

UGI UTILITIES, INC. – GAS DIVISION

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Information Submitted Pursuant to

Section 53.51 et seq of the Commission’s Regulations

**UGI GAS EXHIBIT H – COST OF SERVICE STUDIES
BY RATE DISTRICT - FULLY PROJECTED
South, North & Central**

Witness: Paul R. Herbert

**Prepared by: Gannett Fleming
Valuation and Rate Consultants, LLC**

**ORIGINAL TARIFFS
UGI UTILITIES, INC. – GAS DIVISION – PA P.U.C. NOS. 7 & 7S**

DOCKET NO. R-2018-3006814

Issued: January 28, 2019

Effective: March 29, 2019

UGI UTILITIES, INC. – GAS DIVISION

Docket No. R-2018-3006814

COST OF SERVICE ALLOCATION STUDIES
FOR THE SOUTH, NORTH AND CENTRAL RATE DISTRICTS
AS OF SEPTEMBER 30, 2020

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
Harrisburg, Pennsylvania



Excellence Delivered **As Promised**

January 23, 2019

UGI Utilities, Inc. – Gas Division
2525 N. 12th Street
P.O. Box 12677
Reading, PA 19612-2677

Attention: Mr. Paul J. Szykman
Chief Regulatory Officer

Ladies and Gentlemen:

Pursuant to your request, we have prepared a cost of service allocation studies based on pro forma revenue requirements for the twelve months ended September 30, 2020, for each rate district of UGI Utilities, Inc. – Gas Division.

The attached report presents the results of the studies, as well as supporting schedules which set forth the detailed allocation calculations. Schedule A for each rate district presents a comparison of the cost of service by service classification with the revenues produced by each classification under present and proposed rates.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink that reads "Paul R. Herbert".

PAUL R. HERBERT
Senior Consultant

A handwritten signature in black ink that reads "Constance E. Heppenstall".

CONSTANCE E. HEPPENSTALL
Senior Project Manager

PRH:mle
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PART I. INTRODUCTION

UGI UTILITIES, INC. – GAS DIVISION
COST OF SERVICE ALLOCATION STUDIES
FOR THE SOUTH, NORTH AND CENTRAL RATE DISTRICTS
AS OF SEPTEMBER 30, 2020

PART I. INTRODUCTION

PLAN OF REPORT

The report sets forth the results of the cost of service allocation studies prepared for UGI Utilities, Inc. – Gas Division, for each rate district, based on the twelve months ended September 30, 2020 (FPFTY). Part I, Introduction, includes statements with respect to the basis of the study, the procedures employed, and a summary of the results of the study. Part II, Cost of Service by Rate District and by Service Classification, presents the detailed schedules of the allocation of costs by rate district to service classifications, the bases for the allocations, and the development of certain customer and demand costs.

BASIS OF THE STUDY

The purpose of the study was to allocate costs for each rate district to the several customer classifications based on considerations of quantity of gas consumed; sales and transportation; demand characteristics; and costs associated with metering, billing, and accounting. The allocation study was based on recognized procedures for allocating costs to customer classifications in proportion to each classification's use of the facilities, commodity, and services which entail the total cost of providing gas service.

ALLOCATION PROCEDURES

The allocation study was based on the Average and Extra Demand Method for allocating costs to service classifications. The method is identified as the "Average and Excess Demand Method" in "Gas Rate Fundamentals," (published in 1987 by the American Gas Association's Rate Committee) in which it is described. The three basic categories of cost responsibility are commodity, capacity, and customer costs. In the Average and Extra Demand Method, the capacity costs are allocated to service classifications on a combined basis of average use and use above average at peak demands. The following presents a brief discussion of costs and the manner in which they were allocated.

Commodity Costs are the costs that tend to vary with the quantity of gas used. Commodity costs in this study include production plant expenses and associated costs. Commodity costs were allocated to service classifications on the basis of average daily sales volumes.

Capacity Costs are costs associated with meeting the peak demands of the system. Capacity costs attributable to sales and transportation service include Distribution expenses and capital costs not associated with the customer costs category. The capacity costs were allocated to service classifications on a combined basis of average use and extra demand (demand in excess of average use). For presentation purposes, the commodity and capacity costs are combined into the volumetric function for each classification.

Customer Costs are costs associated with serving customers regardless of their usage or demand characteristics. Customer costs include the expenses and capital

costs related to meters, regulators, and services and expenses related to meter reading and billing. The customer costs were allocated to service classifications on the bases of the number of meters, services and customers.

The allocation of costs to service classifications and the bases for the allocations are presented in Part II, Cost of Service by Rate District and Service Classification.

RESULTS OF STUDY

The data summarized in Schedule A, "Comparison of Cost of Service with Revenues Under Present and Proposed Rates by Service Classification for the Twelve Months Ended September 30, 2020," constitute the principal results of the allocation studies. Schedules B through F of the report present the details of the allocation of costs of service, including the return based on the allocated measure of value, by service classification as well as the bases for the allocation factors. Schedule G presents the development of customer costs per bill by service classification. Schedule H presents a cost analysis of the LFD and XD Service demand charges.

PART II. COST OF SERVICE BY
RATE DISTRICT AND SERVICE CLASSIFICATION

SOUTH RATE DISTRICT

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
BY SERVICE CLASSIFICATION FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2020
WITHOUT GAS COSTS

Service Classification (1)	Pro Forma Cost of Service		Pro Forma Margin Revenues,				Revenue Increase	
	Amount (2)	Percent (3)	Under Present Rates		Under Proposed Rates		Amount (8)	Percent Increase (9)
			Amount (4)	Percent (5)	Amount (6)	Percent (7)		
Rate R	\$ 223,085,899	67.5%	\$ 141,315,494	49.8%	\$ 196,157,456	57.6%	\$ 54,841,962	38.8%
Rate N	68,695,831	20.8%	75,758,078	26.7%	80,738,106	23.7%	4,980,028	6.6%
Rate DS	12,083,810	3.7%	21,225,923	7.5%	18,442,742	5.4%	(2,783,181)	-13.1%
Rate LFD	11,448,397	3.5%	20,744,779	7.3%	20,268,986	6.0%	(475,794)	-2.3%
Rate XD Firm	5,780,223	1.8%	13,223,312	4.7%	13,741,182	4.0%	517,870	3.9%
Interruptible	8,996,980	2.7%	11,279,377	4.0%	11,216,995	3.3%	(62,382)	-0.6%
Total	<u>\$ 330,091,139</u>	<u>100.0%</u>	<u>\$ 283,546,964</u>	<u>100.0%</u>	<u>\$ 340,565,467</u>	<u>100.0%</u>	<u>\$ 57,018,503</u>	20.1%
Other Operating Revenues	3,193,000		3,193,000		3,193,000		0	
Total	<u>\$333,284,139</u>		<u>\$286,739,964</u>		<u>\$343,758,467</u>		<u>\$57,018,503</u>	19.9%

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PRESENT RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	\$ 283,546,964	\$ 141,315,494	\$ 75,758,078	\$ 21,225,923	\$ 20,744,779	\$ 13,223,312	\$ 11,279,377
2. Other Revenues	<u>3,192,954</u>	<u>2,139,155</u>	<u>831,614</u>	<u>173,520</u>	<u>20,799</u>	<u>10,501</u>	<u>17,365</u>
3. Total Operating Revenues	286,739,918	143,454,649	76,589,692	21,399,443	20,765,578	13,233,813	11,296,742
4. Less: Operating Expenses	<u>201,789,790</u>	<u>141,139,557</u>	<u>38,885,838</u>	<u>6,723,434</u>	<u>6,158,164</u>	<u>3,355,720</u>	<u>5,527,078</u>
5. Return and Income Taxes	84,950,127	2,315,092	37,703,854	14,676,009	14,607,414	9,878,093	5,769,664
6. Less: Interest Expense	<u>27,874,000</u>	<u>17,747,376</u>	<u>6,539,240</u>	<u>1,181,858</u>	<u>1,134,472</u>	<u>524,031</u>	<u>747,023</u>
7. Taxable Income	57,076,127	(15,432,284)	31,164,614	13,494,151	13,472,942	9,354,062	5,022,641
8. Less: Income Taxes	9,380,757	(2,536,557)	5,121,893	2,217,611	2,214,797	1,537,506	825,507
9. Net Return (Ln 5 - Ln 8)	75,569,370	4,851,649	32,581,961	12,458,398	12,392,617	8,340,587	4,944,157
10. Original Cost Measure of Value (Factor 15.)	1,302,511,457	829,333,848	305,633,166	55,182,250	52,963,519	24,434,712	34,963,962
11. Rate of Return, Percent	5.80%	0.59%	10.66%	22.58%	23.40%	34.13%	14.14%
12. Relative Rate of Return	1.00	0.10	1.84	3.89	4.03	5.88	2.44

