62	Other Tangible Property	399	-
62	TOTAL GENERAL		2,679
63	Total Plant		\$ 45,705

**UGI Penn Natural Gas, Inc**  
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**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Retirements**

[ 1 ]                      [ 2 ]

Line #	Description	Account Number	Amount
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<u>NATURAL GAS PRODUCTION &amp; GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<u>NATURAL GAS STORAGE &amp; PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		-

**UGI Penn Natural Gas, Inc**  
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**( \$ in Thousands )**

Schedule C-2  
Witness: M. Mattern  
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**Retirements**

[ 1 ]                      [ 2 ]

Line #	Description	Account Number	Amount
<b>TRANSMISSION PLANT</b>			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
<b>DISTRIBUTION PLANT</b>			
38	Land & Land Rights	374	25
39	Structures & Improvements	375	-
40	Mains	376	304
41	Measuring & Regulating Station Equipment	378	71
42	Measuring & Regulating Station Equipment	379	-
43	Services	380	154
44	Meters	381	232
45	Meter Installations	382	-
46	House Regulators	383	-
47	House Regulatory Installations	384	-
48	Industrial Measuring & Regulating Station Equipmen	385	-
49	Other Property	386	-
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		786
<b>GENERAL PLANT</b>			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	96
54	Office Furniture & Equipment	391	525
55	Transportation Equipment	392	345
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	151
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	30
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	-
62	Other Tangible Property	399	-
63	TOTAL GENERAL		1,147
64	Total Plant		\$ 1,933

Accumulated Provision for Depreciation

Line No	Description	[ 1 ]	[ 2 ]
		Account No	Pro Forma Year 9/30/2016
INTANGIBLE PLANT			
1	Organization	301	\$ -
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		<u>-</u>
NATURAL GAS PRODUCTION & GATHERING			
5	Producing Lands	325	-
6	Producing Leaseholds	325	-
7	Rights of Way	325	-
8	Other Land Rights	326	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		<u>-</u>
NATURAL GAS STORAGE & PROCESSING			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		<u>-</u>

Accumulated Provision for Depreciation

[ 1 ] [ 2 ]

Line No	Description	Account No	Pro Forma Year 9/30/2016
TRANSMISSION PLANT			
30	Land & Land Rights	365	-
31	Rights of Way	365	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
DISTRIBUTION PLANT			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	1,146
40	Mains	376	101,682
41	Measuring & Regulating Station Equipment	378	6,834
42	Measuring & Regulating Station Equipment	379	3,489
43	Services	380	97,496
44	Meters	381	31,832
45	Meter Installations	382	-
46	House Regulators	383	1,751
47	House Regulatory Installations	384	2,158
48	Industrial Measuring & Regulating Station Equipme	385	4,333
49	Other Property	386	-
50	Other Equipment	387	67
51	TOTAL DISTRIBUTION		250,788
GENERAL PLANT			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	8,433
54	Office Furniture & Equipment	391	12,100
55	Transportation Equipment	392	3,453
56	Stores Equipment	393	1
57	Tools & Garage Equipment	394	2,462
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	1,427
60	Communication Equipment	397	1,260
61	Miscellaneous Equipment	398	379
62	TOTAL GENERAL		29,515
63	Total Plant		\$ 280,303

Summary of Accumulated Depreciation

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] [ 3 ] [ 4 ] Test Year Ended September 30, 2016		
			Amount	Pro Forma Adjustment	Balance
1	INTANGIBLE PLANT	Sch C-3, Pg 4	\$ -	\$ -	\$ -
2	NATURAL GAS PRODUCTION & GATHERING	Sch C-3, Pg 4	-	-	-
3	NATURAL GAS STORAGE & PROCESSING	Sch C-3, Pg 4	-	-	-
4	TRANSMISSION PLANT	Sch C-3, Pg 5	-	-	-
5	DISTRIBUTION PLANT	Sch C-3, Pg 5	250,788	-	250,788
6	GENERAL PLANT	Sch C-3, Pg 5	29,515	-	29,515
7	OTHER PLANT		-	-	-
8	Sub-Total Accumulated Depreciation	Sum L 1 to L 7	280,303	-	280,303
9	COMPLETED CONSTRUCTION NOT CLASSIFIED		-	-	-
10	ACCUMULATED DEPRECIATION	L 8 + L 9	280,303	-	280,303
11	ACCUMULATED AMORTIZATION		-	-	-
12	TOTAL ACC DEPR & AMORTIZATION	L 10 + L 11	<u>\$ 280,303</u>	<u>\$ -</u>	<u>\$ 280,303</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
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**( \$ in Thousands )**

Schedule **C-3**  
Witness: M. Mattern  
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**Accumulated Depreciation by FERC Account**

Line #	Description	[ 1 ] Account Number	[ 2 ] Amount	[ 3 ] Pro Forma Adjustment	[ 4 ] Balance [ 2 ] + [ 3 ]
<b>INTANGIBLE PLANT</b>					
1	Organization	301	\$ -	\$ -	\$ -
2	Franchise & Consent	302	-	-	-
3	Miscellaneous Intangible Plant	303	-	-	-
4	TOTAL INTANGIBLE		-	-	-
<b>NATURAL GAS PRODUCTION &amp; GATHERING</b>					
5	Producing Lands	325.1	-	-	-
6	Producing Leaseholds	325.2	-	-	-
7	Rights of Way	325.4	-	-	-
8	Other Land Rights	325.5	-	-	-
9	Field Measuring & Regulating Station Structures	328	-	-	-
10	Other Structures	329	-	-	-
11	Producing Gas Wells-Well Construction	330	-	-	-
12	Producing Gas Wells-Well Equipment	331	-	-	-
13	Field Lines	332	-	-	-
14	Field Measuring & Regulating Station Equipment	334	-	-	-
15	Drilling & Cleaning Equipment	335	-	-	-
16	Other Equipment	337	-	-	-
17	TOTAL PRODUCTION & GATHERING		-	-	-
<b>NATURAL GAS STORAGE &amp; PROCESSING</b>					
18	Land & Land Plants	304	-	-	-
19	Production Plant-Manufactured Gas Plants	305	-	-	-
20	Land & Land Plants	350.2	-	-	-
21	Rights of Way	350.2	-	-	-
22	Structures & Improvements	351	-	-	-
23	Wells	352	-	-	-
24	Lines	353	-	-	-
25	Compressor Station Equipment	354	-	-	-
26	Measuring & Regulating Equipment	355	-	-	-
27	Purification Equipment	356	-	-	-
28	Other Equipment	357	-	-	-
29	TOTAL PRODUCTION & PROCESSING		-	-	-

**UGI Penn Natural Gas, Inc**  
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**Accumulated Depreciation by FERC Account**

Line #	Description	[ 1 ] Account Number	[ 2 ] Amount	[ 3 ] Pro Forma Adjustment	[ 4 ] Balance [ 2 ] + [ 3 ]
<b>TRANSMISSION PLANT</b>					
30	Land & Land Rights	365.1	-	-	-
31	Rights of Way	365.2	-	-	-
32	Structures & Improvements	366	-	-	-
33	Mains	367	-	-	-
34	Measuring & Regulating Station Equipment	369	-	-	-
35	Communication Equipment	370	-	-	-
36	Other Equipment	371	-	-	-
37	<b>TOTAL TRANSMISSION</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION PLANT</b>					
38	Land & Land Rights	374	-	-	-
39	Structures & Improvements	375	1,146	-	1,146
40	Mains	376	101,682	-	101,682
41	Measuring & Regulating Station Equipment	378	6,834	-	6,834
42	Measuring & Regulating Station Equipment	379	3,489	-	3,489
43	Services	380	97,496	-	97,496
44	Meters	381	31,832	-	31,832
45	Meter Installations	382	-	-	-
46	House Regulators	383	1,751	-	1,751
47	House Regulatory Installations	384	2,158	-	2,158
48	Industrial Measuring & Regulating Station Equipme	385	4,333	-	4,333
49	Other Property	386	-	-	-
50	Other Equipment	387	67	-	67
51	<b>TOTAL DISTRIBUTION</b>		<u>250,788</u>	<u>-</u>	<u>250,788</u>
<b>GENERAL PLANT</b>					
52	Land & Land Rights	389	-	-	-
53	Structures & Improvements	390	8,433	-	8,433
54	Office Furniture & Equipment	391	12,100	-	12,100
55	Transportation Equipment	392	3,453	-	3,453
56	Stores Equipment	393	1	-	1
57	Tools & Garage Equipment	394	2,462	-	2,462
58	Laboratory Equipment	395	-	-	-
59	Power Operated Equipment	396	1,427	-	1,427
60	Communication Equipment	397	1,260	-	1,260
61	Miscellaneous Equipment	398	379	-	379
62	Other Tangible Property	399	-	-	-
63	<b>TOTAL GENERAL</b>		<u>29,515</u>	<u>-</u>	<u>29,515</u>
64	<b>Total Plant</b>		<u>\$ 280,303</u>	<u>\$ -</u>	<u>\$ 280,303</u>

**UGI Penn Natural Gas, Inc**  
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**Cost of Removal**

[ 1 ]                      [ 2 ]

Line #	Description	Account Number	Amount
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<u>NATURAL GAS PRODUCTION &amp; GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<u>NATURAL GAS STORAGE &amp; PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		-

**UGI Penn Natural Gas, Inc**  
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**Cost of Removal**

[ 1 ]                      [ 2 ]

Line #	Description	Account Number	Amount
<b><u>TRANSMISSION PLANT</u></b>			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
<b><u>DISTRIBUTION PLANT</u></b>			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	-
40	Mains	376	682
41	Measuring & Regulating Station Equipment	378	43
42	Measuring & Regulating Station Equipment	379	-
43	Services	380	1,631
44	Meters	381	-
45	Meter Installations	382	-
46	House Regulators	383	-
47	House Regulatory Installations	384	-
48	Industrial Measuring & Regulating Station Equipme	385	5
49	Other Property	386	-
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		2,361
<b><u>GENERAL PLANT</u></b>			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	8
54	Office Furniture & Equipment	391	-
55	Transportation Equipment	392	7
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	-
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	2
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	-
62	Other Tangible Property	399	-
63	TOTAL GENERAL		17
64	Total Plant		\$ 2,378

**Negative Net Salvage Amortization**

[ 1 ]                      [ 2 ]

Line #	Description	Account Number	Amount
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<u>NATURAL GAS PRODUCTION &amp; GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<u>NATURAL GAS STORAGE &amp; PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		-

**Negative Net Salvage Amortization**

[ 1 ] [ 2 ]

Line #	Description	Account Number	Amount
<u>TRANSMISSION PLANT</u>			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
<u>DISTRIBUTION PLANT</u>			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	-
40	Mains	376	556
41	Measuring & Regulating Station Equipment	378	93
42	Measuring & Regulating Station Equipment	379	24
43	Services	380	1,250
44	Meters	381	3
45	Meter Installations	382	-
46	House Regulators	383	4
47	House Regulatory Installations	384	-
48	Industrial Measuring & Regulating Station Equipme	385	5
49	Other Property	386	-
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		1,935
<u>GENERAL PLANT</u>			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	14
54	Office Furniture & Equipment	391	-
55	Transportation Equipment	392	(95)
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	-
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	(1)
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	-
62	Other Tangible Property	399	-
63	TOTAL GENERAL		(82)
64	Total Plant		\$ 1,853

**UGI Penn Natural Gas, Inc**  
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**Salvage**

[ 1 ]                      [ 2 ]

Line #	Description	Account Number	Amount
<u>INTANGIBLE PLANT</u>			
1	Organization	301	-
2	Franchise & Consent	302	-
3	Miscellaneous Intangible Plant	303	-
4	TOTAL INTANGIBLE		-
<u>NATURAL GAS PRODUCTION &amp; GATHERING</u>			
5	Producing Lands	325.1	-
6	Producing Leaseholds	325.2	-
7	Rights of Way	325.4	-
8	Other Land Rights	325.5	-
9	Field Measuring & Regulating Station Structures	328	-
10	Other Structures	329	-
11	Producing Gas Wells-Well Construction	330	-
12	Producing Gas Wells-Well Equipment	331	-
13	Field Lines	332	-
14	Field Measuring & Regulating Station Equipment	334	-
15	Drilling & Cleaning Equipment	335	-
16	Other Equipment	337	-
17	TOTAL PRODUCTION & GATHERING		-
<u>NATURAL GAS STORAGE &amp; PROCESSING</u>			
18	Land & Land Rights	304	-
19	Production Plant-Manufactured Gas Plants	305	-
20	Land	350.1	-
21	Rights of Way	350.2	-
22	Structures & Improvements	351	-
23	Wells	352	-
24	Lines	353	-
25	Compressor Station Equipment	354	-
26	Measuring & Regulating Equipment	355	-
27	Purification Equipment	356	-
28	Other Equipment	357	-
29	TOTAL PRODUCTION & PROCESSING		-

**UGI Penn Natural Gas, Inc**  
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**Salvage**

[ 1 ]                      [ 2 ]

Line #	Description	Account Number	Amount
<b><u>TRANSMISSION PLANT</u></b>			
30	Land & Land Rights	365.1	-
31	Rights of Way	365.2	-
32	Structures & Improvements	366	-
33	Mains	367	-
34	Measuring & Regulating Station Equipment	369	-
35	Communication Equipment	370	-
36	Other Equipment	371	-
37	TOTAL TRANSMISSION		-
<b><u>DISTRIBUTION PLANT</u></b>			
38	Land & Land Rights	374	-
39	Structures & Improvements	375	-
40	Mains	376	-
41	Measuring & Regulating Station Equipment	378	(14)
42	Measuring & Regulating Station Equipment	379	-
43	Services	380	-
44	Meters	381	-
45	Meter Installations	382	-
46	House Regulators	383	-
47	House Regulatory Installations	384	-
48	Industrial Measuring & Regulating Station Equipme	385	-
49	Other Property	386	-
50	Other Equipment	387	-
51	TOTAL DISTRIBUTION		(14)
<b><u>GENERAL PLANT</u></b>			
52	Land & Land Rights	389	-
53	Structures & Improvements	390	-
54	Office Furniture & Equipment	391	-
55	Transportation Equipment	392	(33)
56	Stores Equipment	393	-
57	Tools & Garage Equipment	394	-
58	Laboratory Equipment	395	-
59	Power Operated Equipment	396	(9)
60	Communication Equipment	397	-
61	Miscellaneous Equipment	398	-
62	Other Tangible Property	399	-
63	TOTAL GENERAL		(42)
64	Total Plant		\$ (56)

Working Capital

Line No	Description	[ 1 ]	[ 2 ]
		Historic Year 2016	Reference
1	Working Capital for O & M Expense	\$ 6,544	C-4, Page 2
2	Interest Payments	(1,052)	C-4, Page 7
3	Tax Payment Lag Calculations	570	C-4, Page 8
4	Prepaid Expenses	1,639	C-4, Page 9
5	Total Cash Working Capital Requirements	<u>\$ 7,701</u>	

**UGI Penn Natural Gas, Inc**  
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**(\$ in Thousands)**

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**Summary of Working Capital**

Line #	Description	Reference	Test Year Expenses	Factor	Number of (Lead) / Lag Days	Totals
		[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
					[ 2 ] * [ 3 ]	
<b>WORKING CAPITAL REQUIREMENT</b>						
1	REVENUE LAG DAYS	Page 3				46.49
2	EXPENSE LAG DAYS	Page 4				
3	Payroll	Sch D-7	\$ 22,921	12.00	\$ 275,052	
4	Commodity Purchased	Sch D-6	79,252	31.38	2,486,999	
5	Other Expenses	L 19 - L 2 to L 4	31,822	33.88	1,078,140	
6	Total	Sum (L 3 to L 5)	<u>\$ 133,996</u>		<u>\$3,840,191</u>	
7	O & M Expense Lag Days	L6, C 4 / C 2				28.66
8	Net (Lead) Lag Days	L 1 - L 7				17.83
9	Operating Expenses Per Day	L 6, C 2 / 365				<u>\$ 367</u>
10	Working Capital for O & M Expense	L 8 * L 9				\$ 6,544
11	Interest Payments	Page 7				(1,052)
12	Tax Payment Lag Calculations	Page 8				570
13	Prepaid Expenses	Page 9				1,639
14	Total Working Capital Requirement	Sum (L 10 to L 13)				<u>\$ 7,701</u>
15	Pro Forma O & M Expense		\$ 136,289			
	Less:					
16	Uncollectible Expense		2,293			
17	Other					
18	Sub-Total	L 16 + L 17	<u>2,293</u>			
19	Pro Forma Cash O&M Expense	L 17 - L22	<u>\$ 133,996</u>			

**UGI Penn Natural Gas, Inc**  
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**Revenue Lag**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] Accounts Receivable Balance End of Month	[ 3 ] Total Monthly Sales Page 2	[ 4 ] A/R Turnover [ 3 ] / [ 2 ]	[ 5 ] Days Lag 365 / [ 4 ]
1	Annual Number of Days					<u>365</u>
2	September, 2015		\$ 7,936			
3	October		6,731	9,290		
4	November		8,326	14,630		
5	December		12,950	20,315		
6	January, 2016		22,135	26,457		
7	February		26,084	28,350		
8	March		23,451	23,294		
9	April		21,887	16,506		
10	May		16,653	10,856		
11	June		12,769	7,614		
12	July		10,013	6,902		
13	August		7,173	6,844		
14	September		5,211	7,034		
15	Total	Sum L 2 to L 14	<u>\$181,319</u>			
16	Number of Months	<u>13</u>				
17	Average Acct Rec Balance	L 15 / L 16	<u>\$13,948</u>			
18	Total Sales for Year	Sum L 2 to L 14		<u>\$ 178,092</u>		
19	Acct Rec Turnover Ratio	L 18 / L 17			<u>12.77</u>	
20	Collection Lag Day Factor	L 1 / L 19				28.58
21	Meter Read Lag Factor					2.70
22	Midpoint Lag Factor		365	/	12	/
					2	=
						<u>15.21</u>
23	Total Revenue Lag Days	Sum L 20 to L 22				<u>46.49</u>

**UGI Penn Natural Gas, Inc**  
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**(\$ in Thousands)**

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**Summary of Expense Lag Calculations**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] Amount	[ 3 ] (Lead) / Lag Days	[ 4 ] Weighted Dollar Value [ 2 ] * [ 3 ]	[ 5 ] (Lead) / Lag Days [ 4 ] / [ 2 ]
<b><u>PAYROLL</u></b>						
1	Union Payrolls	Bi-Weekly	\$ 12,540	12.00		
2	Exempt & Non-Exempt	Bi-Weekly	6,547	12.00		
3	Weighted for Union	L1, C2 * C3			\$ 150,480	
4	Weighted for Other	L2, C2 * C3			<u>78,564</u>	
5	Payroll Lag	L 3 + L 4	<u>\$ 19,087</u>		<u>\$ 229,044</u>	
6	Payroll Lag Days	C 4 / C 2				<u>12.00</u>
<b><u>PURCHASE GAS COSTS</u></b>						
7	Payment Lag	Page 6	<u>\$ 66,862</u>		<u>\$ 2,098,180</u>	
8	Gas Cost Lag Days	C 4 / C 2				<u>31.38</u>
<b><u>OTHER O &amp; M EXPENSES</u></b>						
9	JANUARY 2016	Page 5	2,124		72,612	
10	MARCH 2016	Page 5	2,709		97,152	
11	JUNE 2016	Page 5	3,130		117,124	
12	SEPTEMBER 2016	Page 5	3,989		118,071	
13	TOTAL		<u>11,952</u>		<u>404,959</u>	
14	Other O&M Expense Lag Days	C 4 / C 2				<u>33.88</u>

**UGI Penn Natural Gas, Inc**  
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**General Disbursements Payment Lag Summary**

Line #	Description	[ 1 ] Number of CDs	[ 2 ] Cash Disbursements	[ 3 ] Dollar-Days	[ 4 ] Expense Lag-Days [ 3 ] / [ 2 ]
<b><u>JANUARY 2016</u></b>					
1	Total Disbursements for Month	<u>1,508</u>	<u>\$ 8,486</u>		
2	Total Disbursements for Expenses	<u>823</u>	<u>\$ 2,124</u>	<u>\$ 72,612</u>	<u>34.19</u>
<b><u>MARCH 2016</u></b>					
3	Total Disbursements for Month	<u>1,753</u>	<u>\$ 9,694</u>		
4	Total Disbursements for Expenses	<u>1,159</u>	<u>\$ 2,709</u>	<u>\$ 97,152</u>	<u>35.86</u>
<b><u>JUNE 2016</u></b>					
5	Total Disbursements for Month	<u>1,872</u>	<u>\$ 10,056</u>		
6	Total Disbursements for Expenses	<u>1,061</u>	<u>\$ 3,130</u>	<u>\$ 117,124</u>	<u>37.42</u>
<b><u>SEPTEMBER 2016</u></b>					
7	Total Disbursements for Month	<u>2,111</u>	<u>\$ 12,571</u>		
8	Total Disbursements for Expenses	<u>1,181</u>	<u>\$ 3,989</u>	<u>\$ 118,071</u>	<u>29.60</u>
<b><u>TOTAL FOUR TEST MONTHS</u></b>					
9	Total Test Month Expense Disbursement (L 2 + L 4 + L 6 + L 8)	<u>4,224</u>	<u>\$ 11,952</u>	<u>\$ 404,959</u>	<u>33.88</u>

**UGI Penn Natural Gas, Inc**  
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**Purchase Gas Cost Payment Lag Summary**

Line #	Description	[ 1 ] Number of Invoices	[ 2 ] Amount of Invoices	[ 3 ] Dollar Days	[ 4 ] Total Payment Lag-Days
1	October 2015	24	\$ 5,404	\$ 244,402	45.23
2	November	22	10,534	217,993	20.69
3	December	19	8,246	121,590	14.75
4	January 2016	25	4,728	122,271	25.86
5	February	26	9,069	287,071	31.65
6	March	23	6,644	200,754	30.22
7	April	23	2,442	87,076	35.66
8	May	29	4,396	178,674	40.64
9	June	31	4,554	178,219	39.13
10	July	31	3,499	136,975	39.15
11	August	29	4,226	190,055	44.97
12	September 2016	31	<u>3,120</u>	<u>133,100</u>	42.66
13	Total	Sum (L 1 to L 11)	<u>\$ 66,862</u>	<u>\$ 2,098,180</u>	
14	Purchase Gas Lag Days	C 3 / C 2			<u>31.38</u>

UGI Penn Natural Gas, Inc  
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 Witness: M. Mattern  
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**Interest Payments**

Line No.	Description	[ 1 ] Reference Or Factor	[ 2 ] # of Days	[ 3 ] # of Days	[ 4 ] Total
1	Measures of Value at December 31, 2015	Sch C-1			\$ 424,727
2	Long-term Debt Ratio	Sch B-6			38.46%
3	Embedded Cost of Long-term Debt	Sch B-6			5.25%
4	Pro forma Interest Expense	L 1 * L 2 * L 3			<u>\$ 8,576</u>
5	Daily Amount	L 4 / L 5 [2]	365		\$ 23
6	Days to mid-point of interest payments			91.25	
7	Less: Revenue Lag Days	Page 3		46.49	
8	Interest Payment lag days	L 7 - L 6			(44.8)
9	Total Interest for Working Capital	L 5 * L 8			<u>\$ (1,052)</u>

**UGI Penn Natural Gas, Inc**  
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**Tax Lag Day Calculations**

Line #	Description	[ 1 ] Payment Dates	[ 2 ] Mid-Point of Service Period	[ 3 ] Lead (Lag) Payment Days [ 1 ] - [ 2 ]	[ 4 ] Payment Amount	[ 5 ] Weighted Lead (Lag) Dollars [ 3 ] * [ 4 ]	[ 6 ] Payment Lead (Lag) Days [ 5 ] / [ 4 ]	[ 7 ] Revenue (Lag) Days	[ 8 ] Net Payment Lead (Lag) Days [ 6 ] - [ 7 ]	[ 9 ] Total Dollar Days	[ 10 ] Working Capital Amount
											365
1	<b>FEDERAL INCOME TAX</b>				<b>\$ 13,161</b>						
2	First Payment	01/05/16	04/01/16	87.00	\$ 3,290	286,255					
3	Second Payment	03/15/16	04/01/16	17.00	3,290	55,935					
4	Third Payment	06/15/16	04/01/16	(75.00)	3,290	(246,772)					
5	Fourth Payment	09/15/16	04/01/16	(167.00)	3,290	(549,479)					
6	Total				<u>\$ 13,161</u>	<u>\$ (454,060)</u>	<u>(34.50)</u>	<u>(46.49)</u>	<u>11.99</u>	<u>\$ 157,802</u>	\$ 432
7	<b>STATE INCOME TAX</b>				<b>\$ 2,845</b>						
8	First Payment	12/15/15	04/01/16	108.00	\$ 711	76,803					
9	Second Payment	03/15/16	04/01/16	17.00	711	12,089					
10	Third Payment	06/15/16	04/01/16	(75.00)	711	(53,335)					
11	Fourth Payment	09/15/16	04/01/16	(167.00)	711	(118,760)					
12	Total				<u>\$ 2,845</u>	<u>(83,203)</u>	<u>(29.25)</u>	<u>(46.49)</u>	<u>17.24</u>	<u>\$ 49,040</u>	\$ 134
13	<b>PA CAPITAL STOCK TAX</b>				<b>\$ 133</b>						
14	First Payment	12/15/15	04/01/16	108.00	\$ 33	3,591					
15	Second Payment	03/15/16	04/01/16	17.00	33	565					
16	Third Payment	06/15/16	04/01/16	(75.00)	33	(2,494)					
17	Fourth Payment	09/15/16	04/01/16	(167.00)	33	(5,553)					
18	Total				<u>\$ 133</u>	<u>(3,890)</u>	<u>0.00</u>	<u>(46.49)</u>	<u>46.49</u>	<u>\$ 6,183</u>	\$ 17
19	<b>PA PROPERTY TAX</b>				<b>\$ 158</b>						
20	First Payment	03/31/16	04/01/16	1.00	\$ 79	79					
21	Second Payment	09/30/16	04/01/16	(182.00)	79	(14,378)					
22	Total				<u>\$ 158</u>	<u>(14,299)</u>	<u>(90.50)</u>	<u>(46.49)</u>	<u>(44.01)</u>	<u>\$ (6,954)</u>	\$ (19)
23	<b>PURTA</b>				<b>\$ 121</b>						
24	Payment	05/01/16	04/01/16	(30.00)	\$ 121	(3,630)	(30.00)	(46.49)	16.49	\$ 1,995	\$ 5
25	Total Working Capital For Other Taxes										<u>\$ 570</u>

Prepaid Expenses

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ] PUC Assessment	[ 5 ] Property Taxes	[ 6 ] Subscriptions	[ 7 ] Postage	[ 8 ] Rent	[ 9 ] Maintenance & Services
			TOTAL	Insurance						
1	September, 2015		2,424	\$ 722	\$ 771	\$ 191	\$ 9	\$ -	\$ -	\$ 731
2	October		2,213	639	685	160	29	-	-	700
3	November		1,947	557	600	129	14	-	-	647
4	December		1,747	526	514	97	-	-	-	610
5	January, 2016		1,588	438	428	93	21	-	-	608
6	February		1,490	350	343	217	43	-	-	537
7	March		1,301	262	257	186	26	-	-	570
8	April		1,058	174	171	155	49	-	-	509
9	May		1,111	182	86	123	33	-	-	687
10	June		1,233	101	-	92	18	-	-	1,022
11	July		1,338	87	(86)	227	40	-	-	1,070
12	August		1,896	793	(171)	261	24	-	-	989
13	September		1,958	763	-	229	9	-	-	957
14	TOTAL		<u>\$ 21,304</u>	<u>\$ 5,594</u>	<u>\$ 3,598</u>	<u>\$ 2,160</u>	<u>\$ 315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,637</u>
15	Percent to Gas			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
16	Amount to Gas			<u>\$ 5,594</u>	<u>\$ 3,598</u>	<u>\$ 2,160</u>	<u>\$ 315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,637</u>
17	Monthly Average	13		<u>\$ 430</u>	<u>\$ 277</u>	<u>\$ 166</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 741</u>
18	Rate Case Amount		<u>\$ 1,639</u>							

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

<b>Gas Inventory</b>					
Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Stored Underground	[ 3 ] Other	[ 4 ] Total [ 2 ] + [ 3 ]
1	September, 2015		\$ 9,176		\$ 9,176
2	October		10,271		10,271
3	November		10,259		10,259
4	December		8,950		8,950
5	January, 2016		6,559		6,559
6	February		3,526		3,526
7	March		737		737
8	April		1,319		1,319
9	May		2,167		2,167
10	June		3,215		3,215
11	July		4,296		4,296
12	August		5,293		5,293
13	September, 2016		6,017		6,017
14	Total	Sum (L 1 to L 13)	<u>\$ 71,785</u>	<u>\$ -</u>	<u>\$ 71,785</u>
15	Number of Months		<u>13</u>	<u>13</u>	<u>13</u>
16	Average Monthly Balance	L 14 / L 15	<u>\$ 5,522</u>	<u>\$ -</u>	<u>\$ 5,522</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**(\$ in Thousands)**

**Schedule C-6**  
**Witness: N. M. McKinney**  
 Page 1 of 1

**Accumulated Deferred Income Taxes**

Line #	Description	Factor Or Reference	[ 1 ] Percent	[ 2 ] Amount	[ 3 ] Total
1	<b><u>Accumulated Deferred Income Tax</u></b>				
2	Gas Utility Plant - a/c # 282			\$ 78,047	
3	Sub-total				78,047
4	ADIT on CIAC			(13,173)	
5	ADIT for Repairs Tax Deduction			15,605	
6	Sub-total			<u>15,605</u>	<u>2,432</u>
7	Federal ADIT				80,478
8	State ADIT for Repairs Tax Deduction				<u>2,895</u>
9	State ADIT				2,895
10	Total at September 30, 2016				<u><u>\$ 83,374</u></u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Customer Deposits**

[ 1 ]

Line #	Description	Factor Or Reference	Balance At End Of Month
1	September, 2016		\$ <u>4,975</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Schedule C-8**  
**Witness: M. Mattern**  
 Page 1 of 1

**Materials & Supplies**

Line #	Description	[ 1 ] Materials & Supplies
1	September, 2015	\$ 4,835
2	October	4,980
3	November	5,100
4	December	4,925
5	January, 2016	4,865
6	February	4,937
7	March	4,697
8	April	4,695
9	May	4,307
10	June	4,110
11	July	4,127
12	August	4,170
13	September, 2016	<u>4,326</u>
14	Total	<u><u>\$ 60,074</u></u>
15	Number of Months	<u><u>13</u></u>
16	Average Monthly Balance	<u><u>\$ 4,621</u></u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-1  
Witness: M. Mattern  
Page 1 of 1

**Summary of Revenue and Expenses**  
**Pro Forma with Proposed Revenue Increase**

Line #	Description	Factor Or Reference	Pro Forma Historic Year Ended September 30, 2016		
			[ 1 ] At Present Rates	[ 2 ] Rate Increase	[ 3 ] At Proposed Rates
<b>OPERATING REVENUES</b>					
1	Customer & Distribution Revenue		\$ 119,878	\$ -	\$ 119,878
2	Gas Supply & Cost Adjustment Revenue		61,525	-	61,525
3	Other Revenues		2,184	-	2,184
4	Revenue Increase		-	21,725	21,725
5	Total operating revenues		<u>183,587</u>	<u>21,725</u>	<u>205,312</u>
<b>OPERATING EXPENSES</b>					
6	Manufactured Gas		1,135	-	1,135
7	Gas Supply Production		79,252	-	79,252
8	Transmission		(110)	-	(110)
9	Distribution		23,824	-	23,824
10	Customer Accounts		5,057	-	5,057
11	Uncollectible Expense		2,293	275	2,568
12	Customer Information & Services		729	-	729
13	Sales		377	-	377
14	Administrative & General		23,730	-	23,730
15	Depreciation & Amortization		16,912	-	16,912
16	Taxes other than income taxes		2,381	-	2,381
17	Total operating expenses		<u>155,582</u>	<u>275</u>	<u>155,856</u>
18	Net operating income Before Income Tax		28,006	21,450	49,456
<u>Income Taxes</u>					
19	Pro Forma Income Tax At Present Rates		7,106		7,106
20	Pro Forma Income Tax on Revenue Increase			8,901	8,901
21	Net Operating Income		<u>\$ 20,900</u>	<u>\$ 12,550</u>	<u>\$ 33,450</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-2  
Witness: M. Mattern  
Page 1 of 1

**Summary of Pro Forma Revenue and Expense  
Adjustments with Proposed Revenue Increase**

Line #	Description	[ 1 ]	[ 2 ]		[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]
		Factor Or Reference	Pro Forma Historic Year Ended September 30, 2016		Adjustments Sch D-3 Increase (Decrease)	As Adjusted And Allocated [ 2 ] + [ 3 ]	Proposed Increase	Pro Forma Test Year With Proposed Increase [ 4 ] + [ 5 ]
	<u>OPERATING REVENUES</u>		<u>Recorded</u>		<u>(Decrease)</u>			<u>[ 4 ] + [ 5 ]</u>
1	Residential (R/RT)	480	\$ 126,909	\$ -	-	\$ 126,909		\$ 126,909
2	Comm & Ind (N/NT)	481	32,752	-	-	32,752		32,752
3	Comm & Ind (DS)	489	6,236	-	-	6,236		6,236
4	Lg Transport/Other	489	12,869	-	-	12,869		12,869
5	Interruptible	489	2,637	-	-	2,637		2,637
6	Forfeited Discounts	487	1,293	-	-	1,293		1,293
7	Miscellaneous Service Revenues	488	697	-	-	697		697
8	Off System Revenues	496	(0)	-	-	(0)		(0)
9	Rent from Gas Properties	493	11	-	-	11		11
10	Other Revenues	495	183	-	-	183		183
11	Rate Increase			-	-	-	21,725	21,725
12	Total operating revenues		<u>183,587</u>	<u>-</u>	<u>-</u>	<u>183,587</u>	<u>21,725</u>	<u>205,312</u>
	<u>OPERATING EXPENSES</u>							
13	Gas Production		1,135	-	-	1,135		1,135
14	Gas Supply Production		61,858	17,394	-	79,252		79,252
15	Transmission		-	(110)	-	(110)		(110)
16	Distribution		23,734	90	-	23,824		23,824
17	Customer Accounts		5,019	38	-	5,057		5,057
18	Uncollectible Expense	1.264%	2,336	(43)	-	2,293	275	2,568
19	Customer Information & Services		725	4	-	729		729
20	Sales		375	2	-	377		377
21	Administrative & General		22,649	1,081	-	23,730		23,730
22	Depreciation & Amortization		17,418	(506)	-	16,912		16,912
23	Taxes other than income taxes		2,371	10	-	2,381		2,381
24	Total operating expenses		<u>137,621</u>	<u>17,960</u>	<u>-</u>	<u>155,582</u>	<u>275</u>	<u>155,856</u>
25	Net Operating Income - OBIT		45,966	(17,960)	-	28,006	21,450	49,456

UGI Penn Natural Gas, Inc  
 Before the Pennsylvania Public Utility Commission  
 Historic Period - 12 Months Ended September 30, 2016  
 (\$ in Thousands)