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PROPOSED RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	340,565,467	\$ 196,157,456	\$ 80,738,106	\$ 18,442,742	\$ 20,268,986	\$ 13,741,182	\$ 11,216,995
2. Other Revenues	3,193,003	2,137,409	832,878	173,853	21,129	10,508	17,226
3. Total Operating Revenues	343,758,470	198,294,865	81,570,984	18,616,595	20,290,115	13,751,690	11,234,221
4. Less: Operating Expenses	202,394,785	141,859,875	38,835,156	6,707,954	6,142,330	3,343,099	5,506,372
5. Return and Income Taxes	141,363,685	56,434,990	42,735,828	11,908,641	14,147,785	10,408,591	5,727,849
6. Less: Interest Expense	27,874,000	17,752,951	6,536,453	1,181,858	1,134,472	521,244	747,023
7. Taxable Income	113,489,685	38,682,039	36,199,375	10,726,783	13,013,313	9,887,347	4,980,826
8. Less: Income Taxes	22,649,806	7,719,054	7,225,288	2,140,407	2,597,933	1,972,798	994,326
9. Net Return (Ln 5 - Ln 8)	118,713,879	48,715,936	35,510,540	9,768,234	11,549,852	8,435,793	4,733,523
10. Original Cost Measure of Value (Factor 15.)	1,302,512,854	829,636,691	305,447,783	55,166,670	52,947,936	24,400,751	34,913,023
11. Rate of Return, Percent	9.11%	5.87%	11.63%	17.71%	21.81%	34.57%	13.56%
12. Relative Rate of Return	1.00	0.64	1.28	1.94	2.39	3.79	1.49

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

SUMMARY OF COST OF SERVICE BY SERVICE CLASSIFICATION

Cost Function (1)	Cost of Service (Schedule E) (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD Firm (7)	Interruptible (8)
<u>Volumetric Costs</u>							
Rate R	\$ 86,855,586	\$ 86,855,586					
Rate N	43,980,071		\$43,980,071				
Rate DS	8,985,692			\$ 8,985,692			
Rate LFD	8,753,692				\$ 8,753,692		
Rate XD Firm	5,335,156					\$ 5,335,156	
Rate IS/IL	7,189,194						\$ 7,189,194
Total Volumetric Costs	161,099,391	86,855,586	43,980,071	8,985,692	8,753,692	5,335,156	7,189,194
<u>Customer Costs</u>							
Rate R	\$ 136,230,313	\$ 136,230,313					
Rate N	24,715,760		\$24,715,760				
Rate DS	3,098,118			\$ 3,098,118			
Rate LFD	2,694,705				\$ 2,694,705		
Rate XD Firm	445,067					\$ 445,067	
Rate IS/IL	1,807,786						\$ 1,807,786
Total Customer Costs	168,991,749	136,230,313	24,715,760	3,098,118	2,694,705	445,067	1,807,786
Total Excluding Gas Costs	\$330,091,139	\$ 223,085,899	\$68,695,831	\$12,083,810	\$11,448,397	\$ 5,780,223	\$ 8,996,980

UGI UTILITIES INC. - GAS DIVISION (SOUTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
OPERATION AND MAINTENANCE EXPENSES														
NATURAL GAS PRODUCTION EXPENSES														
<u>Manufactured Gas Production Expenses</u>														
710		0	-	-	-	-	-	-	-	-	-	-	-	-
717		0	-	-	-	-	-	-	-	-	-	-	-	-
725-736		52,699	37,000	15,699	-	-	-	-	-	-	-	-	-	-
740-742		2,066,333	1,450,772	615,561	-	-	-	-	-	-	-	-	-	-
		2,119,032	1,487,772	631,260	-	-	-	-	-	-	-	-	-	-
<u>Production and Gathering</u>														
750 - 760		-	-	-	-	-	-	-	-	-	-	-	-	-
761 - 769		-	-	-	-	-	-	-	-	-	-	-	-	-
770 - 783		-	-	-	-	-	-	-	-	-	-	-	-	-
784 - 791		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Other Gas Supply Expenses</u>														
800 - 803		-	-	-	-	-	-	-	-	-	-	-	-	-
804		-	-	-	-	-	-	-	-	-	-	-	-	-
805.1		-	-	-	-	-	-	-	-	-	-	-	-	-
805		-	-	-	-	-	-	-	-	-	-	-	-	-
808.1		-	-	-	-	-	-	-	-	-	-	-	-	-
808.2		-	-	-	-	-	-	-	-	-	-	-	-	-
812		-	-	-	-	-	-	-	-	-	-	-	-	-
813		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Production Expenses		2,119,032	1,487,772	631,260	-	-	-	-	-	-	-	-	-	-
OTHER STORAGE EXPENSE														
840	1A	-	-	-	-	-	-	-	-	-	-	-	-	-
841	4	-	-	-	-	-	-	-	-	-	-	-	-	-
842 - 842.3	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Storage Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSMISSION EXPENSE														
850 - 860	4	-	-	-	-	-	-	-	-	-	-	-	-	-
861 - 867	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION EXPENSES														
<u>Operation</u>														
870	10	4,241,760	892,466	544,218	122,587	121,314	123,859	176,033	1,497,765	489,075	111,134	84,411	14,846	64,051
871	4A	1,026,657	391,875	239,827	54,515	56,466	115,088	168,885	-	-	-	-	-	-
872		-	-	-	-	-	-	-	-	-	-	-	-	-
873	2	-	-	-	-	-	-	-	-	-	-	-	-	-
874		-	-	-	-	-	-	-	-	-	-	-	-	-
	5	1,888,417	963,093	586,731	131,245	126,902	-	80,447	-	-	-	-	-	-
	17	2,743,461	1,323,446	806,303	180,245	174,484	145,952	113,031	-	-	-	-	-	-
	6C	4,651,934	-	-	-	-	-	-	4,047,648	534,042	23,260	34,424	2,326	10,234
875	4A	777,732	296,860	181,678	41,298	42,775	87,184	127,937	-	-	-	-	-	-
876	6B	466,110	-	-	-	-	-	-	-	-	191,431	137,316	25,962	111,400
877	4A	1,083,148	413,438	253,023	57,515	59,573	121,421	178,178	-	-	-	-	-	-
878	6	2,357,073	-	-	-	-	-	-	1,114,660	898,516	141,189	101,354	19,092	82,262
879	6	1,114,519	-	-	-	-	-	-	527,056	424,855	66,760	47,924	9,028	38,897
880	10	2,539,013	534,208	325,755	73,377	72,616	74,139	105,369	896,525	292,748	66,522	50,526	8,887	38,339
881	10	56,000	11,782	7,185	1,618	1,602	1,635	2,324	19,774	6,457	1,467	1,114	196	846
		22,945,824	4,827,168	2,944,720	662,400	655,732	669,278	952,204	8,103,428	2,645,693	601,763	457,069	80,337	346,029