Schedule D-3  
 Witness: M. Mattem  
 Page 1 of 2

Summary of Pro Forma Adjustments

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]	[ 7 ]	[ 8 ]	[ 9 ]	[ 10 ]	[ 11 ]	[ 12 ]	[ 13 ]
		As Budgeted And Allocated	Company Use Fuel	Revenues	Gas Costs	Salaries & Wages	Adjustments	Salary Annualization	Uncollectibles Expense	Sub-Total Adjustments	Total Proforma			
OPERATING REVENUES			D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12	D-13		
<b>Customer &amp; Distribution Revenue</b>														
1	Residential (R/RT)	480	\$ 78,464	\$ -									\$ -	\$ 78,464
2	Comm & Ind (N/NT)	481	20,048											20,048
3	Comm & Ind (DS)	489	5,919											5,919
4	Lq Transport/Other	489	12,869											12,869
5	Interruptible	489	2,579											2,579
<b>Revenue for Cost of Gas</b>														
6	Residential (R/RT)	480	48,445											48,445
7	Comm & Ind (N/NT)	481	12,705											12,705
8	Comm & Ind (DS)	489	317											317
9	Lq Transport/Other	489	-											-
10	Interruptible Transport	489	58											58
11	Forfeited Discounts	487	1,293											1,293
12	Miscellaneous Service Revenues	488	697											697
13	Off System Revenues	496	(0)											(0)
14	Rent from Gas Properties	493	11											11
15	Other Revenues	495	183											183
16	Rate Increase													
17	Total operating revenues	\$ 183,587	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,587
<b>OPERATING EXPENSES</b>														
18	Gas Production	\$ 1,135				\$ -							\$ -	\$ 1,135
19	Gas Supply Production	61,858	178		17,216								17,394	79,252
20	Transmission		(111)			1							(110)	(110)
21	Distribution	23,734	(42)			132							90	23,824
22	Customer Accounts	5,019				38							38	5,057
23	Uncollectible Expense	2,336								(43)			(43)	2,293
24	Customer Information & Services	725				4							4	729
25	Sales	375				2							2	377
26	Administrative & General	22,649	(25)			76		1,030					1,081	23,730
27	Depreciation & Amortization	17,418												17,418
28	Taxes other than income taxes	2,371												2,371
29	Total operating expenses	\$ 137,621	\$ -	\$ -	\$ 17,216	\$ 253	\$ -	\$ 1,030	\$ -	\$ (43)	\$ -	\$ -	\$ 18,456	\$ 156,078
30	Net operating income Before Income Tax	\$ 45,966	\$ -	\$ -	\$ (17,216)	\$ (253)	\$ -	\$ (1,030)	\$ -	\$ 43	\$ -	\$ -	\$ (18,456)	\$ 27,510

UGI Penn Natural Gas, Inc  
 Before the Pennsylvania Public Utility Commission  
 Historic Period - 12 Months Ended September 30, 2016  
 (\$ in Thousands)

Schedule D-3  
 Witness: M. Mattem  
 Page 2 of 2

Summary of Pro Forma Adjustments

Line #	Description	From Page 1 Sub-total	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]	[ 7 ]	[ 8 ]	[ 9 ]	[ 10 ]	[ 11 ]	[ 12 ]
			Adjustments	Adjustments	Adjustments	Taxes Other Than Income	TOTAL Adjusted							
OPERATING REVENUES			D-14	D-15	D-16	D-17	D-18	D-19		Depreciation D-21		D-31		
31	<b>Customer &amp; Distribution Revenue</b>													
32	Residential (R/RT)	480 \$ 78,464												\$ 78,464
33	Comm & Ind (N/NT)	481 20,048												20,048
34	Comm & Ind (DS)	489 5,919												5,919
35	Lg Transport/Other	489 12,869												12,869
36	Interruptible	489 2,579												2,579
	<b>Revenue for Cost of Gas</b>													-
37	Residential (R/RT)	480 48,445												48,445
38	Comm & Ind (N/NT)	481 12,705												12,705
39	Comm & Ind (DS)	489 317												317
40	Lg Transport/Other	489 -												-
41	Interruptible Transport	489 58												58
42	Forfeited Discounts	487 1,293												1,293
43	Miscellaneous Service Revenues	488 697												697
44	Off System Revenues	496 (0)												(0)
45	Rent from Gas Properties	493 11												11
46	Other Revenues	495 183												183
47	Rate Increase													
48	Total operating revenues	183,587	-	-	-	-	-	-	-	-	-	-	-	183,587
	<b>OPERATING EXPENSES</b>													
49	Gas Production	1,135												1,135
50	Gas Supply Production	79,252												79,252
51	Transmission	(110)												(110)
52	Distribution	23,824												23,824
53	Customer Accounts	5,057												5,057
54	Uncollectible Expense	2,293												2,293
55	Customer Information & Services	729												729
56	Sales	377												377
57	Administrative & General	23,730												23,730
58	Depreciation & Amortization	17,418												16,912
59	Taxes other than income taxes	2,371									(506)	10		2,381
60	Total operating expenses	156,078	-	-	-	-	-	-	-	(506)	10	-	-	155,582
61	Net operating income Before Income Tax	27,510	-	-	-	-	-	-	-	506	(10)	-	-	28,006

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-4  
 Witness: M. Mattern  
 Page 1 of 1

**Company Use of Fuel**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]
1	Remove Company Use of Fuel	a/c 859.001	\$ (111)	
2	Remove Company Use of Fuel	a/c 880.001	(42)	
3	Remove Company Use of Fuel	a/c 930.201	(25)	
4				(178)

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Adjustment - Revenue Adjustments**

[ 1 ]                      [ 2 ]                      [ 3 ]                      [ 4 ]                      [ 5 ]                      [ 6 ]

PRO FORMA ADJUSTMENTS

Line #	Description	Reference Or Account Number	2016 Actual	Rev Adj For HY D-5A	Proforma Adjusted At Present Rates
<b>Customer &amp; Distribution Revenue</b>					
1	Residential (R/RT)	480	\$ 78,464	\$ 2,827	\$ 81,291
2	Comm & Ind (N/NT)	481	20,048	1,308	21,356
3	Comm & Ind (DS)	489	5,919	866	6,785
4	Lg Transport/Other	489	12,869	1,594	14,463
5	Interruptible	489	2,579	(1,634)	945
6	Cust Chg & Distrib Revenue		<u>119,878</u>	<u>4,962</u>	<u>124,840</u>
<b>Revenue for Cost of Gas</b>					
7	Residential (R/RT)	480	48,445	14,086	62,531
8	Comm & Ind (N/NT)	481	12,705	4,159	16,864
9	Comm & Ind (DS)	489	317	4	321
10	Lg Transport/Other	489	-	(1,034)	(1,034)
11	Interruptible Transport	489	58	(0)	58
12	Revenue for Cost of Gas		<u>61,525</u>	<u>17,216</u>	<u>78,741</u>
13	Total Customer Revenue		181,403	22,177	203,581
14	Forfeited Discounts	487	1,293		1,293
15	Miscellaneous Service Revenues	488	697		697
16	Off System Revenue	489.3	(0)		(0)
17	Rent from Gas Properties	489	11		11
18	Other Revenues	495	<u>183</u>		<u>183</u>
19	TOTAL REVENUES		<u>\$ 183,587</u>	<u>\$ 22,177</u>	<u>\$ 205,764</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-5A  
Witness: D. E. Lahoff  
Page 1 of 1

**Adjustment - Test Year Revenue Change**

Line #	Description	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
#	Description		Recorded Amount	Revised	Adjustment	
					[ 3 ] - [ 2 ]	
<b>TOTAL REVENUE</b>						
1	Residential (R/RT)		126,909	143,822	16,913	
2	Comm & Ind (N/NT)		32,752	38,221	5,469	
3	Comm & Ind (DS)		6,236	7,107	871	
4	Lg Transport/Other		12,869	13,429	560	
5	Interruptible		2,637	1,003	(1,634)	
6						
7	Total		181,403	203,582	22,179	
<b>GAS COST /PGC FLOWBACK</b>						
8	Residential (R/RT)		48,445	62,531	14,086	
9	Comm & Ind (N/NT)		12,705	16,864	4,159	
10	Comm & Ind (DS)		317	321	4	
11	Lg Transport/Other		0	(1,034)	(1,034)	
12	Interruptible		58	58	(0)	
13						
14	Total		61,525	78,740	17,215	
<b>NET CUSTOMER &amp; DISTRIBUTION</b>						
15	Residential (R/RT)		78,464	81,291	2,827	
16	Comm & Ind (N/NT)		20,048	21,356	1,308	
17	Comm & Ind (DS)		5,919	6,785	866	
18	Lg Transport/Other		12,869	14,463	1,594	
19	Interruptible		2,579	945	(1,634)	
20						
21	Total		119,878	124,840	4,962	

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-6  
Witness: D. E. Lahoff  
Page 1 of 1

**Adjustment - Gas Costs**

Line #	Description	[ 1 ] Reference Or Account Number	[ 2 ] Historic Gas Costs	[ 3 ] D-5 Gas Costs	[ 5 ] Company Use	[ 6 ] Gas Cost Pro Forma Adjustments Sum [ 2 ] to [ 5 ]	[ 7 ] Pro Forma Gas Costs At Pres Rates [ 2 ] + [ 6 ]
1	Actual Gas Costs		\$ 61,858			\$ -	\$ 61,858
2	Residential (R/RT)			14,086		14,086	14,086
3	Comm & Ind (N/NT)			4,159		4,159	4,159
4	Comm & Ind (DS)			4		4	4
5	Lg Transport/Other			(1,034)		(1,034)	(1,034)
6	Off System Sales					-	-
7	Company Use of Fuel				178	178	178
8	<b>Total Gas Costs</b>		<u>\$ 61,858</u>	<u>\$ 17,216</u>	<u>\$ 178</u>	<u>\$ 17,394</u>	<u>\$ 79,252</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-7  
Witness: M. Mattern  
Page 1 of 2

**Adjustment - Salaries & Wages**

Line #	Description	[ 1 ] Account Number	[ 2 ] Recorded Year 09/30/16	[ 3 ] Redistribute General Categories	[ 4 ] Payroll As Distributed	[ 5 ] Adjustment	[ 6 ] Total Pro Forma Payroll
<b>OPERATIONS</b>							
1	Total Natural Gas Production Expenses		\$ -		-	\$ -	\$ -
2	Total Underground Storage Expenses		-		-	-	-
3	Total Other Storage Expense		25		25	-	25
4	Total Transmission Operation Expenses		11		11	-	11
5	Total Distribution Operation Expenses		5,686		5,686	76	5,762
6	Customer Account Operations Expenses		2,885	3,581	6,466	38	6,504
7	Total Cust. Service & Inform. Operations Exp		322		322	4	326
8	Total Operation Sales Expenses		166		166	2	168
9	Total A & G Operation Expenses		5,485	-	5,485	73	5,558
10	Total Operations		<u>14,580</u>	<u>3,581</u>	<u>18,161</u>	<u>193</u>	<u>18,354</u>
<b>MAINTENANCE</b>							
11	Total Underground Maintenance Expenses		-		-	-	-
12	Storage Maintenance Expenses		-		-	-	-
13	Total Transmission Maintenance Expenses		77		77	1	78
14	Total Distribution Maintenance Expenses		4,227	-	4,227	56	4,283
15	Maintenance of General Plant		203		203	3	206
16	Total Maintenance		<u>4,507</u>	<u>-</u>	<u>4,507</u>	<u>60</u>	<u>4,567</u>
17	Total Payroll to Expense		<u>\$ 19,087</u>	<u>3,581</u>	<u>22,668</u>	<u>\$ 253</u>	<u>\$ 22,921</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-7  
 Witness: M. Mattern  
 Page of 2

**Adjustment - Salaries & Wages**

Line #	Description	Reference Or Function	[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
#	Description	Function	Union Increase At 4-1	Non- Exempt	Exempt	Exempt	Pro Forma Total Payroll
1	Annual Payroll at 9-30-16		\$ 12,540	\$ 2,500	\$ 4,047		<u>\$ 19,087</u>
<b>Annualize for Wage Increase to 9-30-16</b>							
2	Percent Increase		3.23%	2.50%	2.50%		
3	Union Increase At 4-1 Annualization Factor	4/1/16	50%				
4	Non-Exempt Annualization Factor	4/1/16		50%			
5	Exempt Annualization Factor	12/1/15			17%		
6	Increase for wage rate changes	L 1 * L 2 * Ls 3 to 6	<u>203</u>	<u>31</u>	<u>17</u>	\$	251
7	Annualized Salaries & Wages at 9-30-16 Rates	L 1 + L 7	\$ 12,743	\$ 2,531	\$ 4,064		
8	Pro Forma Adjustment to S&W	L 8				\$	<u>251</u>
9	Annualization Factor	L 9 / L 1					<u>1.313%</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

**Adjustment - Salary Annualization**

Line #	Description	[ 1 ] Reference	[ 2 ] Total Salary Annualization	[ 3 ] Pro Forma Adjustment
1	Annualize salaries of key positions partly employed in 2016		\$ 3,581	\$ 1,030
2	Total Adjustment			<u>\$ 1,030</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-11  
Witness: M. Mattern  
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**Adjustment - Uncollectibles**

Line #	Description	[ 1 ] Reference Or Factor	[ 2 ] Charge Off Amounts	[ 3 ] Tariff Revenue	[ 4 ] Percent [ 2 ] / [ 3 ]	[ 5 ] Total [ 2 ] / [ 3 ]
1	2014		<u>\$ 3,063</u>	<u>\$253,181</u>	<u>1.21%</u>	
2	2015		<u>\$ 3,385</u>	<u>\$259,167</u>	<u>1.31%</u>	
3	2016		<u>\$ 2,336</u>	<u>\$182,696</u>	<u>1.28%</u>	
4	Three Year Average Sum (Line 1 to Line 3) / 3	<u>3</u>	<u>\$ 2,928</u>	<u>\$231,681</u>		<u>1.26400%</u>
5	<b><u>2016 Recorded</u></b>				\$ 2,336	
	<b>Pro Forma Adjustment</b>					
6	Test Year Revenue Adjustment	<u>1.264%</u>		<u>\$181,403</u>		
7	<b>Pro Forma at Present Rate Revenue</b>	[ 1 ] * [ 3 ]			<u>2,293</u>	
8	<b>Total for Test Year</b>	L 7 - L5				<u>\$ (43)</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

<b>Adjustment - Depreciation expense</b>		[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Line #	Description	Account Number	9/30/16 Depreciation Expense	Adjustment To Annualize Depreciation Expense	Other Pro Forma Adjust	Pro Forma Historic Year Depreciation
<b><u>INTANGIBLE PLANT</u></b>						
1	Organization	301	\$ -	\$ -		-
2	Franchise & Consent	302	-	-		-
3	Miscellaneous Intangible Plant	303	-	-		-
4	TOTAL INTANGIBLE		-	-	-	-
<b><u>NATURAL GAS PRODUCTION &amp; GATHERING</u></b>						
5	Producing Lands	325.1	-	-		-
6	Producing Leaseholds	325.2	-	-		-
7	Rights of Way	325.4	-	-		-
8	Other Land Rights	325.5	-	-		-
9	Field Measuring & Regulating Station Structures	328	-	-		-
10	Other Structures	329	-	-		-
11	Producing Gas Wells-Well Construction	330	-	-		-
12	Producing Gas Wells-Well Equipment	331	-	-		-
13	Field Lines	332	-	-		-
14	Field Measuring & Regulating Station Equipment	334	-	-		-
15	Drilling & Cleaning Equipment	335	-	-		-
16	Other Equipment	337	-	-		-
17	TOTAL PRODUCTION & GATHERING		-	-	-	-
<b><u>NATURAL GAS PRODUCTION &amp; PROCESSING</u></b>						
18	Land & Land Rights	304	-	-		-
19	Production Plant - Manufactured Gas Plants	305	-	-		-
20	Rights of Way	350.2	-	-		-
21	Structures & Improvements	351	-	-		-
22	Wells	352	-	-		-
23	Lines	353	-	-		-
24	Compressor Station Equipment	354	-	-		-
25	Measuring & Regulating Equipment	355	-	-		-
26	Purification Equipment	356	-	-		-
27	Other Equipment	357	-	-		-
28	TOTAL PRODUCTION & PROCESSING		-	-	-	-

UGI Penn Natural Gas, Inc  
 Before the Pennsylvania Public Utility Commission  
 Historic Period - 12 Months Ended September 30, 2016  
 (\$ in Thousands)

Adjustment - Depreciation expense		[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]
Line #	Description	Account Number	9/30/16 Depreciation Expense	Adjustment To Annualize Depreciation Expense	Other Pro Forma Adjust	Pro Forma Historic Year Depreciation
<b>TRANSMISSION PLANT</b>						
29	Land & Land Rights	365.1	-	-	-	-
30	Rights of Way	365.2	-	-	-	-
31	Structures & Improvements	366	-	-	-	-
32	Mains	367	-	-	-	-
33	Measuring & Regulating Station Equipment	369	-	-	-	-
34	Communication Equipment	370	-	-	-	-
35	Other Equipment	371	-	-	-	-
36	TOTAL TRANSMISSION		-	-	-	-
<b>DISTRIBUTION PLANT</b>						
37	Land & Land Rights	374	-	-	-	-
38	Structures & Improvements	375	53	(5)	-	48
39	Mains	376	5,984	(158)	-	5,826
40	Measuring & Regulating Station Equipment	378	542	(18)	-	524
41	Measuring & Regulating Station Equipment	379	622	(45)	-	577
42	Services	380	4,971	(143)	-	4,828
43	Meters	381	1,790	(251)	-	1,539
44	Meter Installations	382	-	-	-	-
45	House Regulators	383	44	(5)	-	39
46	House Regulatory Installations	384	51	(3)	-	48
47	Industrial Measuring & Regulating Station Equipment	385	171	40	-	211
48	Other Property	386	-	-	-	-
49	Other Equipment	387	4	-	-	4
50	TOTAL DISTRIBUTION		14,232	(588)	-	13,644
<b>GENERAL PLANT</b>						
51	Land & Land Rights	389	-	-	-	-
52	Structures & Improvements	390	485	37	-	522
53	Office Furniture & Equipment	391	1,059	(223)	-	836
54	Transportation Equipment	392	-	122	-	122
55	Stores Equipment	393	-	-	-	-
56	Tools & Garage Equipment	394	332	(24)	-	308
57	Laboratory Equipment	395	-	-	-	-
58	Power Operated Equipment	396	33	(12)	-	21
59	Communication Equipment	397	19	(7)	-	12
60	Miscellaneous Equipment	398	54	4	-	58
61	TOTAL GENERAL		1,982	(103)	-	1,879
62	TOTAL DEPRECIATION		\$ 16,214	\$ (691)	\$ -	\$ 15,523
63	CHARGED TO CLEARING ACCOUNTS		\$ (384)			\$ (463)
64	NET SALVAGE AMORTIZATION		\$ 1,588			\$ 1,852