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UGI UTILITIES INC. - GAS DIVISION (SOUTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
Maintenance															
885	Supervision - Engineering and Labor	11	1,107,847	346,424	211,156	47,305	45,976	27,696	37,667	271,423	74,669	18,390	14,180	2,437	10,525
886	Structures & Improvements	18	3,000	1,480	902	202	195	97	125	-	-	-	-	-	
887	Mains - Small	5	3,448,294	1,758,630	1,071,385	239,656	231,725	-	146,897	-	-	-	-	-	
	Mains - Large	17	5,009,625	2,416,643	1,472,329	329,132	318,612	266,512	206,397	-	-	-	-	-	
888	Maintenance of Compressor Station Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	
889	M & R Equip - General	4A	293,104	111,878	68,469	15,564	16,121	32,857	48,216	-	-	-	-	-	
890	M & R Equip - Industrial	6B	312,929	-	-	-	-	-	-	-	128,520	92,189	17,430	74,790	
891	M & R Equip - City Gate	4A	530,928	202,655	124,025	28,192	29,201	59,517	87,338	-	-	-	-	-	
892	Services	6C	3,185,613	-	-	-	-	-	-	2,771,802	365,708	15,928	23,574	1,593	
893	Meters & House Regulators	6	1,580,562	-	-	-	-	-	-	747,448	602,510	94,676	67,964	12,803	
894	Other Expenses	11	222,909	69,704	42,486	9,518	9,251	5,573	7,579	54,613	15,024	3,700	2,853	490	
895	Construction and Maintenance	11	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Maintenance		15,694,811	4,907,414	2,990,752	669,569	651,081	392,252	534,219	3,845,286	1,057,911	261,214	200,760	34,753	149,603
	Total Distribution Expenses		38,640,635	9,734,582	5,935,472	1,331,969	1,306,813	1,061,530	1,486,423	11,948,714	3,703,604	862,977	657,829	115,090	495,632
CUSTOMER ACCOUNTING EXPENSES															
<u>Operation</u>															
901	Supervision	7	628,067	-	-	-	-	-	-	563,062	62,744	1,256	440	63	502
902	Meter Reading Expenses	7	1,150,723	-	-	-	-	-	-	1,031,623	114,957	2,301	806	115	921
903	Customer Records & Coll Expenses	7	12,230,831	-	-	-	-	-	-	10,964,940	1,221,860	24,462	8,562	1,223	9,785
903.1	Universal Service Program	DA	2,916,000	2,916,000	-	-	-	-	-	-	-	-	-	-	-
904	Uncollectible Accounts	19	5,739,991	1,976,408	96,771	-	-	-	-	3,463,381	152,919	3,444	35,588	11,480	-
905	Miscellaneous Cust Accts Expenses	7	286,000	-	-	-	-	-	-	256,399	28,571	572	200	29	229
	Total Customer Accounting Expenses		22,951,612	4,892,408	96,771	-	-	-	-	16,279,405	1,581,051	32,035	45,596	12,910	11,437
CUSTOMER SERVICE AND INFORMATION EXPENSES															
<u>Operation</u>															
907	Supervision	7	154,125	-	-	-	-	-	-	138,173	15,397	308	108	15	123
908	Customer Assistance Expenses	9	912,667	-	-	-	-	-	-	912,667	-	-	-	-	-
909	Informational and Instructional Advertising	7	790,000	-	-	-	-	-	-	708,235	78,921	1,580	553	79	632
910	Miscellaneous Customer Service & Informational Exp.	7	(1,547,816)	-	-	-	-	-	-	(1,387,617)	(154,627)	(3,096)	(1,083)	(155)	(1,238)
910.1	Energy Efficiency and Conservation Programs	7	4,377,318	3,365,684	1,000,999	2,262	8,374	-	-	-	-	-	-	-	-
	Total Customer Service & Info Expenses		4,686,294	3,365,684	1,000,999	2,262	8,374	-	-	371,458	(60,309)	(1,208)	(422)	(61)	(483)
SALES EXPENSES															
<u>Operation</u>															
911	Supervision	8	-	-	-	-	-	-	-	-	-	-	-	-	-
912	Demonstrating and Selling Expenses	8	1,065,676	-	-	-	-	-	-	958,789	106,887	-	-	-	-
913	Advertising Expenses	8	250,000	-	-	-	-	-	-	224,925	25,075	-	-	-	-
916	Miscellaneous	8	130,000	-	-	-	-	-	-	116,961	13,039	-	-	-	-
	Total Sales Expenses		1,445,676	-	-	-	-	-	-	1,300,675	145,001	-	-	-	-
ADMINISTRATIVE AND GENERAL EXPENSES															
<u>Operation</u>															
920	Administrative & General Salaries	12	10,395,311	2,762,034	1,080,073	204,788	201,669	163,206	227,657	4,590,569	824,348	137,218	108,111	19,751	77,965
921	Office Supplies and Expenses	12	14,996,266	3,984,508	1,558,112	295,426	290,928	235,441	328,418	6,622,351	1,189,204	197,951	155,961	28,493	112,472
922	Administrative Expenses Transferred-Credit		-	-	-	-	-	-	-	-	-	-	-	-	-
923	Outside Services Employed - Other	12	12,080,377	3,209,756	1,255,151	237,983	234,359	189,662	264,560	5,334,694	957,974	159,461	125,636	22,953	90,603
924	Property Damage Insurance	12	102,000	27,101	10,598	2,009	1,979	1,601	2,234	45,043	8,089	1,346	1,061	194	765
925	Injuries and Damages	12	6,115,024	1,624,762	635,351	120,466	118,631	96,006	133,919	2,700,395	484,921	80,718	63,596	11,619	45,863
926	Employee Pensions and Benefits	13	15,559,263	2,791,332	1,417,449	298,738	295,626	266,063	373,422	7,820,086	1,597,936	284,735	213,162	38,898	163,372
927	Franchise Requirements		-	-	-	-	-	-	-	-	-	-	-	-	-
928	Regulatory Commission Expenses	16	777,000	200,544	98,524	19,891	19,425	12,277	16,628	328,516	60,839	8,003	6,605	1,088	4,507
929	Duplicate Charges-Credit		-	-	-	-	-	-	-	-	-	-	-	-	-
930	Miscellaneous General Expenses	12	566,000	150,386	58,807	11,150	10,980	8,886	12,395	249,946	44,884	7,471	5,886	1,075	4,245
930	Miscellaneous Company Charges	12	2,686,567	713,821	279,134	52,925	52,119	42,179	58,836	1,186,388	213,045	35,463	27,940	5,104	20,149
931	Other	12	207,000	55,000	21,507	4,078	4,016	3,250	4,533	91,411	16,415	2,732	2,153	393	1,553
	Total Operation		63,484,808	15,519,244	6,414,706	1,247,454	1,229,732	1,018,571	1,422,602	28,969,399	5,397,655	915,098	710,111	129,568	521,494

UGI UTILITIES INC. - GAS DIVISION (SOUTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
Maintenance														
932 Maintenance of General Plant	12	2,739,000	727,752	284,582	53,958	53,137	43,002	59,984	1,209,542	217,203	36,155	28,486	5,204	20,543
935 Maintenance of General Plant	12	10,000	2,657	1,039	197	194	157	219	4,416	793	132	104	19	75
Total Maintenance		2,749,000	730,409	285,621	54,155	53,331	43,159	60,203	1,213,958	217,996	36,287	28,590	5,223	20,618
Total Administrative & General Expenses		66,233,808	16,249,653	6,700,327	1,301,609	1,283,063	1,061,730	1,482,805	30,183,357	5,615,651	951,385	738,701	134,791	542,112
Total Operation and Maintenance Expenses		136,077,057	35,730,099	14,364,829	2,635,840	2,598,250	2,123,260	2,969,228	60,083,609	10,984,998	1,845,189	1,441,704	262,730	1,048,698
DEPRECIATION AND AMORTIZATION EXPENSE														
PRODUCTION PLANT														
305 Manufactured Gas Plant Site Remediation	1	290,975	204,294	86,681	-	-	-	-	-	-	-	-	-	-
325.2 Production Leaseholds	1	-	-	-	-	-	-	-	-	-	-	-	-	-
325.4 Rights-Of-Way	1	-	-	-	-	-	-	-	-	-	-	-	-	-
328 Field Measuring and Regulating Station Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
329 Other Structures	1	-	-	-	-	-	-	-	-	-	-	-	-	-
330 Producing Gas Wells - Well Construction	1	-	-	-	-	-	-	-	-	-	-	-	-	-
331 Product Gas Wells - Well Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
332 Field Lines	1	-	-	-	-	-	-	-	-	-	-	-	-	-
334 Field Measuring and Regulating Station Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
335 Drilling and Cleaning Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
337 Other Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Production Plant		290,975	204,294	86,681	-	-	-	-	-	-	-	-	-	-
STORAGE PLANT														
352.01 Well Construction	1	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSMISSION PLANT														
365.2 Rights-Of-Way	4	-	-	-	-	-	-	-	-	-	-	-	-	-
366 Structures and Improvements	4	-	-	-	-	-	-	-	-	-	-	-	-	-
367 Mains	4	-	-	-	-	-	-	-	-	-	-	-	-	-
369 Measuring and Regulating Station Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
370 Communication Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
371 Other Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
371.1 Testing Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Plant		-	-	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION PLANT														
305 Manufactured Gas Plant Site Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-	-
374.2 Rights of Way	18	-	-	-	-	-	-	-	-	-	-	-	-	-
375 Structures And Improvements	18	30,454	15,026	9,151	2,047	1,980	981	1,270	-	-	-	-	-	-
376 Mains - Small	5	6,709,133	3,421,658	2,084,528	466,285	450,854	-	285,809	-	-	-	-	-	-
Mains - Large	4	9,746,920	4,970,929	3,028,368	677,411	654,993	-	415,219	-	-	-	-	-	-
Mains - Direct Assign	DA	556,900	-	-	-	-	547,615	9,285	-	-	-	-	-	-
378 Measuring & Regulating Equipment - General	18	2,274,343	1,122,161	683,440	152,836	147,832	73,234	94,840	-	-	-	-	-	-
379 Measuring & Regulating Equipment - City Gate	18	37,105	18,308	11,150	2,493	2,412	1,195	1,547	-	-	-	-	-	-
380 Services	6C	20,775,234	-	-	-	-	-	-	18,076,531	2,384,997	103,876	153,737	10,388	45,706
381 Meters	6	2,429,690	-	-	-	-	-	-	1,149,000	926,198	145,538	104,477	19,680	84,796
382 Meter Installations	6	1,748,678	-	-	-	-	-	-	826,950	666,596	104,746	75,193	14,164	61,029
383 House Regulators	6A	1,329,327	-	-	-	-	-	-	1,174,859	154,468	-	-	-	-
384 House Regulator Installations	6A	268,653	-	-	-	-	-	-	237,436	31,217	-	-	-	-
385 Industrial Measuring & Regulating Equipment	6	86,538	-	-	-	-	-	-	40,924	32,988	5,184	3,721	701	3,020
386 Other Property on Customer Premises	6C	23,101	-	-	-	-	-	-	20,100	2,652	116	171	12	51
387 Other Equipment	10	34,689	7,299	4,451	1,003	992	1,013	1,440	12,249	4,000	909	690	121	524
387.1 Other Equipment	10	4,448	936	571	129	127	130	185	1,571	513	117	89	16	67
Total Distribution Plant		46,055,213	9,556,317	5,821,659	1,302,204	1,259,190	624,168	809,595	21,539,620	4,203,629	360,486	338,078	45,082	195,193
GENERAL PLANT														
390 Structures And Improvements	12	3,166,147	841,245	328,963	62,373	61,423	49,709	69,339	1,398,171	251,075	41,793	32,928	6,016	23,746
391 Office Furniture And Equipment	12	203,707	54,125	21,165	4,013	3,952	3,198	4,461	89,957	16,154	2,689	2,119	387	1,528
392 Transportation Equipment	12	1,787,894	475,043	185,762	35,222	34,685	28,070	39,155	789,534	141,780	23,600	18,594	3,397	13,409
393 Stores Equipment	12	-	-	-	-	-	-	-	-	-	-	-	-	-
394 Tools, Shop And Garage Equipment	12	656,584	174,454	68,219	12,935	12,738	10,308	14,379	289,947	52,067	8,667	6,828	1,248	4,924
395 Laboratory Equipment	12	-	-	-	-	-	-	-	-	-	-	-	-	-
396 Power Operated Equipment	12	117,660	31,262	12,225	2,318	2,283	1,847	2,577	51,959	9,330	1,553	1,224	224	882
397 Communication Equipment	12	13,367	3,551	1,389	263	259	210	293	5,903	1,060	176	139	25	100
398 Miscellaneous Equipment	12	544,596	144,698	56,584	10,729	10,565	8,550	11,927	240,494	43,186	7,189	5,664	1,035	4,084
399 Other Tangible Property	12	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General Plant		6,489,955	1,724,378	674,307	127,853	125,905	101,892	142,131	2,865,965	514,652	85,667	67,496	12,332	48,673

UGI UTILITIES INC. - GAS DIVISION (SOUTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
COMMON PLANT ALLOCATED @ 68.16%														
390.2 Structures and Improvements	12	661,808	175,842	68,762	13,038	12,839	10,390	14,494	292,255	52,481	8,736	6,883	1,257	4,964
391 Office Furniture and Equipment	12	322,794	85,766	33,538	6,359	6,262	5,068	7,069	142,546	25,598	4,261	3,357	613	2,421
392.1 Transportation Equipment	12	575	153	60	11	11	9	13	254	46	8	6	1	4
Total Common Plant		985,177	261,761	102,360	19,408	19,112	15,467	21,576	435,055	78,125	13,005	10,246	1,871	7,389
INFORMATION SERVICES (IS) ALLOCATED @ 52.33%														
391 Office Furniture and Equipment	12	6,222,421	1,653,297	646,510	122,582	120,715	97,692	136,271	2,747,821	493,438	82,136	64,713	11,823	46,668
391.1 Office Furniture and Equip. - New CIS Software	7	2,657,078	-	-	-	-	-	-	2,382,070	265,442	5,314	1,860	266	2,126
Total Information Services		8,879,498	1,653,297	646,510	122,582	120,715	97,692	136,271	5,129,891	758,880	87,450	66,573	12,089	48,794
Less:														
Amount Charged to Clearing Accounts	12	(2,595,000)	(689,492)	(269,621)	(51,122)	(50,343)	(40,742)	(56,831)	(1,145,952)	(205,784)	(34,254)	(26,988)	(4,931)	(19,463)
390.1 Reading Service Center Allocated to Electric Div. @ 48.94	12	(31,675)	(8,416)	(3,291)	(624)	(614)	(497)	(694)	(13,988)	(2,512)	(418)	(329)	(60)	(238)
Total Depreciation & Amortization Expense		60,074,143	12,702,139	7,058,605	1,520,301	1,473,965	797,980	1,052,048	28,810,591	5,346,990	511,936	455,076	66,383	280,348
TAXES OTHER THAN INCOME TAXES														
408.10 Capital Stock	15	-	-	-	-	-	-	-	-	-	-	-	-	-
408.10 County and Municipal Taxes	16	171,000	44,134	21,683	4,378	4,275	2,702	3,659	72,299	13,389	1,761	1,454	239	992
408.10 Payroll Related Tax	13	3,280,000	588,432	298,808	62,976	62,320	56,088	78,720	1,648,528	336,856	60,024	44,936	8,200	34,440
408.10 Public Utility Assessment	16	1,708,000	440,835	216,574	43,725	42,700	26,986	36,551	722,142	133,736	17,592	14,518	2,391	9,906
408.10 Public Utility Reality Tax	15	466,000	133,742	78,614	16,823	16,310	8,388	10,904	163,007	30,756	2,889	2,656	373	1,584
408.10 Miscellaneous Taxes	16	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Taxes Other Than Income		5,625,000	1,207,143	615,679	127,902	125,605	94,164	129,834	2,605,976	514,737	82,266	63,564	11,203	46,922
Total Operating Expenses		201,776,201	49,639,381	22,039,113	4,284,043	4,197,820	3,015,404	4,151,110	91,500,176	16,846,725	2,439,391	1,960,344	340,316	1,375,968
INCOME TAXES	15	9,380,757	2,692,278	1,582,534	338,645	328,327	168,854	219,510	3,281,389	619,130	58,161	53,470	7,505	31,895
OPERATING INCOME AVAILABLE FOR RETURN	15	75,582,184	21,692,087	12,750,714	2,728,517	2,645,376	1,360,479	1,768,623	26,438,648	4,988,424	468,610	430,818	60,466	256,979
TOTAL COST OF SERVICE		286,739,142	74,023,746	36,372,361	7,351,205	7,171,523	4,544,737	6,139,243	121,220,213	22,454,279	2,966,162	2,444,632	408,287	1,664,842
Less: Other Revenues														
Reconnection Charges	6C	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent From Gas Property	12	177,000	47,029	18,390	3,487	3,434	2,779	3,876	78,163	14,036	2,336	1,841	336	1,328
Forfeited Discounts/Penalties	20	2,589,000	-	-	-	-	-	-	1,723,218	711,610	152,368	1,219	41	546
Other Miscellaneous Revenues	16	427,000	110,209	54,144	10,931	10,675	6,747	9,138	180,536	33,434	4,398	3,630	598	2,477
Subtotal		3,193,000	157,238	72,534	14,418	14,109	9,526	13,014	1,981,917	759,080	159,102	6,690	975	4,351
TOTAL COST OF SERVICE RELATED TO TARIFF SALES AND TRANSPORTATION		\$ 283,546,142	\$ 73,866,508	\$ 36,299,827	\$ 7,336,787	\$ 7,157,414	\$ 4,535,211	\$ 6,126,229	\$ 119,238,296	\$ 21,695,199	\$ 2,807,060	\$ 2,437,942	\$ 407,312	\$ 1,660,491

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 1 and 1A. ALLOCATION OF COSTS WHICH VARY DIRECTLY WITH PGC AND CHOICE SALES.

Factors are based on the pro forma average daily PGC sales volumes for each service classification.

Service Classification	Pro Forma Average Daily PGC Volumes (Mcf)	Allocation Factor 1	PGC and Choice Volumes (Mcf)	Allocation Factor 1A
(1)	(2)	(3)		
<u>Volumetric Costs</u>				
Rate R	59,210	0.7021	72,951	0.5944
Rate N	25,126	0.2979	49,772	0.4056
Rate DS		-		
Rate LFD		-		
Rate XD	-	-		
Interruptible	-	-		
Total	<u><u>84,336</u></u>	<u><u>1.0000</u></u>	<u><u>122,723</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 2 . ALLOCATION OF COMPRESSOR STATION FUEL.

Factors are based on the pro forma average daily throughput volumes for each service classification.

<u>Service Classification</u> (1)	<u>Pro Forma Average Daily Throughput Volumes (Mcf)</u> (2)	<u>Allocation Factor 2</u> (3)
<u>Volumetric Costs</u>		
Rate R	72,951	0.1970
Rate N	49,772	0.1344
Rate DS	15,492	0.0418
Rate LFD	32,774	0.0885
Rate XD Firm	57,605	0.1556
Interruptible	<u>141,728</u>	<u>0.3827</u>
Total	<u><u>370,322</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 3 and 3A. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS.