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-31  
Witness: N. M. McKinney  
Page 1 of 1

**Adjustment - Taxes Other Than Income Taxes**

Line #	Description	[ 1 ] Factor or Reference	[ 2 ] Account Number	[ 3 ] Recorded Amounts 9/30/16	[ 4 ] Pro Forma Adjustments	[ 5 ] Pro Forma Tax Expense 9/30/16
1	PURTA Taxes		408.1	\$ 121	\$ -	\$ 121
2	Capital Stock			133	-	\$ 133
3	PA & Local Use taxes			158		\$ 158
4	Social Security	D-32	408.3	934	10	\$ 944
5	FUTA	D-32	408.2	3	-	\$ 3
6	SUTA	D-32	408.4	12	-	\$ 12
7	PUC Assessment		408.1	1,008		\$ 1,008
8	Other - Miscellaneous			2		\$ 2
9	Total			<u>\$ 2,371</u>	<u>\$ 10</u>	<u>\$ 2,381</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-32  
Witness: M. Mattern  
Page 1 of 1

**Adjustment - Payroll Taxes**

Line #	Description	[ 1 ] Account Number	[ 2 ] Historic Year 9/30/16 Present Rates	[ 3 ] Pro Forma Adjustments	[ 4 ] Increase in Payroll Taxes
1	Total Payroll Charged to Expense		\$ 22,668	\$ 253	
2	FICA Expense		934		
3	FICA Expense - Percent	L 2 / L 1	4.12%	4.12%	
4	Pro Forma FICA Expense on Pro Forma S&W	[ 4 ] L 1 * L 3			\$ 10
5	FUTA Expense		3		
6	FUTA Expense - Percent	L 5 / L 1	0.01%	0.01%	
7	Pro Forma FUTA Expense on Pro Forma S&W	[ 4 ] L 1 * L 6			-
8	SUTA Expense		12		
9	SUTA Expense - Percent	L 8 / L 1	0.05%	0.05%	
10	Pro Forma SUTA Expense on Pro Forma S&W	[ 4 ] L 1 * L 9			-
11	Pro Forma Adjustment	Sum L 4 to L 10			\$ 10

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**(\$ in Thousands)**

Schedule D-33  
Witness: N. M. McKinney  
Page 1 of 1

Line #	Description	[ 1 ] Factor Or Reference	[ 2 ] Element Or Amount	[ 3 ] Pro Forma Historic Year At Present Rates	[ 4 ] Revenue Increase	[ 5 ] Pro Forma Historic Year At Proposed Rates [ 3 ] + [ 4 ]
1	Revenue			\$ 183,587	\$ 21,725	\$ 205,312
2	Operating Expenses			(155,582)	(275)	(155,856)
3	OIBIT	L 1 + L 2		28,006	21,450	49,456
<b>Interest Expense</b>						
4	Rate Base	Sch A-1	424,727			
5	Weighted Cost of Debt	Sch B-7	0.02020			
6	Synchronized Interest Expense	L 4 * L 5		(8,579)	-	(8,579)
7	Base Taxable Income	L 3 + L 6		19,427	21,450	40,877
8	Total Tax Depreciation	Pg 2	\$ 30,974			
9	Pro Forma Book Depreciation	Pg 2	17,235			
10	State Tax Depreciation (Over) Under Book	L 9 - L 8		(13,739)		(13,739)
11	Other				-	-
12	State Taxable Income	Sum L 7 to L 11		\$ 5,688	\$ 21,450	\$ 27,138
13	State Income Tax (Expense)/Refund	L 12 * Rate [ 2 ]	9.99%	\$ (568)	\$ (2,143)	\$ (2,711)
14	Total Tax Depreciation	Pg 2	\$ 49,306			
15	Pro Forma Book Depreciation	Pg 2	17,235			
16	Federal Tax Deducts (Over) Under Book	L 14 - L 13		(32,071)	-	(32,071)
17	Other				-	-
18	Federal Taxable Income	L 7 + sum L 13 to L 17		(13,212)	19,308	6,095
19	Federal Income Tax (Expense)/Refund	-L 18 * Rate [ 2 ]	35.00%	4,624	(6,758)	(2,133)
20	Total Tax Expense before Deferred Income Tax	L 13 + L 19		4,056	(8,901)	(4,844)
<b>Deferred Federal Income Taxes</b>						
21	Total Straight Line Tax Depreciation	Pg 2	\$ 15,523			
22	Total Tax Depreciation	Pg 2	47,031			
23	Federal Tax Deducts (Over) Under Book	L 22 - L 21		31,508	-	31,508
24	Deferred Federal Taxable Income	L 23		\$ 31,508	\$ -	\$ 31,508
25	Federal Income Tax (Expense)/Refund	-L 24 * Rate [ 2 ]	35.00%	(11,028)	-	(11,028)
<b>Deferred State Income Taxes</b>						
26	Repairs			(757)		(757)
27	CIAC			624		624
28	State Deferred Income Tax (Expense)/Refund			(133)	-	(133)
29	Net Income Tax Expense	L20 + L 25		(7,106)	(8,901)	(16,006)
<b>Other Tax Adjustments</b>						
30	ITC			-		-
31	Combined Income Tax Expense	L13 + sum L 26 to L 27		\$ (7,106)	\$ (8,901)	\$ (16,006)
32	Federal Income Tax Expense	L 19 + L 25 + L 27				\$ (13,161)
33	State Income Tax Expense	L 13				(2,845)
34	Total Income Tax Expense	L 29 + L 30				\$ (16,006)

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-34  
Witness: N. M. McKinney  
Page 1 of 1

**Tax Depreciation**

Line #	Description	[ 1 ] Amount	[ 2 ] Amount	[ 3 ] Total
<b><u>Accelerated Tax Depreciation</u></b>				
1	Gas Plant		\$ 44,083	
2	Cost of Removal		2,275	
3	Repairs Tax Deduction		14,892	
4	Other Tax Basis Adjustments		(11,944)	
5	Total Federal Accelerated Tax Depreciation			<u>\$ 49,306</u>
6	Adjustment for PA Tax Depreciation - Bonus Decoupling		(18,332)	
7	Total State Accelerated Tax Depreciation			<u>\$30,974</u>
<b><u>Straight Line Tax Depreciation</u></b>				
8	Gas Plant		<u>\$ 15,523</u>	
9	Total Straight Line Tax Depreciation			<u>\$ 15,523</u>
<b><u>Book Depreciation</u></b>				
10	Pro Forma Book Depreciation		\$ 15,523	
11	Net Salvage Amortization		1,852	
12	Depreciation Charged to Clearing Accounts	(463)		
13	Estimated Percent of Clearing Charged to CWIP	<u>30%</u>		
14	Depreciation Charged to CWIP		<u>(140)</u>	
15	Book Depreciation for Tax Calculation			<u>\$ 17,235</u>

**UGI Penn Natural Gas, Inc**  
**Before the Pennsylvania Public Utility Commission**  
**Historic Period - 12 Months Ended September 30, 2016**  
**( \$ in Thousands )**

Schedule D-35  
Witness: M. Mattern  
Page 1 of 1

**Gross Revenue Conversion Factor**

Line #	Description	[ 1 ] Reference Or Factor	[ 2 ] Tax Rate	[ 3 ] Factor
<b><u>GROSS REVENUE CONVERSION FACTOR</u></b>				
1	GROSS REVENUE FACTOR			1.000000
2	UNCOLLECTIBLE EXPENSES			<u>(0.012640)</u>
3	NET REVENUES	Sum L 1 to L 3		0.987360
4	STATE INCOME TAXES	[ 3 ] L 4 * Rate [ 2 ]	9.99%	<u>(0.098637)</u>
5	FACTOR AFTER STATE TAXES	L 4 + L 5		0.888723
6	FEDERAL INCOME TAXES	[ 3 ] L 6 * Rate [ 2 ]	35.00%	<u>(0.311053)</u>
7	NET OPERATING INCOME FACTOR	L 6 + L 7		<u>0.577670</u>
8	GROSS REVENUE CONVERSION FACTOR	1 / L 8		<u>1.731092</u>
9	Combined Income Tax Factor On Gross Revenues	-L 5 - L 7		<u>40.969%</u>
<b><u>INCOME TAX FACTOR</u></b>				
10	GROSS REVENUE FACTOR			1.000000
11	STATE INCOME TAXES	[ 3 ] L 11 * Rate [ 2 ]	9.99%	<u>(0.099900)</u>
12	FACTOR AFTER STATE TAXES	L 11 + L 12		0.900100
13	FEDERAL INCOME TAXES	[ 3 ] L 13 * Rate [ 2 ]	35.00%	<u>(0.315035)</u>
14	NET OPERATING INCOME FACTOR	L 13 + L 14		0.585065
15	GROSS REVENUE CONVERSION FACTOR	1 / L 15		<u>1.709212</u>
16	Combined Income Tax Factor On Taxable Income	-L 12 - L 14		<u>41.494%</u>

**UGI PNG EXHIBIT B – RATE OF RETURN**

**UGI PENN NATURAL GAS, INC.**

Exhibit to Accompany the

Direct Testimony

of

Paul R. Moul, Managing Consultant  
P. Moul & Associates, Inc.

Concerning

Fair Rate of Return

UGI Penn Natural Gas, Inc.  
Index of Schedules

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**UGI Penn Natural, Inc.**  
Proposed Rate of Return  
Estimated at September 30, 2018

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	41.68%	5.00%	2.08%
Short-Term Debt	2.51%	2.98%	0.07%
Total Debt	<u>44.18%</u>		<u>2.15%</u>
Common Equity	<u>55.82%</u>	11.20%	<u>6.25%</u>
Total	<u>100.00%</u>		<u>8.40%</u>

Indicated levels of fixed charge coverage assuming that the Company could actually achieve its proposed rate of return:

Pre-tax coverage of interest expense based upon a 41.4935% composite federal and state income tax rate ( 12.83% ÷ 2.15% )	5.97 x
Post-tax coverage of interest expense ( 8.40% ÷ 2.15% )	3.91 x

**UGI Penn Natural, Inc.**

Cost of Equity  
as of October 31, 2016

**Market Models (DCF, RP & CAPM)**

<b>Discounted Cash Flow (DCF)</b>	$D_1/P_0$	<sup>(1)</sup>	+	$g$	<sup>(2)</sup>	+	$lev.$	<sup>(3)</sup>	=	$k$			
Gas Group	2.86%		+	6.25%		+	0.92%		=	10.03%			
<b>Risk Premium (RP)</b>				$I$	<sup>(4)</sup>	+	$RP$	<sup>(5)</sup>	=	$k$			
Gas Group				5.00%		+	6.50%		=	11.50%			
<b>Capital Asset Pricing Model (CAPM)</b>	$Rf$	<sup>(6)</sup>	+	$\beta$	<sup>(7)</sup>	x (	$Rm-Rf$	<sup>(8)</sup>	)+	$size$	<sup>(9)</sup>	=	$k$
Gas Group	3.75%		+	0.85		x (	7.55%		)+	1.00%		=	11.17%

**Book Value Method**

<b>Comparable Earnings (CE)</b>	<sup>(10)</sup>			<b>Historical</b>	<b>Forecast</b>	<b>Average</b>
Comparable Earnings Group				11.3%	11.1%	11.20%

- References:
- (1) Schedule 07
  - (2) Schedule 09
  - (3) Schedule 10
  - (4) A-rated public utility bond yield comprised of a 3.75% risk-free rate of return and a yield spread of 1.25% (Schedule 11 page 3)
  - (5) Schedule 12
  - (6) Schedule 13 page 2
  - (7) Schedule 10
  - (8) Schedule 13 page 2
  - (9) Schedule 13 page 3
  - (10) Schedule 14 pages 2

UGI Utilities, Inc.  
Capitalization and Financial Statistics  
2011-2015, Inclusive

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	
			(Millions of Dollars)			
Amount of Capital Employed						
Permanent Capital	\$ 1,526.3	\$ 1,490.0	\$ 1,459.8	\$ 1,367.5	\$ 1,380.7	
Short-Term Debt	<u>\$ 71.7</u>	<u>\$ 86.3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Total Capital	<u>\$ 1,598.0</u>	<u>\$ 1,576.3</u>	<u>\$ 1,459.8</u>	<u>\$ 1,367.5</u>	<u>\$ 1,380.7</u>	
Capital Structure Ratios						<u>Average</u>
Based on Permanent Capital:						
Long-Term Debt	40.8%	43.1%	45.2%	44.5%	46.4%	44.0%
Common Equity <sup>(1)</sup>	<u>59.2%</u>	<u>56.9%</u>	<u>54.8%</u>	<u>55.5%</u>	<u>53.6%</u>	<u>56.0%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	43.4%	46.2%	45.2%	44.5%	46.4%	45.1%
Common Equity <sup>(1)</sup>	<u>56.6%</u>	<u>53.8%</u>	<u>54.8%</u>	<u>55.5%</u>	<u>53.6%</u>	<u>54.9%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity <sup>(1)</sup>	13.8%	15.1%	13.1%	11.7%	14.2%	13.6%
Operating Ratio <sup>(2)</sup>	77.6%	77.7%	78.2%	79.6%	82.4%	79.1%
Coverage incl. AFUDC <sup>(3)</sup>						
Pre-tax: All Interest Charges	5.88 x	6.40 x	5.35 x	4.37 x	4.95 x	5.39 x
Post-tax: All Interest Charges	3.94 x	4.23 x	3.60 x	3.07 x	3.46 x	3.66 x
Coverage excl. AFUDC <sup>(3)</sup>						
Pre-tax: All Interest Charges	5.87 x	6.40 x	5.34 x	4.37 x	4.95 x	5.39 x
Post-tax: All Interest Charges	3.93 x	4.22 x	3.59 x	3.07 x	3.46 x	3.65 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	0.3%	0.2%	0.3%	0.0%	0.1%	0.2%
Effective Income Tax Rate	39.6%	40.3%	40.3%	38.5%	37.6%	39.3%
Internal Cash Generation/Construction <sup>(4)</sup>	80.6%	89.7%	91.1%	100.5%	108.6%	94.1%
Gross Cash Flow/ Avg. Total Debt <sup>(5)</sup>	32.3%	32.4%	31.0%	29.7%	31.9%	31.5%
Gross Cash Flow Interest Coverage <sup>(6)</sup>	6.51 x	6.74 x	6.26 x	5.07 x	5.76 x	6.07 x
Common Dividend Coverage <sup>(7)</sup>	3.50 x	2.90 x	3.33 x	2.62 x	2.08 x	2.89 x

See Page 2 for Notes.

UGI Utilities, Inc.  
Capitalization and Financial Statistics  
2011-2015, Inclusive

Notes:

- (1) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account..
- (2) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less AFUDC) as a percentage of average total debt.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Common dividend coverage is the relationship of internally generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Utility COMPUSTAT

Gas Group  
Capitalization and Financial Statistics <sup>(1)</sup>  
2011-2015, Inclusive

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 2,581.5	\$ 2,452.5	\$ 2,082.4	\$ 1,811.1	\$ 1,747.1	
Short-Term Debt	\$ 260.9	\$ 226.5	\$ 228.6	\$ 216.1	\$ 118.6	
Total Capital	<u>\$ 2,842.4</u>	<u>\$ 2,679.0</u>	<u>\$ 2,311.0</u>	<u>\$ 2,027.2</u>	<u>\$ 1,865.7</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	19 x	19 x	19 x	17 x	16 x	18 x
Market/Book Ratio	198.4%	192.3%	178.9%	177.4%	179.3%	185.3%
Dividend Yield	3.1%	3.2%	3.5%	3.6%	3.6%	3.4%
Dividend Payout Ratio	60.2%	63.6%	68.8%	59.7%	57.6%	62.0%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	44.3%	44.9%	42.7%	40.7%	41.2%	42.8%
Preferred Stock	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Common Equity <sup>(2)</sup>	55.5%	54.9%	57.1%	59.1%	58.6%	57.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	51.0%	51.2%	50.1%	47.4%	45.9%	49.1%
Preferred Stock	0.2%	0.1%	0.1%	0.2%	0.2%	0.2%
Common Equity <sup>(2)</sup>	48.8%	48.7%	49.8%	52.4%	53.9%	50.7%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity <sup>(2)</sup>	10.6%	10.1%	9.5%	10.5%	10.9%	10.3%
Operating Ratio <sup>(3)</sup>	86.0%	87.9%	88.5%	87.2%	88.8%	87.7%
Coverage incl. AFUDC <sup>(4)</sup>						
Pre-tax: All Interest Charges	5.25 x	5.03 x	4.70 x	4.97 x	5.01 x	4.99 x
Post-tax: All Interest Charges	3.90 x	3.75 x	3.62 x	3.79 x	3.67 x	3.75 x
Overall Coverage: All Int. & Pfd. Div.	3.89 x	3.74 x	3.61 x	3.77 x	3.65 x	3.73 x
Coverage excl. AFUDC <sup>(4)</sup>						
Pre-tax: All Interest Charges	5.19 x	4.99 x	4.64 x	4.92 x	4.97 x	4.94 x
Post-tax: All Interest Charges	3.85 x	3.72 x	3.55 x	3.74 x	3.64 x	3.70 x
Overall Coverage: All Int. & Pfd. Div.	3.84 x	3.70 x	3.54 x	3.72 x	3.62 x	3.68 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	1.5%	1.2%	2.2%	1.6%	1.0%	1.5%
Effective Income Tax Rate	31.3%	31.3%	26.5%	30.1%	34.2%	30.7%
Internal Cash Generation/Construction <sup>(5)</sup>	71.8%	86.2%	66.4%	72.7%	99.5%	79.3%
Gross Cash Flow/ Avg. Total Debt <sup>(6)</sup>	25.6%	26.9%	24.6%	28.8%	30.1%	27.2%
Gross Cash Flow Interest Coverage <sup>(7)</sup>	7.72 x	7.97 x	7.07 x	7.02 x	6.92 x	7.34 x
Common Dividend Coverage <sup>(8)</sup>	4.56 x	4.78 x	4.17 x	4.33 x	4.52 x	4.47 x

See Page 2 for Notes.