Factors are based on the maximum day extra demand throughput for each classification.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3	Allocation Factor 3A
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(5)
<u>Volumetric Costs</u>					
Rate R	72,951	402,639	329,688	0.5209	0.5657
Rate N	49,772	245,027	195,255	0.3084	0.3350
Rate DS	15,492	54,490	38,998	0.0616	0.0669
Rate LFD	32,774	51,663	18,889	0.0298	0.0324
Subtotal	170,989	753,819	582,830	0.9207	1.0000
Rate XD Firm	57,605	107,803	50,198	0.0793	-
Total	228,594	861,622	633,028	1.0000	1.0000

FACTOR 3B. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS FOR SMALL MAINS ALLOCATION.

Factors are based on the maximum day extra demand throughput for each classification, excluding XD and Interruptible classifications.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3B
(1)	(2)	(3)	(4)=(3)-(2)	(5)
<u>Volumetric Costs</u>				
Rate R	72,951	402,639	329,688	0.5657
Rate N	49,772	245,027	195,255	0.3350
Rate DS	15,492	54,490	38,998	0.0669
Rate LFD	32,774	51,663	18,889	0.0324
Total	170,989	753,819	582,830	1.0000

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND LARGE DISTRIBUTION MAINS

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 4 (7)=(4)+(6)
	MCF/Day (2)	Allocation Factor (3)	Weighted Factor* (4)=(3)x 0.2695	Allocation Factor 3A (5)	Weighted Factor* (6)=(5)x 0.7305	
<u>Volumetric Costs</u>						
Rate R	72,951	0.3592	0.0968	0.5657	0.4132	0.5100
Rate N	49,772	0.2450	0.0660	0.3350	0.2447	0.3107
Rate DS	15,492	0.0763	0.0206	0.0669	0.0489	0.0695
Rate LFD	32,774	0.1613	0.0435	0.0324	0.0237	0.0672
Rate XD Firm	-	-	-	-	-	-
Interruptible**	32,139	0.1582	0.0426	-	-	0.0426
Total	203,128	1.0000	0.2695	1.0000	0.7305	1.0000

* The weighting of the factors is based on the percentage of average daily throughput excluding XD 203,128 mcf divided by peak day demand of 753,819 mcf excluding XD - 203,128 / 753,819 = 26.95%

** Excludes XD-I volumes for customers who are 100% interruptible.

FACTOR 4A. ALLOCATION OF COSTS ASSOCIATED WITH LOAD DISPATCHING AND M&R STATION EQUIPMENT.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Throughput (2)	Average Daily Throughput		Maximum Day Extra Demand		Allocation Factor (7)=(4)+(6)
		Allocation Factor 2 (3)	Weighted Factor (4)=(3)x 0.4298	Allocation Factor 3 (5)	Weighted Factor (6)=(5)x 0.5702	
<u>Volumetric</u>						
Rate R	72,951	0.1970	0.0847	0.5209	0.2970	0.3817
Rate N	49,772	0.1344	0.0578	0.3084	0.1758	0.2336
Rate DS	15,492	0.0418	0.0180	0.0616	0.0351	0.0531
Rate LFD	32,774	0.0885	0.0380	0.0298	0.0170	0.0550
Rate XD-Firm	57,605	0.1556	0.0669	0.0793	0.0452	0.1121
Interruptible	141,728	0.3827	0.1645	-	-	0.1645
Total	370,322	1.0000	0.4299	1.0000	0.5701	1.0000

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH SMALL DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification (1)	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 5 (7)
	Volumes (Mcf) (2)	Allocation Factor (3)	Weighted Factor (4)=(3)x 0.2695	Allocation Factor 3B (5)	Weighted Factor (6)=(5)x 0.7305	
<u>Volumetric Costs</u>						
Rate R	72,951	0.3592	0.0968	0.5657	0.4132	0.5100
Rate N	49,772	0.2450	0.0660	0.3350	0.2447	0.3107
Rate DS	15,492	0.0763	0.0206	0.0669	0.0489	0.0695
Rate LFD	32,774	0.1613	0.0435	0.0324	0.0237	0.0672
Rate XD - Firm Interruptible	32,139	0.1582	0.0426	-	-	0.0426
Total	<u>203,128</u>	<u>1.0000</u>	<u>0.2695</u>	<u>1.0000</u>	<u>0.7305</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH ACCOUNTS 381 and 385.

Factors are based on the cost of meters by class included in Accounts 381 and 385, Meters and M&R Equipment.

<u>Service Classification</u> (1)	<u>Cost of Meters and M&R Equip.</u>	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 37,352,603	0.4729
Rate N	30,105,880	0.3812
Rate DS	4,731,985	0.0599
Rate LFD	3,393,973	0.0430
Rate XD-Firm	642,023	0.0081
Interruptible	<u>2,753,791</u>	<u>0.0349</u>
Total	<u>\$ 78,980,256</u>	<u>1.0000</u>

FACTOR 6A. ALLOCATION OF COSTS ASSOCIATED WITH HOUSE REGULATORS

Factors are based on the number of weighted house regulators for customers served.

<u>Service Classification</u> (1)	<u>Number of Regulators</u> (2)	<u>Factor</u> (3)	<u>Weighted Regulators</u> (4)	<u>Allocation Factor</u> (5)
<u>Customer</u>				
Rate R	366,562	1.00	366,562	0.8838
Rate N	<u>40,844</u>	1.18	<u>48,196</u>	<u>0.1162</u>
Total	<u>407,406</u>		<u>414,758</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6B. ALLOCATION OF COSTS ASSOCIATED WITH INDUSTRIAL MEASURING AND REGULATING EQUIPMENT.

Factors are based on the cost of Meters and M&R equipment by class included in Accounts 381 and 385.

<u>Service Classification</u> (1)	<u>Cost of Meters & M&R Equipment</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate DS	\$ 4,731,985	0.4107
Rate LFD	3,393,973	0.2946
Rate XD - Firm	642,023	0.0557
Interruptible	<u>2,753,791</u>	<u>0.2390</u>
Total	<u><u>\$ 11,521,772</u></u>	<u><u>1.0000</u></u>

FACTOR 6C. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the cost of services by class included in Account 380, Service Lines.

<u>Service Classification</u> (1)	<u>Cost of Service Lines</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 548,268,330	0.8701
Rate N	72,355,477	0.1148
Rate DS	3,180,072	0.0050
Rate LFD	4,673,561	0.0074
Rate XD - Firm	329,447	0.0005
Interruptible	<u>1,392,302</u>	<u>0.0022</u>
Total	<u><u>\$ 630,199,189</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH CUSTOMER ACCOUNTING AND METER READING

Factors are based on the number of customers for each classification, as follows.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor 7</u> (3)
<u>Customer Costs</u>		
Rate R	366,562	0.8965
Rate N	40,844	0.0999
Rate DS	801	0.0020
Rate LFD	271	0.0007
Rate XD Firm	30	0.0001
Interruptible	<u>312</u>	<u>0.0008</u>
Total	<u><u>408,820</u></u>	<u><u>1.0000</u></u>

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH SALES EXPENSES.

Factors are based on the number of Rate R and Rate N customers.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	366,562	0.8997
Rate N	<u>40,844</u>	<u>0.1003</u>
Total	<u><u>407,406</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 9 (DA). ALLOCATION OF CUSTOMER ASSISTANCE EXPENSES.

These costs are directly assigned to the Residential Classification.

<u>Service Classification</u> (1)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u> Rate R	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 10. ALLOCATION OF DISTRIBUTION OPERATION OTHER EXPENSES AND RENT.

Factors are based on distribution operation expenses other than those being allocated.

<u>Service Classification</u> (1)	<u>Operation Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 3,388,712	0.2104
Rate N	2,067,562	0.1283
Rate DS	464,818	0.0289
Rate LFD	460,200	0.0286
Rate XD Firm	469,645	0.0292
Interruptible	668,478	0.0415
<u>Customer Costs</u>		
Rate R	5,689,364	0.3531
Rate N	1,857,413	0.1153
Rate DS	422,640	0.0262
Rate LFD	321,018	0.0199
Rate XD Firm	56,408	0.0035
Interruptible	242,793	0.0151
Total	<u>\$ 16,109,051</u>	<u>1.0000</u>

FACTOR 11. ALLOCATION OF DISTRIBUTION MAINTENANCE OTHER EXPENSES.

Factors are based on distribution maintenance expenses other than those being allocated.