Gas Group  
Capitalization and Financial Statistics  
2011-2015, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Gross Cash Flow plus interest charges divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection:

The Gas Group includes companies that are contained in The Value Line Investment Survey within the industry group "Natural Gas Utility," they are not currently the target of a publicly-announced merger or acquisition, and after eliminating NiSource due to its electric and natural gas pipeline/storage operations and UGI Corp. due to its highly diversified businesses.

Ticker	Company	Corporate Credit Ratings		Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
ATO	Atmos Energy Corp.	A2	A	NYSE	A-	0.75
CPK	Chesapeake Utilities Corp.				A	0.60
NJR	New Jersey Resources Corp.	Aa2	A	NYSE	B+	0.80
NWN	Northwest Natural Gas Co.	A3	A+	NYSE	B+	0.65
SJI	South Jersey Industries, Inc.	A2	BBB+	NYSE	A-	0.80
SWX	Southwest Gas Corporation	A3	BBB+	NYSE	A-	0.75
SR	Spire Inc.	A3	A-	NYSE	B+	0.70
WGL	WGL Holdings, Inc.	A1	A+	NYSE	B+	0.75
	Average	<u>A2</u>	<u>A</u>		<u>B+</u>	<u>0.73</u>

Note: Ratings are those of utility subsidiaries

Source of Information: Standard & Poor's Utility COMPUSTAT  
Moody's Investors Service  
Standard & Poor's Corporation

Standard & Poor's Public Utilities  
Capitalization and Financial Statistics <sup>(1)</sup>  
2011-2015, Inclusive

	2015	2014	2013	2012	2011	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 28,468.3	\$ 27,468.3	\$ 25,958.6	\$ 25,040.3	\$ 21,705.6	
Short-Term Debt	\$ 930.9	\$ 963.9	\$ 764.3	\$ 659.0	\$ 530.9	
Total Capital	<u>\$ 29,399.2</u>	<u>\$ 28,432.2</u>	<u>\$ 26,722.9</u>	<u>\$ 25,699.3</u>	<u>\$ 22,236.5</u>	
Market-Based Financial Ratios						<u>Average</u>
Price-Earnings Multiple	20 x	20 x	19 x	16 x	14 x	18 x
Market/Book Ratio	179.3%	179.1%	164.4%	155.6%	147.3%	165.1%
Dividend Yield	3.7%	3.6%	3.9%	4.1%	4.3%	3.9%
Dividend Payout Ratio	70.0%	73.2%	73.3%	64.2%	60.2%	68.2%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	54.9%	53.3%	53.3%	53.7%	53.7%	53.8%
Preferred Stock	1.5%	1.3%	1.1%	1.0%	0.9%	1.2%
Common Equity <sup>(2)</sup>	43.6%	45.4%	45.7%	45.3%	45.4%	45.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	56.3%	55.0%	54.7%	54.9%	54.9%	55.1%
Preferred Stock	1.5%	1.3%	1.0%	1.0%	0.9%	1.1%
Common Equity <sup>(2)</sup>	42.2%	43.7%	44.3%	44.2%	44.3%	43.7%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity <sup>(2)</sup>	9.2%	9.6%	9.0%	9.3%	10.5%	9.5%
Operating Ratio <sup>(3)</sup>	78.9%	81.2%	80.7%	80.7%	81.2%	80.5%
Coverage incl. AFUDC <sup>(4)</sup>						
Pre-tax: All Interest Charges	3.41 x	3.56 x	3.22 x	2.90 x	3.29 x	3.28 x
Post-tax: All Interest Charges	2.65 x	2.71 x	2.48 x	2.35 x	2.59 x	2.56 x
Overall Coverage: All Int. & Pfd. Div.	2.62 x	2.67 x	2.45 x	2.31 x	2.56 x	2.52 x
Coverage excl. AFUDC <sup>(4)</sup>						
Pre-tax: All Interest Charges	3.31 x	3.46 x	3.13 x	2.80 x	3.19 x	3.18 x
Post-tax: All Interest Charges	2.55 x	2.62 x	2.39 x	2.25 x	2.48 x	2.46 x
Overall Coverage: All Int. & Pfd. Div.	2.52 x	2.58 x	2.36 x	2.21 x	2.46 x	2.43 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	6.0%	7.1%	6.4%	7.0%	6.0%	6.5%
Effective Income Tax Rate	31.5%	28.6%	33.2%	30.7%	32.4%	31.3%
Internal Cash Generation/Construction <sup>(5)</sup>	70.6%	88.7%	83.2%	76.5%	86.1%	81.0%
Gross Cash Flow/ Avg. Total Debt <sup>(6)</sup>	20.0%	22.8%	22.4%	21.8%	22.6%	21.9%
Gross Cash Flow Interest Coverage <sup>(7)</sup>	5.39 x	5.66 x	5.46 x	5.44 x	5.02 x	5.39 x
Common Dividend Coverage <sup>(8)</sup>	4.23 x	4.80 x	4.41 x	4.31 x	4.52 x	4.45 x

See Page 2 for Notes.

Standard & Poor's Public Utilities  
Capitalization and Financial Statistics  
2011-2015, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) as a percentage of average total debt.
- (7) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Standard & Poor's Utility COMPUSTAT  
Annual Reports to Shareholders

**Standard & Poor's Public Utilities**

Company Identities

	Ticker	Credit Rating <sup>(1)</sup>		Common Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
AGL Resources Inc.	GAS	A2	BBB+	NYSE	A	0.60
Ameren Corporation	AEE	Baa1	BBB+	NYSE	B	0.75
American Electric Power	AEP	Baa1	BBB	NYSE	B	0.70
CMS Energy	CMS	A3	BBB	NYSE	B	0.75
CenterPoint Energy	CNP	A3	A-	NYSE	B	0.85
Consolidated Edison	ED	A2	A-	NYSE	B+	0.60
DTE Energy Co.	DTE	A2	BBB+	NYSE	B+	0.75
Dominion Resources	D	A2	A-	NYSE	B+	0.70
Duke Energy	DUK	A1	BBB+	NYSE	B	0.65
Edison Int'l	EIX	A2	BBB+	NYSE	B	0.70
Entergy Corp.	ETR	Baa1	BBB	NYSE	A	0.70
EQT Corp.	EQT	Baa3	BBB	NYSE	B+	1.20
Exelon Corp.	EXC	A2	BBB	NYSE	B+	0.70
Eversource	NU	Baa1	A-	NYSE	B	0.75
FirstEnergy Corp.	FE	Baa2	BBB-	NYSE	B+	0.70
NextEra Energy Inc.	NEE	A1	A-	NYSE	A	0.75
NiSource Inc.	NI	Baa1	BBB-	NYSE	B	NMF
NRG Energy Inc.	NRG	Ba3	BB-	NYSE	B	1.00
ONEOK, Inc.	OKE	Baa3	BB+	NYSE	A-	0.85
PG&E Corp.	PCG	A3	BBB	NYSE	B	0.65
PPL Corp.	PPL	Baa1	BBB	NYSE	B+	0.70
Pinnacle West Capital	PNW	A3	A-	NYSE	B	0.75
Public Serv. Enterprise Inc.	PEG	A2	BBB+	NYSE	B+	0.75
SCANA Corp.	SCG	Baa2	BBB+	NYSE	A-	0.75
Sempra Energy	SRE	A1	A	NYSE	B+	0.80
Southern Co.	SO	A3	A	NYSE	A-	0.60
TECO Energy	TE	A2	BBB+	NYSE	B	0.85
Wisconsin Energy Corp.	WEC	A1	A-	NYSE	A	0.70
Xcel Energy Inc	XEL	A2	A-	NYSE	B+	0.65
Average for S&P Utilities		<u>A3</u>	<u>BBB+</u>		<u>B+</u>	<u>0.75</u>

Note: <sup>(1)</sup> Ratings are those of utility subsidiaries

Source of Information: Moody's Investors Service  
Standard & Poor's Corporation  
Standard & Poor's Stock Guide  
Value Line Investment Survey for Windows

**UGI Utilities, Inc.**  
Capitalization and Related Capital Structure Ratios  
Actual at September 30, 2016 and Estimated at September 30, 2017 and September 30, 2018

	<u>Actual at September 30, 2016</u>			<u>Estimated at September 30, 2017</u>			<u>Estimated at September 30, 2018</u>		
	<u>Amount Outstanding</u>	<u>Capital Structure Ratios</u>		<u>Amount Outstanding</u>	<u>Capital Structure Ratios</u>		<u>Amount Outstanding</u>	<u>Capital Structure Ratios</u>	
		<u>Incl. S-T Debt</u>	<u>Excl. S-T Debt</u>		<u>Incl. S-T Debt</u>	<u>Excl. S-T Debt</u>		<u>Incl. S-T Debt</u>	<u>Excl. S-T Debt</u>
Long-Term Debt <sup>(1)</sup>	\$ 675,000	39.32%	41.38%	\$ 755,000 <sup>(2)</sup>	41.47%	42.53%	\$ 815,000 <sup>(2)</sup>	41.68%	42.75%
Common Equity									
Common Stock	60,259			60,259			60,259		
Other Paid-In Capital	473,580			473,580			473,580		
Retained Earnings <sup>(3)</sup>	422,516			486,331 <sup>(4)</sup>			557,725 <sup>(4)</sup>		
Total Common Equity	956,355	55.71%	58.62%	1,020,170	56.03%	57.47%	1,091,564	55.82%	57.25%
Total Permanent Capital	1,631,355	95.03%	100.00%	1,775,170	97.50%	100.00%	1,906,564	97.49%	100.00%
Avg. Net Short-Term Debt <sup>(4)</sup>	85,169	4.96%		45,602	2.51%		49,049	2.51%	
Total Capital Employed	\$ 1,716,524	99.99%		\$ 1,820,772	100.00%		\$ 1,955,613	100.00%	

Notes:

<sup>(1)</sup> Includes current portion of long-term debt.

<sup>(2)</sup> Reflects change in long-term debt consisting of:

Maturities	\$ (20,000)	\$ (40,000)
New issues	\$ 100,000	\$ 100,000

<sup>(3)</sup> Excludes Accumulated Other Comprehensive Income of \$28.521 million in the HTY and \$8.189 million in the FTY and FFTY.

<sup>(4)</sup> Reflects change in retained earnings consisting of:

Net income	\$ 123,815	\$ 131,394
Common Dividends	\$ (60,000)	\$ (60,000)

<sup>(4)</sup> Average Short-Term Debt

Balance	\$ 155,542	\$ 119,366	\$ 122,813
Less: CWIP	(70,373)	(73,764)	(73,764)
Net	<u>\$ 85,169</u>	<u>\$ 45,602</u>	<u>\$ 49,049</u>

Source of Information: Company provided data

**UGI Utilities, Inc.**  
Calculation of the Embedded Cost of Long-Term Debt  
Actual at September 30, 2016

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> <sup>(1)</sup>
<u>Medium Term Notes</u>					
6.169%	06/15/17	\$ 20,000	2.96%	6.29%	0.19%
7.250%	11/01/17	20,000	2.96%	7.32%	0.22%
5.670%	01/15/18	20,000	2.96%	5.75%	0.17%
6.500%	08/15/33	20,000	2.96%	6.56%	0.19%
6.133%	10/15/34	20,000	2.96%	6.19%	0.18%
<u>Senior Notes</u>					
6.206%	09/30/36	100,000	14.82%	6.32%	0.94%
4.980%	03/26/44	175,000	25.93%	5.00%	1.30%
2.950%	06/30/26	100,000	14.82%	3.92%	0.58%
4.120%	09/30/46	200,000	29.63%	5.00%	1.48%
Total Long-Term Debt		<u>\$675,000</u>	<u>100.00%</u>		<u>5.25%</u>

Notes: <sup>(1)</sup> As calculated on page 4 of this schedule.

Source of Information: Company provided data

**UGI Utilities, Inc.**  
Calculation of the Embedded Cost of Long-Term Debt  
Actual at September 30, 2017

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> <sup>(1)</sup>
<u>Medium Term Notes</u>					
7.250%	11/01/17	\$ 20,000	2.65%	7.32%	0.19%
5.670%	01/15/18	20,000	2.65%	5.75%	0.15%
6.500%	08/15/33	20,000	2.65%	6.56%	0.17%
6.133%	10/15/34	20,000	2.65%	6.19%	0.16%
<u>Senior Notes</u>					
6.206%	09/30/36	100,000	13.25%	6.32%	0.84%
4.980%	03/26/44	175,000	23.18%	5.00%	1.16%
2.950%	06/30/26	100,000	13.25%	3.92%	0.52%
4.120%	09/30/46	200,000	26.49%	5.00%	1.32%
4.120%	10/31/46	100,000	13.25%	4.28%	0.57%
<b>Total Long-Term Debt</b>		<b><u>\$ 755,000</u></b>	<b><u>100.00%</u></b>		<b><u>5.08%</u></b>

Notes: <sup>(1)</sup> As calculated on page 4 of this schedule.

Source of Information: Company provided data

**UGI Utilities, Inc.**  
Calculation of the Embedded Cost of Long-Term Debt  
Actual at September 30, 2018

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> <sup>(1)</sup>
<u>Medium Term Notes</u>					
6.500%	08/15/33	\$ 20,000	2.45%	6.56%	0.16%
6.133%	10/15/34	20,000	2.45%	6.19%	0.15%
<u>Senior Notes</u>					
6.206%	09/30/36	100,000	12.27%	6.32%	0.78%
4.980%	03/26/44	175,000	21.47%	5.00%	1.07%
2.950%	06/30/26	100,000	12.27%	3.92%	0.48%
4.120%	09/30/46	200,000	24.54%	5.00%	1.23%
4.120%	10/31/46	100,000	12.27%	4.28%	0.53%
4.870%	10/31/47	<u>100,000</u>	<u>12.27%</u>	4.90%	<u>0.60%</u>
<b>Total Long-Term Debt</b>		<u><b>\$815,000</b></u>	<u><b>87.73%</b></u>		<u><b>5.00%</b></u>

Notes: <sup>(1)</sup> As calculated on page 4 of this schedule.

Source of Information: Company provided data

**UGI Utilities, Inc.**  
Calculation of the Effective Cost of Long-Term Debt by Series

<u>Series</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Average Term in Years</u> <sup>(1)</sup>	<u>Principal Amount Issued</u>	<u>Premium/Discount &amp; Expense</u> (\$000)	<u>Net Proceeds</u>	<u>Net Proceeds Ratio</u>	<u>Effective Cost Rate</u> <sup>(2)</sup>
<b><u>Medium Term Notes</u></b>								
6.169%	06/19/07	06/15/17	10	20,000	179	19,821	99.10%	6.29%
7.250%	10/28/97	11/01/17	20	20,000	150	19,850	99.25%	7.32%
5.670%	01/11/08	01/15/18	10	20,000	125	19,875	99.37%	5.75%
6.500%	08/14/03	08/15/33	30	20,000	150	19,850	99.25%	6.56%
6.133%	10/14/04	10/15/34	30	20,000	150	19,850	99.25%	6.19%
<b><u>Senior Notes</u></b>								
6.206%	11/14/06	09/30/36	30	100,000	1,485	98,515	98.52%	6.32%
4.980%	03/26/14	03/26/44	30	175,000	642	174,358	99.63%	5.00%
2.950%	06/30/16	06/30/26	10	100,000	7,949	92,051	92.05%	3.92%
4.120%	09/30/16	09/30/46	30	200,000	27,316	172,684	86.34%	5.00%
4.120%	10/31/16	10/31/46	30	100,000	2,710	97,290	97.29%	4.28%
4.870% <sup>(3)</sup>	10/31/17	10/31/47	30	100,000	500	99,500	99.50%	4.90%

Notes: <sup>(1)</sup> Determined by taking into account the effect of the annual sinking fund requirements which are met by the retirement of bonds which reduce the term of each issue.

<sup>(2)</sup> The effective cost for each issue is the yield to maturity using as inputs the average term of issue, coupon rate, and net proceeds ratio.

<sup>(3)</sup> Estimated.