<u>Service Classification</u> (1)	<u>Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 4,491,286	0.3127
Rate N	2,737,110	0.1906
Rate DS	612,746	0.0427
Rate LFD	595,854	0.0415
Rate XD Firm	358,983	0.0250
Interruptible	488,973	0.0340
<u>Customer Costs</u>		
Rate R	3,519,250	0.2450
Rate N	968,218	0.0674
Rate DS	239,124	0.0166
Rate LFD	183,727	0.0128
Rate XD Firm	31,826	0.0022
Interruptible	136,960	0.0095
Total	<u>\$ 14,364,057</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 12. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES.

Factors are based on the allocation of operation and maintenance expenses.

<u>Service Classification</u> (1)	<u>Operation & Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 17,992,674	0.2633
Rate N	7,033,242	0.1029
Rate DS	1,334,231	0.0195
Rate LFD	1,315,187	0.0192
Rate XD Firm	1,061,530	0.0155
Interruptible	1,486,423	0.0217
<u>Customer Costs</u>		
Rate R	30,486,484	0.4462
Rate N	5,396,255	0.0790
Rate DS	894,175	0.0131
Rate LFD	706,838	0.0103
Rate XD Firm	129,176	0.0019
Interruptible	506,586	0.0074
Total	<u>\$ 68,342,800</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 13. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of total operation and maintenance direct labor expense to service classifications as shown on the following page.

Service Classification (1)	Total Labor Expense (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 6,992,781	0.1787
Rate N	3,552,330	0.0908
Rate DS	750,542	0.0192
Rate LFD	739,960	0.0189
Rate XD Firm	665,122	0.0170
Interruptible	938,374	0.0240
<u>Customer Costs</u>		
Rate R	19,727,999	0.5040
Rate N	4,017,320	0.1026
Rate DS	716,594	0.0183
Rate LFD	533,100	0.0136
Rate XD Firm	96,451	0.0025
Interruptible	408,928	0.0104
Total	<u>\$ 39,139,501</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS, MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation excluding the items being allocated, as follows:

Service Classification (1)	Original Cost Less Depreciation (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 474,837,029	0.2867
Rate N	279,130,194	0.1685
Rate DS	59,786,921	0.0361
Rate LFD	57,868,871	0.0349
Rate XD Firm	29,685,602	0.0179
Interruptible	38,770,422	0.0234
<u>Customer Costs</u>		
Rate R	580,065,145	0.3504
Rate N	109,231,977	0.0660
Rate DS	10,336,161	0.0062
Rate LFD	9,434,391	0.0057
Rate XD Firm	1,327,084	0.0008
Interruptible	5,618,531	0.0034
Total	<u>\$1,656,092,328</u>	<u>1.0000</u>

UGI UTILITIES INC. - GAS DIVISION (SOUTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
DIRECT LABOR EXPENSE															
725 - 736	Total Gas Fuels Expenses	1	50,699	35,596	15,103	-	-	-	-	-	-	-	-	-	
750-760	Total Production & Gathering Operation Expenses	1	0	-	-	-	-	-	-	-	-	-	-	-	
761 - 769	Total Gas Raw Materials Expenses	1	-	-	-	-	-	-	-	-	-	-	-	-	
813	Other Gas Supply Expenses	1	2,028	1,424	604	-	-	-	-	-	-	-	-	-	
840	Storage	1A	-	-	-	-	-	-	-	-	-	-	-	-	
850 - 860	Total Transmission Operation Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-	
861 - 867	Total Transmission Maintenance Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-	
870	Operation Supervision and Engineering	10	3,826,760	805,150	490,973	110,593	109,445	111,741	158,811	1,351,229	441,225	100,261	76,153	13,394	
871	Distribution Load Dispatching	4A	47,657	18,191	11,133	2,531	2,621	5,342	7,840	-	-	-	-	-	
874	Mains And Services Expenses														
	Mains - Small	5	675,892	344,705	210,000	46,974	45,420	-	28,793	-	-	-	-	-	
	Mains - Large	17	981,925	473,681	288,588	64,512	62,450	52,238	40,455	-	-	-	-	-	
	Services	6C	1,664,995	-	-	-	-	-	-	1,448,712	191,141	8,325	12,321	832	
875	M & R Station Expenses -General	4A	415,732	158,685	97,115	22,075	22,865	46,604	68,388	-	-	-	-	-	
876	Measuring and Regulating Station Expenses-Industrial	6B	298,110	-	-	-	-	-	-	-	-	122,434	87,823	16,605	
877	Measuring and Regulating Station Expenses-City Gate	4A	881,148	336,334	205,836	46,789	48,463	98,777	144,949	-	-	-	-	-	
878	Meter And House Regulator Expenses	6	1,746,073	-	-	-	-	-	-	825,718	665,603	104,590	75,081	14,143	
879	Customer Installation Expenses	6	835,519	-	-	-	-	-	-	395,117	318,500	50,048	35,927	6,768	
880	Other Expenses	10	1,379,013	290,144	176,927	39,853	39,440	40,267	57,229	486,929	159,000	36,130	27,442	4,827	
881	Rent	10	-	-	-	-	-	-	-	-	-	-	-	-	
885	Supervision - Engineering and Labor	11	931,847	291,389	177,610	39,790	38,672	23,296	31,683	228,303	62,806	15,469	11,928	2,050	
886	Structures & Improvements	18	-	-	-	-	-	-	-	-	-	-	-	-	
887	Mains - Small	5	707,326	360,736	219,766	49,159	47,532	-	30,132	-	-	-	-	-	
	Mains - Large	17	1,027,593	495,711	302,010	67,513	65,355	54,668	42,337	-	-	-	-	-	
889	M & R Equip - General	4A	80,104	30,576	18,712	4,254	4,406	8,980	13,177	-	-	-	-	-	
890	M & R Equip - Ind	6B	139,929	-	-	-	-	-	-	-	-	57,469	41,223	7,794	
891	M & R Equip - CG Check Station	4A	284,928	108,757	66,559	15,130	15,671	31,940	46,871	-	-	-	-	-	
892	Services	6C	334,613	-	-	-	-	-	-	291,147	38,414	1,673	2,476	167	
893	Meters & House Regulators	6	693,562	-	-	-	-	-	-	327,985	264,386	41,544	29,823	5,618	
895	Other Equipment	11	65,909	20,610	12,562	2,814	2,735	1,648	2,241	16,148	4,442	1,094	844	145	
894	Other Equipment	11	-	-	-	-	-	-	-	-	-	-	-	-	
901	Supervision	7	440,067	-	-	-	-	-	-	394,520	43,963	880	308	44	
902	Meter Reading Expenses	7	777,723	-	-	-	-	-	-	697,229	77,695	1,555	544	78	
903	Customer Records & Coll Expenses	7	7,095,831	-	-	-	-	-	-	6,361,412	708,874	14,192	4,967	710	
905	Miscellaneous Cust Accts Expenses	7	-	-	-	-	-	-	-	-	-	-	-	-	
907	Supervision	7	154,125	-	-	-	-	-	-	138,173	15,397	308	108	15	
908	Customer Assistance Expenses	9	773,667	-	-	-	-	-	-	773,667	-	-	-	-	
910	Miscellaneous Customer Service & Info. Exp.	7	181,502	-	-	-	-	-	-	162,717	18,132	363	127	18	
911	Supervision	8	-	-	-	-	-	-	-	-	-	-	-	-	
912	Demonstrating And Selling Expenses	8	411,676	-	-	-	-	-	-	370,385	41,291	-	-	-	
920	Administrative & General Salaries	12	9,814,311	2,584,108	1,009,893	191,379	188,435	152,122	212,971	4,379,146	775,331	128,567	101,087	18,647	
921	Office Supplies And Expenses	12	19,266	5,073	1,982	376	370	299	418	8,596	1,522	252	198	37	
922	Administrative Expenses Transferred-Credit	12	-	-	-	-	-	-	-	-	-	-	-	-	
923	Outside Service Employed	12	27,377	7,208	2,817	534	526	424	594	12,216	2,163	359	282	52	
924	Property Insurance	12	-	-	-	-	-	-	-	-	-	-	-	-	
925	Injuries and Damages	12	727,024	191,425	74,811	14,177	13,959	11,269	15,776	324,398	57,435	9,524	7,488	1,381	
927	Franchise Requirements	12	-	-	-	-	-	-	-	-	-	-	-	-	
928	Regulatory Commission Expenses	12	-	-	-	-	-	-	-	-	-	-	-	-	
929	Duplicate Charges-Credit	12	-	-	-	-	-	-	-	-	-	-	-	-	
930	Miscellaneous General Expenses	12	-	-	-	-	-	-	-	-	-	-	-	-	
930	Miscellaneous Intercompany Charges	12	1,056,567	278,194	108,721	20,603	20,286	16,377	22,928	471,440	83,469	13,841	10,883	2,007	
932	Maintenance of General Plant	12	589,000	155,084	60,608	11,486	11,309	9,130	12,781	262,812	46,531	7,716	6,067	1,119	
Total Direct Labor Expense			39,139,498	6,992,781	3,552,330	750,542	739,960	665,122	938,374	19,727,999	4,017,320	716,594	533,100	96,451	408,928

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 15. ALLOCATION OF RETURN AND TAXES.

Factors are based on the result of allocating the original cost measure of value, as presented on the following pages.

Service Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 373,465,794	0.2867
Rate N	219,552,052	0.1686
Rate DS	47,022,702	0.0361
Rate LFD	45,528,948	0.0350
Rate XD Firm	23,356,530	0.0179
Interruptible	30,496,662	0.0234
<u>Customer Costs</u>		
Rate R	456,170,897	0.3502
Rate N	85,895,731	0.0659
Rate DS	8,143,968	0.0063
Rate LFD	7,418,988	0.0057
Rate XD Firm	1,044,221	0.0008
Interruptible	4,416,361	0.0034
Total	<u>\$ 1,302,512,854</u>	<u>1.0000</u>

FACTOR 16. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER REVENUES.

Factors are based on the allocated cost of service excluding those items being allocated.

Service Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 86,320,199	0.2611
Rate N	43,703,610	0.1322
Rate DS	8,928,961	0.0270
Rate LFD	8,698,468	0.0263
Rate XD Firm	5,302,236	0.0160
Interruptible	7,144,888	0.0216
<u>Customer Costs</u>		
Rate R	137,107,919	0.4148
Rate N	25,271,058	0.0764
Rate DS	3,230,961	0.0098
Rate LFD	2,679,692	0.0081
Rate XD Firm	442,547	0.0013
Interruptible	1,797,606	0.0054
Total	<u>\$ 330,628,144</u>	<u>1.0000</u>

UGI UTILITIES INC. - GAS DIVISION (SOUTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
RATE BASE														
PRODUCTION PLANT														
305	Manufactured Gas Plant Site Remediation	1	240,717	169,007	71,710	-	-	-	-	-	-	-	-	-
325.1	Producing Lands	1	-	-	-	-	-	-	-	-	-	-	-	-
325.2	Production Leaseholds	1	-	-	-	-	-	-	-	-	-	-	-	-
325.4	Rights-Of-Way	1	-	-	-	-	-	-	-	-	-	-	-	-
325.5	Other Lands	1	-	-	-	-	-	-	-	-	-	-	-	-
328	Field Measuring and Regulating Station Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-
329	Other Structures	1	-	-	-	-	-	-	-	-	-	-	-	-
330	Producing Gas Wells - Well Construction	1	-	-	-	-	-	-	-	-	-	-	-	-
331	Product Gas Wells - Well Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-
332	Field Lines	1	-	-	-	-	-	-	-	-	-	-	-	-
334	Field Measuring and Regulating Station Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-
335	Drilling and Cleaning Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-
337	Other Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-
	Total Production Plant		240,717	169,007	71,710	-	-	-	-	-	-	-	-	-
STORAGE PLANT														
352.01	Well Construction	1	-	-	-	-	-	-	-	-	-	-	-	-
TRANSMISSION PLANT														
365	Land	4	-	-	-	-	-	-	-	-	-	-	-	-
365.2	Rights-Of-Way	4	-	-	-	-	-	-	-	-	-	-	-	-
366	Structures and Improvements	4	-	-	-	-	-	-	-	-	-	-	-	-
367	Mains	4	-	-	-	-	-	-	-	-	-	-	-	-
369	Measuring and Regulating Station Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-
370	Communication Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-
371	Other Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-
371.1	Testing Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-
	Total Transmission Plant		-	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION PLANT														
374	Land	18	232,579	114,754	69,890	15,629	15,118	7,489	9,699	-	-	-	-	-
374	Land Rights of Way	18	3,241,690	1,599,450	974,128	217,842	210,710	104,382	135,178	-	-	-	-	-
374	Rights of Way	4	-	-	-	-	-	-	-	-	-	-	-	-
375	Structures And Improvements	18	651,699	321,548	195,836	43,794	42,360	20,985	27,176	-	-	-	-	-
376	Mains - Small	5	306,824,019	156,480,250	95,330,223	21,324,269	20,618,574	-	13,070,703	-	-	-	-	-
	Mains - Large	4	445,748,998	227,331,989	138,494,214	30,979,555	29,954,333	-	18,988,907	-	-	-	-	-
	Mains - Direct Assign	DA	25,468,332	-	-	-	-	25,045,325	423,007	-	-	-	-	-
378	Measuring & Regulating Equipment - General	18	56,878,879	28,064,039	17,092,103	3,822,261	3,697,127	1,831,500	2,371,849	-	-	-	-	-
379	Measuring & Regulating Equipment - SCADA	18	-	-	-	-	-	-	-	-	-	-	-	-
379	Measuring & Regulating Equipment - City Gate	18	818,006	403,604	245,811	54,970	53,170	26,340	34,111	-	-	-	-	-
380	Services	6C	494,060,200	-	-	-	-	-	-	429,881,780	56,718,111	2,470,301	3,656,045	247,030
381	Meters	6	44,127,675	-	-	-	-	-	-	20,867,978	16,821,470	2,643,248	1,897,490	357,434
382	Meter Installations	6	46,713,965	-	-	-	-	-	-	22,091,034	17,807,363	2,798,167	2,008,700	378,383
383	House Regulators	6A	7,368,045	-	-	-	-	-	-	6,511,878	856,167	-	-	-
384	House Regulator Installations	6A	7,126,184	-	-	-	-	-	-	6,298,121	828,063	-	-	-
385	Industrial Measuring & Regulating Equipment	6	1,990,878	-	-	-	-	-	-	941,486	758,923	119,254	85,608	16,126
386	Other Property on Customer Premises	6C	500,595	-	-	-	-	-	-	435,568	57,468	2,503	3,704	250
387	Other Equipment	10	575,217	121,026	73,800	16,624	16,451	16,796	23,872	203,109	66,323	15,071	11,447	2,013
387	Other Equipment - Graphic Data Base	10	30,710	6,461	3,940	888	878	897	1,274	10,844	3,541	805	611	107
	Total Distribution Plant		1,442,357,671	414,443,121	252,479,945	56,475,832	54,608,721	27,053,714	35,085,776	487,241,798	93,917,429	8,049,349	7,663,605	1,001,343
GENERAL PLANT														
389	Land and Land Rights	12	1,493,037	393,117	153,634	29,114	28,666	23,142	32,399	666,193	117,950	19,559	15,378	2,837
390	Structures And Improvements	12	41,459,933	10,916,400	4,266,227	808,469	796,031	642,629	899,681	18,499,422	3,275,335	543,125	427,037	78,774
391	Office Furniture And Equipment	12	3,125,253	822,879	321,589	60,942	60,005	48,441	67,818	1,394,488	246,895	40,941	32,190	5,938
392	Transportation Equipment	12	8,451,878	2,225,379	869,698	164,812	162,276	131,004	183,406	3,771,228	667,698	110,720	87,054	16,059
393	Stores Equipment	12	-	-	-	-	-	-	-	-	-	-	-	-
394	Tools, Shop And Garage Equipment	12	8,533,154	2,246,779	878,062	166,397	163,837	132,264	185,169	3,807,493	674,119	111,784	87,891	16,213
393	Laboratory Equipment	12	-	-	-	-	-	-	-	-	-	-	-	-
396	Power Operated Equipment	12	1,270,780	334,596	130,763	24,780	24,399	19,697	27,576	567,022	100,392	16,647	13,089	2,414
397	Communication Equipment	12	23,383	6,157	2,406	456	449	362	507	10,433	1,847	306	241	44
398	Miscellaneous Equipment	12	7,359,321	1,937,709	757,274	143,507	141,299	114,069	159,697	3,283,729	581,386	96,407	75,801	13,983
399	Other Tangible Property	12	-	-	-	-	-	-	-	-	-	-	-	-
	Total General Plant		71,716,739	18,883,016	7,379,653	1,398,477	1,376,962	1,111,608	1,556,253	32,000,008	5,665,622	939,489	738,681	136,262
	Total Plant		1,514,315,127	433,495,144	259,931,308	57,874,309	55,985,683	28,165,322	36,642,029	519,241,806	99,583,051	8,988,838	8,402,286	1,137,605