Source of Information: Company provided data

**Monthly Dividend Yields for  
Natural Gas Group  
for the Twelve Months Ending October 2016**

<u>Company</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>12-Month Average</u>	<u>6-Month Average</u>	<u>3-Month Average</u>
Atmos Energy Corp (ATO)	2.70%	2.67%	2.44%	2.42%	2.27%	2.33%	2.31%	2.07%	2.11%	2.28%	2.26%	2.43%			
Chesapeake Utilities Corp (CPK)	2.17%	2.03%	1.83%	1.85%	1.83%	2.06%	2.12%	1.85%	1.91%	1.92%	2.00%	1.91%			
Spire Inc. (SR)	3.38%	3.31%	3.08%	3.01%	2.90%	3.08%	3.10%	2.77%	2.84%	3.05%	3.08%	3.36%			
New Jersey Resources Corporation (NJR)	3.22%	2.92%	2.74%	2.79%	2.64%	2.70%	2.75%	2.49%	2.75%	3.05%	3.11%	3.01%			
Northwest Natural Gas (NWN)	3.85%	3.72%	3.60%	3.76%	3.49%	3.63%	3.42%	2.90%	2.88%	3.14%	3.13%	3.20%			
South Jersey Industries Inc (SJI)	4.64%	4.50%	4.27%	4.19%	3.71%	3.80%	3.68%	3.34%	3.33%	3.58%	3.58%	3.70%			
Southwest Gas Corp (SWX)	2.89%	2.95%	2.77%	2.66%	2.47%	2.79%	2.60%	2.29%	2.33%	2.58%	2.59%	2.50%			
WGL Holdings Inc (WGL)	3.01%	2.96%	2.78%	2.72%	2.57%	2.88%	3.00%	2.77%	2.76%	3.12%	3.13%	3.10%			
<b>Average</b>	<b><u>3.23%</u></b>	<b><u>3.13%</u></b>	<b><u>2.94%</u></b>	<b><u>2.93%</u></b>	<b><u>2.74%</u></b>	<b><u>2.91%</u></b>	<b><u>2.87%</u></b>	<b><u>2.56%</u></b>	<b><u>2.61%</u></b>	<b><u>2.84%</u></b>	<b><u>2.86%</u></b>	<b><u>2.90%</u></b>	<b><u>2.88%</u></b>	<b><u>2.77%</u></b>	<b><u>2.87%</u></b>

Note: Monthly dividend yields are calculated by dividing the annualized quarterly dividend by the month-end closing stock price adjusted by the fraction of the ex-dividend.

Source of Information: <http://performance.morningstar.com/stock/performance-return>  
<http://www.snl.com/interactivex/dividends>

<b>Forward-looking Dividend Yield</b>	<b>1/2 Growth</b>	$D_0/P_0$	(.5g)	$D_1/P_0$	$K = \frac{D_0(1+g)^0 + D_0(1+g)^1 + D_0(1+g)^2 + D_0(1+g)^3}{P_0} + g$
		2.77%	1.031250	2.86%	
	<b>Discrete</b>	$D_0/P_0$	Adj.	$D_1/P_0$	$K = \frac{D_0(1+g)^{25} + D_0(1+g)^{50} + D_0(1+g)^{75} + D_0(1+g)^{100}}{P_0} + g$
		2.77%	1.038767	2.88%	
	<b>Quarterly</b>	$D_0/P_0$	Adj.	$D_1/P_0$	$K = \left[ \left( 1 + \frac{D_0(1+g)^{25}}{P_0} \right)^4 - 1 \right] + g$
	<b>Average</b>	0.6933%	1.015272	2.85%	
				2.86%	
	<b>Growth rate</b>			6.25%	
	<b>K</b>			9.11%	

**Historical Growth Rates**  
Earnings Per Share, Dividends Per Share,  
Book Value Per Share, and Cash Flow Per Share

<b>Gas Group</b>	<b>Earnings per Share</b>		<b>Dividends per Share</b>		<b>Book Value per Share</b>		<b>Cash Flow per Share</b>	
	Value Line		Value Line		Value Line		Value Line	
	5 Year	10 Year	5 Year	10 Year	5 Year	10 Year	5 Year	10 Year
Atmos Energy Corp.	7.00%	5.50%	2.50%	2.00%	5.00%	5.00%	4.50%	5.00%
Chesapeake Utilities	10.00%	8.00%	5.00%	3.50%	8.00%	9.00%	11.50%	7.00%
New Jersey Resources Corp.	6.50%	7.50%	7.00%	7.00%	6.50%	8.00%	7.50%	6.50%
Northwest Natural Gas	-5.00%	1.00%	3.00%	3.50%	2.50%	3.00%	-1.00%	2.00%
South Jersey Industries, Inc.	4.00%	7.00%	9.50%	9.00%	8.50%	8.00%	6.00%	7.50%
Southwest Gas Corporation	10.00%	8.50%	9.00%	6.00%	5.50%	5.50%	6.50%	5.00%
Spire, Inc.	-1.00%	3.00%	3.00%	2.50%	8.00%	7.50%	0.50%	4.00%
WGL Holdings, Inc.	2.50%	2.50%	3.50%	3.00%	2.50%	4.00%	2.50%	2.00%
Average	<u>4.25%</u>	<u>5.38%</u>	<u>5.31%</u>	<u>4.56%</u>	<u>5.81%</u>	<u>6.25%</u>	<u>4.75%</u>	<u>4.88%</u>

Source of Information: Value Line Investment Survey, September 2, 2016

**Analysts' Five-Year Projected Growth Rates**  
Earnings Per Share, Dividends Per Share,  
Book Value Per Share, and Cash Flow Per Share

<u>Gas Group</u>	<u>I/B/E/S First Call</u>	<u>Zacks</u>	<u>Morningstar</u>	<u>SNL</u>	<u>Value Line</u>				
					<u>Earnings Per Share</u>	<u>Dividends Per Share</u>	<u>Book Value Per Share</u>	<u>Cash Flow Per Share</u>	<u>Percent Retained to Common Equity</u>
Atmos Energy Corp.	7.30%	7.20%	6.70%	6.90%	6.50%	6.50%	3.50%	5.00%	5.50%
Chesapeake Utilities	3.00%	NA	-	NA	8.50%	6.00%	6.50%	7.00%	8.00%
New Jersey Resources Corp.	6.00%	6.50%	2.90%	6.00%	1.00%	3.00%	6.50%	1.50%	4.50%
Northwest Natural Gas	N/A	4.00%	-	4.00%	7.00%	2.00%	2.50%	4.00%	3.50%
South Jersey Industries, Inc.	6.00%	10.00%	10.00%	10.00%	3.00%	6.50%	8.00%	2.50%	1.50%
Southwest Gas Corporation	4.00%	4.50%	-	4.00%	7.00%	8.50%	3.00%	6.50%	6.00%
Spire, Inc.	4.70%	4.80%	-	4.70%	9.00%	3.50%	4.50%	9.50%	5.00%
WGL Holdings, Inc.	8.00%	7.30%	7.30%	7.20%	3.50%	2.50%	6.00%	3.50%	3.50%
Average	5.57%	6.33%	6.73%	6.11%	5.69%	4.81%	5.06%	4.94%	4.69%

Source of Information :  
 Yahoo First Call, November 15, 2016  
 Zacks, November 15, 2016  
 Morningstar, November 15, 2016  
 SNL, November 15, 2016  
 Value Line Investment Survey, September 2, 2016

**Gas Group**  
**Financial Risk Adjustment**

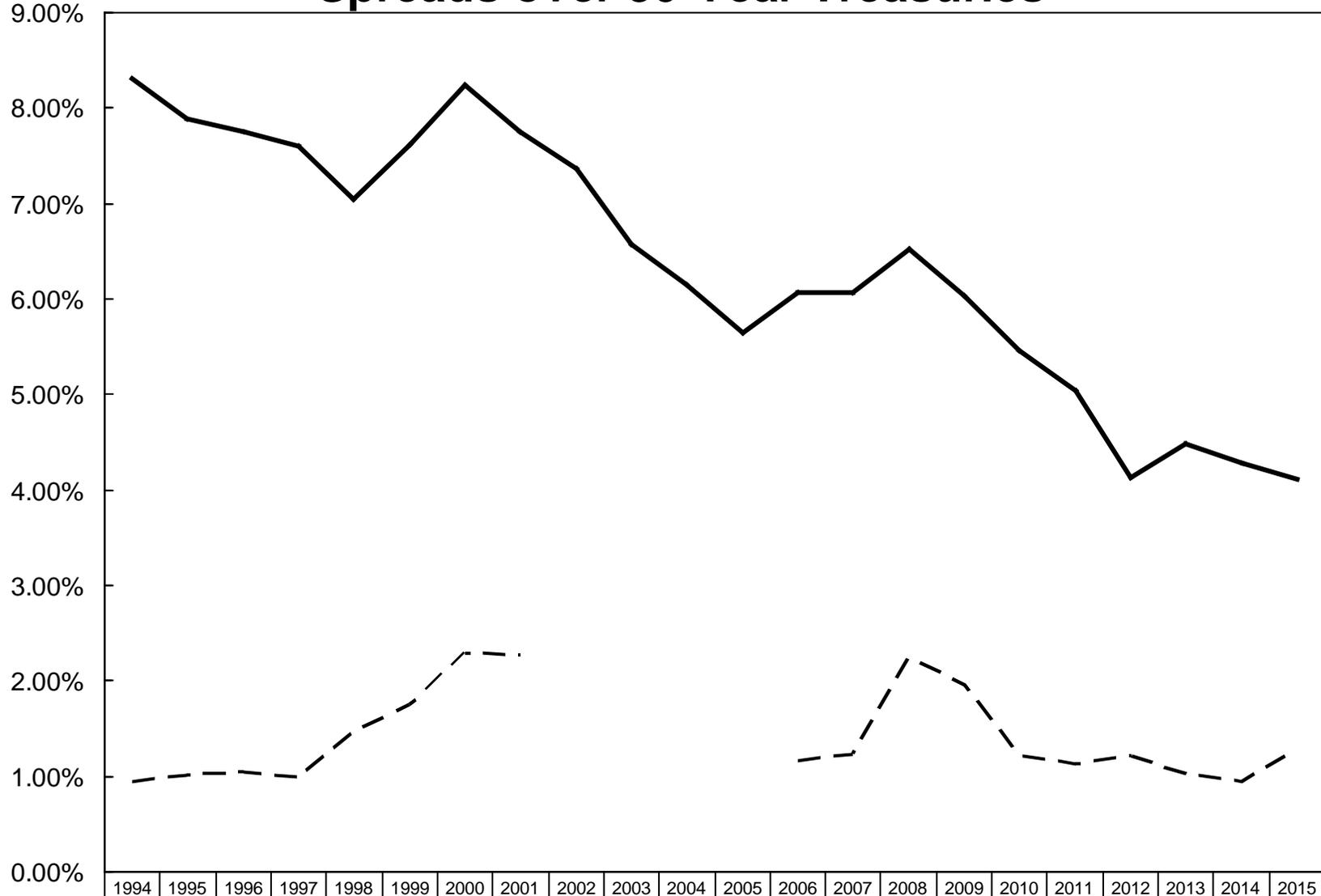
Fiscal Year	ATMOS Energy	Chesapeake	New Jersey	Northwest	South Jersey	Southwest Gas	Spire, Inc.	WGL Holdings	Average
	(NYSE:ATO)	(NYSE:CPK)	(NYSE:NJR)	(NYSE:NWN)	(NYSE:SJI)	(SWX)	(NYSE:_)	(NYSE:WGL)	
	09/30/15	12/31/15	09/30/15	12/31/15	12/31/15	12/31/15	09/30/15	09/30/15	
<b>Capitalization at Fair Values</b>									
Debt(D)	2,669,323	165,100	817,319	667,168	1,079,000	1,645,684	1,944,200	1,057,900	1,255,712
Preferred(P)	0	0	0	0	0	0	0	28,173	3,522
Equity(E)	5,904,038	866,610	2,484,279	1,388,080	1,669,111	2,613,347	2,363,058	2,867,852	2,519,547
Total	8,573,361	1,031,710	3,301,598	2,055,248	2,748,111	4,259,031	4,307,258	3,953,925	3,778,780
<b>Capital Structure Ratios</b>									
Debt(D)	31.14%	16.00%	24.76%	32.46%	39.26%	38.64%	45.14%	26.76%	31.77%
Preferred(P)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.71%	0.09%
Equity(E)	68.86%	84.00%	75.24%	67.54%	60.74%	61.36%	54.86%	72.53%	68.14%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Common Stock</b>									
Issued	101,478,818	15,270,659	85,531,423	27,427,000	70,965,622	47,377,575	43,335,012	49,728,662	
Treasury	0.000	0.000	2,804,847	0.000	0.000	0.000	0.000	0.000	
Outstanding	101,478,818	15,270,659	82,726,576	27,427,000	70,965,622	47,377,575	43,335,012	49,728,662	
Market Price	\$ 58.18	\$ 56.75	\$ 30.03	\$ 50.61	\$ 23.52	\$ 55.16	\$ 54.53	\$ 57.67	
<b>Capitalization at Carrying Amounts</b>									
Debt(D)	2,460,000	153,700	807,845	601,700	1,035,800	1,581,454	1,851,500	944,200	1,179,525
Preferred(P)	0	0	0	0	0	0	0	28,173	3,522
Equity(E)	3,194,797	358,138	1,106,956	780,972	1,037,539	1,594,408	1,573,600	1,243,247	1,361,207
Total	5,654,797	511,838	1,914,801	1,382,672	2,073,339	3,175,862	3,425,100	2,215,620	2,544,254
<b>Capital Structure Ratios</b>									
Debt(D)	43.50%	30.03%	42.19%	43.52%	49.96%	49.80%	54.06%	42.62%	44.46%
Preferred(P)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.27%	0.16%
Equity(E)	56.50%	69.97%	57.81%	56.48%	50.04%	50.20%	45.94%	56.11%	55.38%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Betas</b>									
Value Line	0.75	0.60	0.80	0.65	0.80	0.75	0.70	0.75	0.73
<b>Hamada</b>									
BI	=	Bu	[1+	(1 - t)	D/E	+	P/E	]	
0.73	=	Bu	[1+	(1-0.35)	0.4662	+	0.0013	]	
0.73	=	Bu	[1+	0.65	0.4662	+	0.0013	]	
0.73	=	Bu	1.3043						
0.56	=	Bu							
<b>Hamada</b>									
BI	=	0.56	[1+	(1 - t)	D/E	+	P/E	]	
BI	=	0.56	[1+	0.65	0.8028	+	0.0029	]	
BI	=	0.56	1.5247						
BI	=	0.85							
<b>M&amp;M</b>									
ku	=	ke	- (((	ku	-	i	)	1-t	)
7.86%	=	9.11%	- (((	7.86%	-	3.72%	)	0.65	)
7.86%	=	9.11%	- (((	4.14%	-		)	0.65	)
7.86%	=	9.11%	- ((	2.69%	-		)	0.4662	)
7.86%	=	9.11%	-	1.25%	-			0.4662	)
								-	0.00%
<b>M&amp;M</b>									
ke	=	ku	+ (((	ku	-	i	)	1-t	)
10.03%	=	7.86%	+ (((	7.86%	-	3.72%	)	0.65	)
10.03%	=	7.86%	+ (((	4.14%	-		)	0.65	)
10.03%	=	7.86%	+ ((	2.69%	-		)	0.8028	)
10.03%	=	7.86%	+	2.16%	-			0.8028	)
								+	0.01%
								+	0.16%
								+	55.38%
								+	7.86%
								+	2.18%
								+	2.18%
								+	0.0029
								+	0.0029
								+	0.0013
								+	0.0013

**Interest Rates for Investment Grade Public Utility Bonds  
Yearly for 2011-2015  
and the Twelve Months Ended October 2016**

<u>Years</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
2011	4.78%	5.04%	5.57%	5.13%
2012	3.83%	4.13%	4.86%	4.27%
2013	4.24%	4.48%	4.98%	4.57%
2014	4.19%	4.28%	4.80%	4.42%
2015	4.00%	4.12%	5.03%	4.38%
<b>Five-Year Average</b>	<u>4.21%</u>	<u>4.41%</u>	<u>5.05%</u>	<u>4.55%</u>
 <b><u>Months</u></b>				
Nov-15	4.22%	4.40%	5.57%	4.73%
Dec-15	4.16%	4.35%	5.55%	4.69%
Jan-16	4.09%	4.27%	5.49%	4.62%
Feb-16	3.94%	4.11%	5.28%	4.44%
Mar-16	3.93%	4.16%	5.12%	4.40%
Apr-16	3.74%	4.00%	4.75%	4.16%
May-16	3.65%	3.93%	4.60%	4.06%
Jun-16	3.56%	3.78%	4.47%	3.93%
Jul-16	3.36%	3.57%	4.16%	3.70%
Aug-16	3.39%	3.59%	4.20%	3.73%
Sep-16	3.47%	3.66%	4.27%	3.80%
Oct-16	3.59%	3.77%	4.34%	3.90%
<b>Twelve-Month Average</b>	<u>3.76%</u>	<u>3.97%</u>	<u>4.82%</u>	<u>4.18%</u>
<b>Six-Month Average</b>	<u>3.50%</u>	<u>3.72%</u>	<u>4.34%</u>	<u>3.85%</u>
<b>Three-Month Average</b>	<u>3.48%</u>	<u>3.67%</u>	<u>4.27%</u>	<u>3.81%</u>

Source: Mergent Bond Record

# Yields on A-rated Public Utility Bonds and Spreads over 30-Year Treasuries



— A-rated Public Utility	8.31%	7.89%	7.75%	7.60%	7.04%	7.62%	8.24%	7.76%	7.37%	6.58%	6.16%	5.65%	6.07%	6.07%	6.53%	6.04%	5.46%	5.04%	4.13%	4.48%	4.28%	4.12%
- - Spread vs. 30-year	0.94%	1.01%	1.04%	0.99%	1.46%	1.75%	2.30%	2.27%					1.16%	1.23%	2.25%	1.96%	1.21%	1.13%	1.21%	1.03%	0.94%	1.28%



**Common Equity Risk Premiums**  
**Years 1926-2015**

	<b><u>Large Common Stocks</u></b>	<b><u>Long- Term Corp. Bonds</u></b>	<b><u>Equity Risk Premium</u></b>	<b><u>Long- Term Govt. Bonds Yields</u></b>
Low Interest Rates	11.97%	4.85%	7.12%	2.97%
Average Across All Interest Rates	11.95%	6.30%	5.65%	5.09%
High Interest Rates	11.93%	7.75%	4.18%	7.22%

Source of Information: 2016 SBBI Yearbook Stocks, Bonds, Bills, and Inflation

Basic Series  
Annual Total Returns (except yields)

Year	Large Common Stocks	Long- Term Corp. Bonds	Long- Term Govt. Bonds Yields
1940	-9.78%	3.39%	1.94%
1945	36.44%	4.08%	1.99%
1941	-11.59%	2.73%	2.04%
1949	18.79%	3.31%	2.09%
1946	-8.07%	1.72%	2.12%
1950	31.71%	2.12%	2.24%
1939	-0.41%	3.97%	2.26%
1948	5.50%	4.14%	2.37%
1947	5.71%	-2.34%	2.43%
1942	20.34%	2.60%	2.46%
1944	19.75%	4.73%	2.46%
2012	16.00%	10.68%	2.46%
2014	13.69%	17.28%	2.46%
1943	25.90%	2.83%	2.48%
1938	31.12%	6.13%	2.52%
1936	33.92%	6.74%	2.55%
2011	2.11%	17.95%	2.55%
2015	1.38%	-1.02%	2.68%
1951	24.02%	-2.69%	2.69%
1954	52.62%	5.39%	2.72%
1937	-35.03%	2.75%	2.73%
1953	-0.99%	3.41%	2.74%
1935	47.67%	9.61%	2.76%
1952	18.37%	3.52%	2.79%
1934	-1.44%	13.84%	2.93%
1955	31.56%	0.48%	2.95%
2008	-37.00%	8.78%	3.03%
1932	-8.19%	10.82%	3.15%
1927	37.49%	7.44%	3.17%
1957	-10.78%	8.71%	3.23%
1930	-24.90%	7.98%	3.30%
1933	53.99%	10.38%	3.36%
1928	43.61%	2.84%	3.40%
1929	-8.42%	3.27%	3.40%
1956	6.56%	-6.81%	3.45%
1926	11.62%	7.37%	3.54%
2013	32.39%	-7.07%	3.78%
1960	0.47%	9.07%	3.80%
1958	43.36%	-2.22%	3.82%
1962	-8.73%	7.95%	3.95%
1931	-43.34%	-1.85%	4.07%
2010	15.06%	12.44%	4.14%
1961	26.89%	4.82%	4.15%
1963	22.80%	2.19%	4.17%
1964	16.48%	4.77%	4.23%
1959	11.96%	-0.97%	4.47%
1965	12.45%	-0.46%	4.50%
2007	5.49%	2.60%	4.50%
1966	-10.06%	0.20%	4.55%
2009	26.46%	3.02%	4.58%
2005	4.91%	5.87%	4.61%
2002	-22.10%	16.33%	4.84%
2004	10.88%	8.72%	4.84%
2006	15.79%	3.24%	4.91%
2003	28.68%	5.27%	5.11%
1998	28.58%	10.76%	5.42%
1967	23.98%	-4.95%	5.56%
2000	-9.10%	12.87%	5.58%
2001	-11.89%	10.65%	5.75%
1971	14.30%	11.01%	5.97%
1968	11.06%	2.57%	5.98%
1972	18.99%	7.26%	5.99%
1997	33.36%	12.95%	6.02%
1995	37.58%	27.20%	6.03%
1970	3.86%	18.37%	6.48%
1993	10.08%	13.19%	6.54%
1996	22.96%	1.40%	6.73%
1999	21.04%	-7.45%	6.82%
1969	-8.50%	-8.09%	6.87%
1976	23.93%	18.65%	7.21%
1973	-14.69%	1.14%	7.26%
1992	7.62%	9.39%	7.26%
1991	30.47%	19.89%	7.30%
1974	-26.47%	-3.06%	7.60%
1986	18.67%	19.85%	7.89%
1994	1.32%	-5.76%	7.99%
1977	-7.16%	1.71%	8.03%
1975	37.23%	14.64%	8.05%
1989	31.69%	16.23%	8.16%
1990	-3.10%	6.78%	8.44%
1978	6.57%	-0.07%	8.98%
1988	16.61%	10.70%	9.19%
1987	5.25%	-0.27%	9.20%
1985	31.73%	30.09%	9.56%
1979	18.61%	-4.18%	10.12%
1982	21.55%	42.56%	10.95%
1984	6.27%	16.86%	11.70%
1983	22.56%	6.26%	11.97%
1980	32.50%	-2.76%	11.99%
1981	-4.92%	-1.24%	13.34%

**Yields for Treasury Constant Maturities  
Yearly for 2011-2015  
and the Twelve Months Ended October 2016**

<u>Years</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>	<u>20-Year</u>	<u>30-Year</u>
2011	0.18%	0.45%	0.75%	1.52%	2.16%	2.78%	3.62%	3.91%
2012	0.17%	0.28%	0.38%	0.76%	1.22%	1.80%	2.54%	2.92%
2013	0.13%	0.31%	0.54%	1.17%	1.74%	2.35%	3.12%	3.45%
2014	0.12%	0.46%	0.90%	1.64%	2.14%	2.54%	3.07%	3.34%
2015	0.32%	0.69%	1.03%	1.53%	1.89%	2.14%	2.55%	2.84%
<b>Five-Year Average</b>	<u>0.18%</u>	<u>0.44%</u>	<u>0.72%</u>	<u>1.32%</u>	<u>1.83%</u>	<u>2.32%</u>	<u>2.98%</u>	<u>3.29%</u>
<b><u>Months</u></b>								
Nov-15	0.48%	0.88%	1.20%	1.67%	2.02%	2.26%	2.69%	3.03%
Dec-15	0.65%	0.98%	1.28%	1.70%	2.04%	2.24%	2.61%	2.97%
Jan-16	0.54%	0.90%	1.14%	1.52%	1.85%	2.09%	2.49%	2.86%
Feb-16	0.53%	0.73%	0.90%	1.22%	1.53%	1.78%	2.20%	2.62%
Mar-16	0.66%	0.88%	1.04%	1.38%	1.68%	1.89%	2.28%	2.68%
Apr-16	0.56%	0.77%	0.92%	1.26%	1.57%	1.81%	2.21%	2.62%
May-16	0.59%	0.82%	0.97%	1.30%	1.60%	1.81%	2.22%	2.63%
Jun-16	0.55%	0.73%	0.86%	1.17%	1.44%	1.64%	2.02%	2.45%
Jul-16	0.51%	0.67%	0.79%	1.07%	1.33%	1.50%	1.82%	2.23%
Aug-16	0.57%	0.74%	0.85%	1.13%	1.40%	1.56%	1.89%	2.26%
Sep-16	0.59%	0.77%	0.90%	1.18%	1.46%	1.63%	2.02%	2.35%
Oct-16	0.66%	0.84%	0.99%	1.27%	1.56%	1.76%	2.17%	2.50%
<b>Twelve-Month Average</b>	<u>0.57%</u>	<u>0.81%</u>	<u>0.99%</u>	<u>1.32%</u>	<u>1.62%</u>	<u>1.83%</u>	<u>2.22%</u>	<u>2.60%</u>
<b>Six-Month Average</b>	<u>0.58%</u>	<u>0.76%</u>	<u>0.89%</u>	<u>1.19%</u>	<u>1.47%</u>	<u>1.65%</u>	<u>2.02%</u>	<u>2.40%</u>
<b>Three-Month Average</b>	<u>0.61%</u>	<u>0.78%</u>	<u>0.91%</u>	<u>1.19%</u>	<u>1.47%</u>	<u>1.65%</u>	<u>2.03%</u>	<u>2.37%</u>

Source: Federal Reserve statistical release H.15

**Measures of the Risk-Free Rate & Corporate Bond Yields**

The forecast of Treasury and Corporate yields  
per the consensus of nearly 50 economists  
reported in the Blue Chip Financial Forecasts dated December 1, 2016

Year	Quarter	Treasury					Corporate	
		1-Year Bill	2-Year Note	5-Year Note	10-Year Note	30-Year Bond	Aaa Bond	Baa Bond
2016	Fourth	0.7%	1.0%	1.5%	2.1%	2.8%	3.8%	4.7%
2017	First	0.9%	1.1%	1.7%	2.3%	3.0%	4.0%	4.9%
2017	Second	1.1%	1.3%	1.9%	2.4%	3.1%	4.1%	5.1%
2017	Third	1.3%	1.5%	2.0%	2.6%	3.2%	4.2%	5.2%
2017	Fourth	1.4%	1.6%	2.2%	2.7%	3.3%	4.4%	5.3%
2018	First	1.6%	1.8%	2.3%	2.8%	3.4%	4.5%	5.5%

**Measures of the Market Premium**

Value Line Return

As of:	Dividend Yield	+	Median Appreciation Potential	=	Median Total Return
28-Oct-16	2.2%		8.78%		10.98%

DCF Result for the S&P 500 Composite

D/P	( 1+5g )	+	g	=	k
2.14%	( 1.0430 )		8.60%		10.83%

where:

Price (P)	at	31-Oct-16	=	2126.15
Dividend (D)	for	3rd Qtr. '16	=	11.36
Dividend (D)		annualized	=	45.44
Growth (g)	by	Morningstar	=	8.60%

Summary

Value Line		10.98%
S&P 500		10.83%
Average		10.91%
Risk-free Rate of Return (Rf)		3.75%
Forecast Market Premium		7.16%
Historical Market Premium (Rm)		(Rf)
1926-2015 Arith. mean	11.96%	4.03%
		7.93%
Average - Forecast/Historical		7.55%

**Exhibit 7.8:** Size-Decile Portfolios of the NYSE/NYSE MKT/NASDAQ Long-Term Returns in Excess of CAPM  
1926–2015

<u>Size Grouping</u>	<u>OLS Beta</u>	<u>Arithmetic Mean</u>	<u>Return in Excess of Risk-free Rate (actual)</u>	<u>Return in Excess of Risk-free Rate (as predicted by CAPM)</u>	<u>Size Premium</u>
Mid-Cap (3–5)	1.12	13.80%	8.75%	7.75%	1.00%
Low-Cap (6–8)	1.22	15.19%	10.14%	8.44%	1.70%
Micro-Cap (9–10)	1.35	17.93%	12.88%	9.31%	3.58%
<u>Breakdown of Deciles 1–10</u>					
1-Largest	0.92	11.05%	6.00%	6.36%	-0.36%
2	1.04	12.78%	7.73%	7.16%	0.57%
3	1.10	13.53%	8.49%	7.63%	0.86%
4	1.12	13.80%	8.75%	7.76%	0.99%
5	1.17	14.59%	9.54%	8.05%	1.49%
6	1.17	14.77%	9.72%	8.09%	1.63%
7	1.25	15.29%	10.25%	8.62%	1.62%
8	1.30	16.08%	11.03%	8.99%	2.04%
9	1.34	16.81%	11.77%	9.23%	2.54%
10-Smallest	1.39	20.26%	15.21%	9.61%	5.60%

Betas are estimated from monthly returns in excess of the 30-day U.S. Treasury bill total return, January 1926–December 2015. Historical riskless rate measured by the 90-year arithmetic mean income return component of 20-year government bonds (5.05%). Calculated in the context of the CAPM by multiplying the equity risk premium by beta. The equity risk premium is estimated by the arithmetic mean total return of the S&P 500 (11.95%) minus the arithmetic mean income return component of 20-year government bonds (5.05%) from 1926–2015. Source: Morningstar *Direct* and CRSP. Calculated based on data from CRSP US Stock Database and CRSP US Indices Database ©2016 Center for Research. Used with permission. All calculations performed by Duff & Phelps LLC.

**Comparable Earnings Approach**

Using Non-Utility Companies with

Timeliness of 1, 2 & 3; Safety Rank of 1, 2 & 3; Financial Strength of B++, A & A+;

Price Stability of 85 to 100; Betas of .60 to .80; and Technical Rank of 1, 2 & 3

<u>Company</u>	<u>Industry</u>	<u>Timeliness Rank</u>	<u>Safety Rank</u>	<u>Financial Strength</u>	<u>Price Stability</u>	<u>Beta</u>	<u>Technical Rank</u>
ABM Industries Inc	Industrial Services	3	3	B++	90	0.80	3
Berkley (W.R.) Corp	Insurance (Prop/Cas.)	3	1	A	100	0.80	3
Campbell Soup Co	Food Processing	3	2	B++	95	0.70	3
CBOE Holdings Inc	Brokers & Exchanges	3	3	B++	90	0.70	3
Clorox Co	Household Products	2	2	B++	100	0.60	2
CME Group Inc	Brokers & Exchanges	3	2	A	85	0.80	3
Erie Indemnity Company	Insurance (Prop/Cas.)	3	2	B++	90	0.80	3
General Mills Inc	Food Processing	3	1	A+	100	0.70	3
Hormel Foods Corporation	Food Processing	3	1	A	90	0.75	3
J and J Snack Foods Corp	Food Processing	3	2	A	90	0.80	3
Kellogg Company	Food Processing	1	1	A	100	0.75	3
Lancaster Colony Corporatic	Food Processing	3	1	A+	90	0.80	3
Markel Corp	Insurance (Prop/Cas.)	3	1	A	100	0.75	1
McCormick and Co	Food Processing	2	1	A+	100	0.80	2
Mercury General Corp	Insurance (Prop/Cas.)	1	2	B++	90	0.70	3
Philip Morris International Inc	Tobacco	2	2	B++	95	0.80	3
Sysco Corp	Retail/Wholesale Food	3	1	A+	100	0.75	3
Waste Management	Environmental	3	1	A	100	0.75	3
WD 40 Co	Household Products	3	2	A	90	0.80	2
Average		<u>3</u>	<u>2</u>	<u>B++</u>	<u>94</u>	<u>0.76</u>	<u>3</u>
Gas Group	Average	<u>2</u>	<u>2</u>	<u>A</u>	<u>91</u>	<u>0.72</u>	<u>1</u>

Source of Information: Value Line Investment Survey for Windows, October 2016

**Comparable Earnings Approach**

Five -Year Average Historical Earned Returns  
for Years 2011-2015 and  
Projected 3-5 Year Returns

<u>Company</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Average</u>	<u>Projected 2019-21</u>
ABM Industries Inc	9.4%	9.0%	9.3%	9.1%	9.2%	9.2%	12.0%
Berkley (W.R.) Corp	7.7%	8.8%	9.7%	10.6%	9.7%	9.3%	10.0%
Campbell Soup Co	77.8%	87.2%	64.6%	49.5%	60.2%	67.9%	33.0%
CBOE Holdings Inc	59.0%	65.8%	61.9%	75.9%	79.0%	68.3%	28.5%
Clorox Co	-	-	NMF	NMF	NMF	-	NMF
CME Group Inc	5.3%	4.7%	4.6%	5.4%	6.1%	5.2%	8.0%
Erie Indemnity Company	21.4%	24.9%	22.1%	24.0%	22.7%	23.0%	28.5%
General Mills Inc	26.0%	26.6%	26.8%	27.9%	35.3%	28.5%	33.0%
Hormel Foods Corporation	17.8%	17.7%	15.9%	16.7%	17.9%	17.2%	18.0%
J and J Snack Foods Corp	11.2%	11.4%	12.5%	12.8%	11.7%	11.9%	11.0%
Kellogg Company	69.9%	53.6%	38.9%	50.1%	59.1%	54.3%	36.5%
Lancaster Colony Corporation	20.6%	17.0%	21.8%	19.1%	17.5%	19.2%	22.0%
Markel Corp	3.7%	6.5%	3.5%	3.6%	6.1%	4.7%	6.5%
McCormick and Co	23.1%	24.0%	21.5%	24.4%	26.9%	24.0%	23.0%
Mercury General Corp	8.2%	6.3%	6.6%	6.7%	7.1%	7.0%	12.0%
Philip Morris International Inc	NMF	NMF	NMF	NMF	NMF	-	NMF
Sysco Corp	24.5%	23.9%	19.1%	17.7%	20.9%	21.2%	71.5%
Waste Management	16.6%	15.2%	17.7%	19.7%	21.6%	18.2%	28.0%
WD 40 Co	18.1%	19.1%	22.2%	25.8%	28.4%	22.7%	32.0%
Average						<u>24.2%</u>	<u>24.3%</u>
Average (excluding companies with values >20%)						<u>11.3%</u>	<u>11.1%</u>

**Comparable Earnings Approach**  
Screening Parameters

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Timeliness Rank

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The rank for a stock's probable relative market performance in the year ahead. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the year-ahead market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next 12 months. Stocks ranked 3 (Average) will probably advance or decline with the market in the year ahead. Investors should try to limit purchases to stocks ranked 1 (Highest) or 2 (Above Average) for Timeliness.

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Safety Rank

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A measure of potential risk associated with individual common stocks rather than large diversified portfolios (for which Beta is good risk measure). Safety is based on the stability of price, which includes sensitivity to the market (see Beta) as well as the stock's inherent volatility, adjusted for trend and other factors including company size, the penetration of its markets, product market volatility, the degree of financial leverage, the earnings quality, and the overall condition of the balance sheet. Safety Ranks range from 1 (Highest) to 5 (Lowest). Conservative investors should try to limit purchases to equities ranked 1 (Highest) or 2 (Above Average) for Safety.

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Financial Strength

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The financial strength of each of the more than 1,600 companies in the VS II data base is rated relative to all the others. The ratings range from A++ to C in nine steps. (For screening purposes, think of an A rating as "greater than" a B). Companies that have the best relative financial strength are given an A++ rating, indicating ability to weather hard times better than the vast majority of other companies. Those who don't quite merit the top rating are given an A+ grade, and so on. A rating as low as C++ is considered satisfactory. A rating of C+ is well below average, and C is reserved for companies with very serious financial problems. The ratings are based upon a computer analysis of a number of key variables that determine (a) financial leverage, (b) business risk, and (c) company size, plus the judgment of Value Line's analysts and senior editors regarding factors that cannot be quantified across-the-board for companies. The primary variables that are indexed and studied include equity coverage of debt, equity coverage of intangibles, "quick ratio", accounting methods, variability of return, fixed charge coverage, stock price stability, and company size.

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Price Stability Index

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An index based upon a ranking of the weekly percent changes in the price of the stock over the last five years. The lower the standard deviation of the changes, the more stable the stock. Stocks ranking in the top 5% (lowest standard deviations) carry a Price Stability Index of 100; the next 5%, 95; and so on down to 5. One standard deviation is the range around the average weekly percent change in the price that encompasses about two thirds of all the weekly percent change figures over the last five years. When the range is wide, the standard deviation is high and the stock's Price Stability Index is low.

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Beta

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A measure of the sensitivity of the stock's price to overall fluctuations in the New York Stock Exchange Composite Average. A Beta of 1.50 indicates that a stock tends to rise (or fall) 50% more than the New York Stock Exchange Composite Average. Use Beta to measure the stock market risk inherent in any diversified portfolio of, say, 15 or more companies. Otherwise, use the Safety Rank, which measures total risk inherent in an equity, including that portion attributable to market fluctuations. Beta is derived from a least squares regression analysis between weekly percent changes in the price of a stock and weekly percent changes in the NYSE Average over a period of five years. In the case of shorter price histories, a smaller time period is used, but two years is the minimum. The Betas are periodically adjusted for their long-term tendency to regress toward 1.00.

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Technical Rank

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A prediction of relative price movement, primarily over the next three to six months. It is a function of price action relative to all stocks followed by Value Line. Stocks ranked 1 (Highest) or 2 (Above Average) are likely to outpace the market. Those ranked 4 (Below Average) or 5 (Lowest) are not expected to outperform most stocks over the next six months. Stocks ranked 3 (Average) will probably advance or decline with the market. Investors should use the Technical and Timeliness Ranks as complements to one another.

**UGI PNG EXHIBIT E – PROOF OF REVENUE**

**UGI Penn Natural Gas, Inc.**  
**Proof of Revenue Summary - Total Revenue**  
**for the 12-Months Ending September 30, 2018**

Exhibit E  
D. E. Lahoff  
Page 1 of 7

Rate Class	Customers	Sales	Present Revenue	Proposed Revenue	Revenue Change	Percent Change from Present Revenue	Percent of Total Rate Increase
R/RT	152,184	16,108,797	\$ 138,272,302	\$ 153,286,519	\$ 15,014,217	10.9%	69.3%
N/NT	16,243	6,583,326	\$ 33,888,852	\$ 38,654,137	\$ 4,765,285	14.1%	22.0%
DS	439	3,955,641	\$ 9,259,646	\$ 10,883,133	\$ 1,623,487	17.5%	7.5%
LFD	138	5,422,994	\$ 7,238,568	\$ 7,659,332	\$ 420,764	5.8%	1.9%
XD - Firm	15	132,893,895	\$ 16,684,990	\$ 16,550,361	\$ (134,629)	-0.8%	-0.6%
Interruptible	33	1,214,816	\$ 945,000	\$ 916,738	\$ (28,262)	-3.0%	-0.1%
<b>Subtotal</b>	<b>169,052</b>	<b>166,179,469</b>	<b>\$ 206,289,358</b>	<b>\$ 227,950,219</b>	<b>\$ 21,660,861</b>	<b>10.5%</b>	
Other Operating Revenue			\$ 2,278,000	\$ 2,278,000	\$ -		
<b>Total</b>			<b>\$ 208,567,358</b>	<b>\$ 230,228,219</b>	<b>\$ 21,660,861</b>	<b>10.4%</b>	

**UGI Penn Natural Gas, Inc.**  
**Residential Service & Residential Transportation Service - Rate Schedules R & RT**  
**Calculation of the Effect of Proposed Rates**  
**12-Months Ending September 30, 2018**

Exhibit E  
D. E. Lahoff  
Page 2 of 7

Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)
Customer Charge	1,826,208		\$ 13.17	\$ 24,051,159	\$ 18.50	\$ 33,784,848	\$ 9,733,689
GET Gas Customer Charge	8,160		\$ 13.72	\$ 111,956	\$ 13.72	\$ 111,956	\$ -
Distribution Charges							
First 8		8,620,833	\$ 3.5036	\$ 30,203,950	\$ 3.9270	\$ 33,854,011	\$ 3,650,061
All Over 8		7,487,964	\$ 3.3036	\$ 24,737,238	\$ 3.9270	\$ 29,405,235	\$ 4,667,997
<b>Total Distribution Charges</b>		<b>16,108,797</b>		<b>\$ 54,941,188</b>		<b>\$ 63,259,246</b>	<b>\$ 8,318,058</b>
State Tax Adjustment Surcharge (STAS) - Rider A			-0.46%	\$ (638,992)	0.00%	\$ -	\$ 638,991.95
Purchased Gas Costs (PGC) - Rider B	1/	15,724,920	\$ 3.1546	\$ 49,605,832	\$ 3.1546	\$ 49,605,832	\$ -
Merchant Function Charge (MFC) - Rider D		15,724,920	3.20%	\$ 1,587,387	1.83%	\$ 907,787	\$ (679,600)
Gas Procurement Charge (GPC) - Rider E		15,724,920	\$ 0.0400	\$ 628,997	\$ 0.0420	\$ 660,447	\$ 31,450
Universal Service Program (USP) - Rider F	2/	15,383,901	\$ 0.2426	\$ 3,732,134	\$ 0.2426	\$ 3,732,134	\$ -
Distribution System Improvement Charge (DSIC) - Rider I			5.00%	\$ 4,252,641	0.00%	\$ -	\$ (4,252,641)
Energy Efficiency & Conservation Rider (EEC) - Rider G		16,108,797	\$ -	\$ -	0.0760	\$ 1,224,269	\$ 1,224,269
<b>Total - Rates R/RT</b>		<b>1,826,208</b>		<b>\$ 138,272,302</b>		<b>\$ 153,286,519</b>	<b>\$ 15,014,217</b>

1/ The PGC rate is the rate effective December 1, 2016.

2/ The USP rate is the rate effective December 1, 2016.

**UGI Penn Natural Gas, Inc.**  
**Non-Residential Service & Non-Residential Transportation Service - Rate Schedules N & NT**  
**Calculation of the Effect of Proposed Rates**  
**12-Months Ending September 30, 2018**

Exhibit E  
D. E. Lahoff  
Page 3 of 7

Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)
Customer Charges							
Rate N	147,708		\$ 32.41	\$ 4,787,216	\$ 37.50	\$ 5,539,050	\$ 751,834
Rate NT	45,084		\$ 32.41	\$ 1,461,172	\$ 37.50	\$ 1,690,650	\$ 229,478
Rate DS - NT	2,124		\$ 174.91	\$ 371,509	\$ 37.50	\$ 79,650	\$ (291,859)
<b>Total Customer Charges</b>	<b>194,916</b>			<b>\$ 6,619,898</b>		<b>\$ 7,309,350</b>	<b>\$ 689,452</b>
Distribution Charges							
Rates N & NT		6,135,481	\$ 2.1243	\$ 13,033,602	\$ 2.8092	\$ 17,235,793	\$ 4,202,191
Rate DS - NT		447,845	\$ 1.6171	\$ 724,210	\$ 2.8092	\$ 1,258,086	\$ 533,876
<b>Total Distribution Charges</b>		<b>6,583,326</b>		<b>\$ 13,757,812</b>		<b>\$ 18,493,879</b>	<b>\$ 4,736,067</b>
State Tax Adjustment Surcharge (STAS) - Rider A			-0.46%	\$ (156,609)	0.00%	\$ -	\$ 156,609
Purchased Gas Costs (PGC) - Rider B	1/	3,940,642	\$ 3.1546	\$ 12,431,148	\$ 3.1546	\$ 12,431,148	\$ -
Merchant Function Charge (MFC) - Rider D		3,940,642	0.40%	\$ 49,725	0.25%	\$ 31,078	\$ (18,647)
Gas Procurement Charge (GPC) - Rider E		3,940,642	\$ 0.0400	\$ 157,626	\$ 0.0420	\$ 165,507	\$ 7,881
Distribution System Improvement Charge (DSIC) - Rider I			5.00%	\$ 1,029,253	0.00%	\$ -	\$ (1,029,253)
Energy Efficiency & Conservation Rider (EEC) - Rider G		6,583,326	\$ -	\$ -	\$ 0.0339	\$ 223,175	\$ 223,175
<b>Total - Rates N/NT</b>	<b>194,916</b>	<b>6,583,326</b>		<b>\$ 33,888,852</b>		<b>\$ 38,654,137</b>	<b>\$ 4,765,285</b>

1/ The PGC rate is the rate effective December 1, 2016.

**UGI Penn Natural Gas, Inc.**  
**Delivery Service - Rate Schedule DS**  
**Calculation of the Effect of Proposed Rates**  
**12-Months Ending September 30, 2018**

Exhibit E  
D. E. Lahoff  
Page 4 of 7

Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)
Customer Charges							
Rate DS	3,732		\$ 174.91	\$ 652,764	\$ 290.00	\$ 1,082,280	\$ 429,516
Rate N/NT - DS	1,536		\$ 32.41	\$ 49,782	\$ 290.00	\$ 445,440	\$ 395,658
<b>Total Customer Charges</b>	<b>5,268</b>			<b>\$ 702,546</b>		<b>\$ 1,527,720</b>	<b>\$ 825,174</b>
Distribution Charges							
Rate DS		3,195,915	\$ 1.6171	\$ 5,168,115	\$ 1.9635	\$ 6,275,180	\$ 1,107,065
Rates N/NT - DS		759,726	\$ 2.1243	\$ 1,613,886	\$ 1.9635	\$ 1,491,722	\$ (122,164)
<b>Total Distribution Charges</b>		<b>3,955,641</b>		<b>\$ 6,782,001</b>		<b>\$ 7,766,902</b>	<b>\$ 984,901</b>
State Tax Adjustment Surcharge (STAS) - Rider A			-0.46%	\$ (42,791)	0.00%	\$ -	\$ 42,791
Purchased Gas Costs (PGC) - Rider B (N - DS)	1/	449,760	\$ 3.1546	\$ 1,418,814	\$ 3.1546	\$ 1,418,814	\$ -
Merchant Function Charge (MFC) - Rider D (N - DS)	2/	449,760	0.40%	\$ 5,675	0.00%	\$ -	\$ (5,675)
Gas Procurement Charge (GPC) - Rider E (N - DS)	3/	449,760	\$ 0.0400	\$ 17,990	\$ -	\$ -	\$ (17,990)
Distribution System Improvement Charge (DSIC) - Rider I			5.00%	\$ 375,411	0.00%	\$ -	\$ (375,411)
Energy Efficiency & Conservation Rider (EEC) - Rider G		3,955,641	\$ -	\$ -	\$ 0.0429	\$ 169,697	\$ 169,697
<b>Total - Rate DS</b>	<b>5,268</b>	<b>3,955,641</b>		<b>\$ 9,259,646</b>		<b>\$ 10,883,133</b>	<b>\$ 1,623,487</b>

- 1/ There will be no Purchased Gas Costs in the future year under Rate DS for N customers transitioning to Rate DS.  
2/ There will be no Merchant Function Charge in the future year under Rate DS for N customers transitioning to Rate DS.  
3/ There will be no Gas Procurement Charge in the future year under Rate DS for N customers transitioning to Rate DS.

**UGI Penn Natural Gas, Inc.**  
**Large Firm Delivery Service - Rate Schedule LFD**  
**Calculation of the Effect of Proposed Rates**  
**12-Months Ending September 30, 2018**

Exhibit E  
D. E. Lahoff  
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Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)
<b>Customer Charges</b>							
Rate LFD	1,260		\$ 499.91	\$ 629,887	\$ 700.00	\$ 882,000	\$ 252,113
Rate N/NT - LFD	84		\$ 32.41	\$ 2,722	\$ 700.00	\$ 58,800	\$ 56,078
Rate DS - LFD	312		\$ 174.91	\$ 54,572	\$ 700.00	\$ 218,400	\$ 163,828
<b>Total Customer Charges</b>	<b>1,656</b>			<b>\$ 687,181</b>		<b>\$ 1,159,200</b>	<b>\$ 472,019</b>
<b>Distribution Charges</b>							
Rate LFD		4,797,995	\$ 0.8510	\$ 4,083,093	\$ 0.9167	\$ 4,398,322	\$ 315,229
Rate N/NT - LFD		68,829	\$ 2.1243	\$ 146,213	\$ 0.9167	\$ 63,095	\$ (83,118)
Rates DS - LFD		556,171	\$ 1.6171	\$ 899,384	\$ 0.9167	\$ 509,842	\$ (389,542)
<b>Total Distribution Charges</b>		<b>5,422,994</b>		<b>\$ 5,128,690</b>		<b>\$ 4,971,259</b>	<b>\$ (157,431)</b>
<b>Demand Charges</b>							
Rate LFD		280,560	\$ 3.0500	\$ 855,708	\$ 3.6100	\$ 1,012,822	\$ 157,114
Rate N/NT - LFD		4,645	\$ -	-	\$ 3.6100	\$ 16,767	\$ 16,767
Rate DS - LFD		35,749	\$ -	-	\$ 3.6100	\$ 129,053	\$ 129,053
		<b>320,953</b>		<b>\$ 855,708</b>		<b>\$ 1,158,642</b>	<b>\$ 302,934</b>
Minimum Bills				\$ 151,431		\$ 151,431	\$ -
State Tax Adjustment Surcharge (STAS) - Rider A			-0.46%	\$ (33,451)	0.00%	\$ -	\$ 33,451
Purchased Gas Costs (PGC) - Rider B (N - LFD)	1/	33,603	\$ 3.1546	\$ 106,002	\$ 3.1546	\$ 106,002	\$ -
Merchant Function Charge (MFC) - Rider D (N - LFD)	2/	33,603	0.40%	\$ 424	0.00%	\$ -	\$ (424)
Gas Procurement Charge (GPC) - Rider E (N - LFD)	3/	33,603	\$ 0.0400	\$ 1,344	\$ -	\$ -	\$ (1,344)
Distribution System Improvement Charge (DSIC) - Rider I			5.00%	\$ 341,239	0.00%	\$ -	\$ (341,239)
Energy Efficiency & Conservation Rider (EEC) - Rider G		5,422,994	\$ -	\$ -	\$ 0.0208	\$ 112,798	\$ 112,798
<b>Total - Rate LFD</b>	<b>1,656</b>	<b>5,422,994</b>		<b>\$ 7,238,568</b>		<b>\$ 7,659,332</b>	<b>\$ 420,764</b>

1/ There will be no Purchased Gas Costs in the future year under Rate LFD for N customers transitioning to Rate LFD  
2/ There will be no Merchant Function Charge in the future year under Rate LFD for N customers transitioning to Rate LFD  
3/ There will be no Gas Procurement Charge in the future year under Rate LFD for N customers transitioning to Rate LFD

**UGI Penn Natural Gas, Inc.**  
**Extended Large Firm Delivery Service - Rate Schedule XD**  
**Calculation of the Effect of Proposed Rates**  
**12-Months Ending September 30, 2018**

Exhibit E  
 D. E. Lahoff  
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Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)
Customer Charges	180		\$ 69,906	\$ 12,583,061	\$ 69,906	\$ 12,583,061	\$ -
Distribution Charges		132,893,895	\$ 0.0299	\$ 3,967,300	\$ 0.0299	\$ 3,967,300	\$ -
State Tax Adjustment Surcharge (STAS) - Rider A			-0.46%	\$ (77,106)	0.00%	\$ -	\$ 77,106
Distribution System Improvement Charge (DSIC) - Rider I	1/		5.00%	\$ 211,735	0.00%	\$ -	\$ (211,735)
<b>Total - Rate XD</b>	<b><u>180</u></b>	<b><u>132,893,895</u></b>		<b><u>\$ 16,684,990</u></b>		<b><u>\$ 16,550,361</u></b>	<b><u>\$ (134,629)</u></b>

**UGI Penn Natural Gas, Inc.**  
**Interruptible Service - Rate Schedule IS**  
**Calculation of the Effect of Proposed Rates**  
**12-Months Ending September 30, 2018**

Exhibit E  
D. E. Lahoff  
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Description	Number of Bills (1)	Pro Forma Consumption Mcf (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)
Customer Charges	396		\$ 2,649	\$ 1,049,095	\$ 2,649	\$ 1,049,095	\$ -
Distribution Charges		1,214,816	\$ (0.1103)	\$ (133,982)	\$ (0.1103)	\$ (133,982)	\$ -
Minimum Bills				\$ 1,625		\$ 1,625	\$ -
State Tax Adjustment Surcharge (STAS) - Rider A			-0.46%	\$ (4,367)	0.00%	\$ -	\$ 4,367
Distribution System Improvement Charge (DSIC) - Rider I	1/		5.00%	\$ 32,629	0.00%	\$ -	\$ (32,629)
<b>Total - Rate IS</b>	<b><u>396</u></b>	<b><u>1,214,816</u></b>		<b><u>\$ 945,000</u></b>		<b><u>\$ 916,738</u></b>	<b><u>\$ (28,262)</u></b>