UGI UTILITIES INC. - GAS DIVISION (SOUTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
COMMON PLANT ALLOCATED @ 91.24%															
301	Organization	14	94,718	27,156	15,960	3,419	3,306	1,695	2,216	33,189	6,251	587	540	76	322
389.1	Land and Land Rights	12	4,735,149	1,246,765	487,247	92,335	90,915	73,395	102,753	2,112,823	374,077	62,030	48,772	8,997	35,040
390.2	Structures and Improvements	12	20,163,063	5,308,934	2,074,779	393,180	387,131	312,527	437,538	8,996,759	1,592,882	264,136	207,680	38,310	149,207
391	Office Furniture and Equipment	12	2,299,106	605,355	236,578	44,833	44,143	35,636	49,891	1,025,861	181,629	30,118	23,681	4,368	17,013
392.1	Transportation Equipment	12	1,189	313	122	23	23	18	26	531	94	16	12	2	9
	Total Common Plant		27,293,225	7,188,523	2,814,686	533,790	525,518	423,271	592,424	12,169,163	2,154,933	356,887	280,685	51,753	201,591
INFORMATION SERVICES (IS) ALLOCATED @ 91.72%															
391	Office Furniture and Equipment	12	1,489,258	392,122	153,245	29,041	28,594	23,083	32,317	664,507	117,651	19,509	15,339	2,830	11,021
391.1	Office Furniture and Equip. - CIS	7	31,220,663	-	-	-	-	-	-	27,989,324	3,118,944	62,441	21,854	3,122	24,977
391.2	Office Furniture and Equip. - System Development Costs	12	47,938,777	12,622,280	4,932,900	934,806	920,425	743,051	1,040,271	21,390,282	3,787,163	627,998	493,769	91,084	354,747
	Total Information Services		80,648,698	13,014,402	5,086,145	963,847	949,019	766,134	1,072,588	50,044,113	7,023,758	709,948	530,962	97,036	390,745
INTANGIBLE PLANT															
301	Organization	14	-	-	-	-	-	-	-	-	-	-	-	-	-
302	Franchises And Consents	14	28,256	8,101	4,761	1,020	986	506	661	9,901	1,865	175	161	23	96
303	Miscellaneous Intangible Plant	14	-	-	-	-	-	-	-	-	-	-	-	-	-
304	Land and Land Rights	14	381,652	109,420	64,308	13,778	13,320	6,832	8,931	133,731	25,189	2,366	2,175	305	1,298
305	Manufactured Gas Plant Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Nondepreciable Plant		409,908	117,521	69,069	14,798	14,306	7,338	9,592	143,632	27,054	2,541	2,336	328	1,394
	Total Utility Plant in Service		1,622,666,958	453,815,590	267,901,208	59,386,744	57,474,526	29,362,065	38,316,633	581,598,714	108,788,796	10,058,214	9,216,269	1,286,722	5,461,472
OTHER RATE BASE ELEMENTS															
1A	Gas Storage Inventory	12	16,444,000	9,774,314	6,669,686	-	-	-	-	-	-	-	-	-	-
12	Cash Working Capital	12	16,207,090	4,267,327	1,667,710	316,038	311,176	251,210	351,694	7,231,603	1,280,360	212,313	166,933	30,793	119,932
1	Cash Working Capital - Purchased Gas Related	1	8,178,910	5,742,413	2,436,497	-	-	-	-	-	-	-	-	-	-
12	Materials & Supplies	12	5,249,000	1,382,062	540,122	102,356	100,781	81,360	113,903	2,342,104	414,671	68,762	54,065	9,973	38,843
14	Deferred Taxes	14	(354,084,100)	(101,515,912)	(59,663,171)	(12,782,436)	(12,357,535)	(6,338,105)	(8,285,568)	(124,071,069)	(23,369,551)	(2,195,321)	(2,018,279)	(283,267)	(1,203,886)
8	Customer Deposits	8	(12,149,000)	-	-	-	-	-	-	(10,930,455)	(1,218,545)	-	-	-	-
14	Investment Tax Credit	14	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Other Rate Base Elements		(320,154,100)	(80,349,796)	(48,349,156)	(12,364,042)	(11,945,578)	(6,005,535)	(7,819,971)	(125,427,817)	(22,893,065)	(1,914,246)	(1,797,281)	(242,501)	(1,045,111)
	Total Measure of Value		\$ 1,302,512,857	\$ 373,465,794	\$ 219,552,052	\$ 47,022,702	\$ 45,528,948	\$ 23,356,530	\$ 30,496,662	\$ 456,170,897	\$ 85,895,731	\$ 8,143,968	\$ 7,418,988	\$ 1,044,221	\$ 4,416,361

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 17. ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
ASSOCIATED WITH LARGE MAINS.

Factors are based on the allocation of rate base for large and directly assigned mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 227,331,989	0.4824
Rate N	138,494,214	0.2939
Rate DS	30,979,555	0.0657
Rate LFD	29,954,333	0.0636
Rate XD Firm	25,045,325	0.0532
Interruptible	19,411,914	0.0412
Total	<u>\$ 471,217,330</u>	<u>1.0000</u>

FACTOR 18. ALLOCATION OF RATE BASE ASSOCIATED M&R STATION EQUIPMENTS

Factors are based on the composite allocation of all mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 383,812,239	0.4934
Rate N	233,824,437	0.3005
Rate DS	52,303,824	0.0672
Rate LFD	50,572,907	0.0650
Rate XD Firm	25,045,325	0.0322
Interruptible	32,482,617	0.0417
Total	<u>\$ 778,041,349</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 19. ALLOCATION OF UNCOLLECTIBLE ACCOUNTS

Factors are based on history of net write-offs by class.

<u>Service Classification</u> (1)	<u>3-Yr. Average of Net Write-offs</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 8,403,680	0.9477
Rate N	385,525	0.0435
Rate DS	5,353	0.0006
Rate LFD	54,891	0.0062
Rate XD Firm	18,069	0.0020
Interruptible	-	-
Total	<u>\$ 8,867,517</u>	<u>1.0000</u>

FACTOR 20. ALLOCATION OF PENALTY REVENUE

Factors are based on an analysis of penalty revenue, by class.

<u>Service Classification</u> (1)	<u>Penalty Revenue</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 3,266,724	0.6656
Rate N	1,349,010	0.2749
Rate DS	288,844	0.0589
Rate LFD	2,310	0.0005
Rate XD Firm	77	0.0000
Interruptible	1,036	0.0002
Total	<u>\$ 4,908,000</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Fully Allocated Customer Costs							
Customer Costs	168,991,749	\$ 136,230,313	\$ 24,715,760	\$ 3,098,118	\$ 2,694,705	\$ 445,067	\$ 1,807,786
Number of bills	4,905,840	4,398,744	490,128	9,612	3,252	360	3,744
Customer Cost per bill		\$ 30.97	\$ 50.43	\$ 322.32	\$ 828.63	\$ 1,236.30	\$ 482.85
Direct Customer Costs							
<u>O & M Expenses:</u>							
874 Mains And Services Expenses							
Mains	-	-	-	-	-	-	-
Services	4,651,934	4,047,648	534,042	23,260	34,424	2,326	10,234
876 M & R Station Expenses - Industrial	466,109	-	-	191,431	137,316	25,962	111,400
878 Meter and House Regulator Expenses	2,357,073	1,114,660	898,516	141,189	101,354	19,092	82,262
879 Customer Installations Expenses	1,114,520	527,056	424,855	66,760	47,924	9,028	38,897
890 M & R Equip - Industrial	312,929	-	-	128,520	92,189	17,430	74,790
892 Services	3,185,613	2,771,802	365,708	15,928	23,574	1,593	7,008
893 Meters & House Regulators	1,580,563	747,448	602,510	94,676	67,964	12,803	55,162
901 Supervision	628,067	563,062	62,744	1,256	440	63	502
902 Meter Reading Expenses	1,150,723	1,031,623	114,957	2,301	806	115	921
903 Customer Records & Coll Expenses	12,230,832	10,964,940	1,221,860	24,462	8,562	1,223	9,785
903.1 Universal Service Program	-	-	-	-	-	-	-
904 Uncollectible Accounts	4,285,395	4,049,613	179,827	3,815	39,423	12,717	-
905 Miscellaneous Cust Accts Expenses	286,000	256,399	28,571	572	200	29	229
907 Supervision	154,124	138,173	15,397	308	108	15	123
908 Customer Assistance Expenses	912,667	912,667	-	-	-	-	-
910 Miscellaneous Customer Service Exp.	-	-	-	-	-	-	-
911 Supervision	-	-	-	-	-	-	-
912 Demonstrating and Selling Expenses	1,065,676	958,789	106,887	-	-	-	-
912.1 Energy Efficiency and Conservation	-	-	-	-	-	-	-
913 Advertising Expenses	250,000	224,925	25,075	-	-	-	-
916 Miscellaneous	130,000	116,961	13,039	-	-	-	-
926 Employee Pensions and Benefits	10,135,304 *	7,841,869	1,596,380	284,735	211,606	38,898	161,816
408 Payroll Taxes	2,136,592 *	1,653,120	336,528	60,024	44,608	8,200	34,112
Subtotal O & M Expenses	47,034,121	37,920,755	6,526,896	1,039,237	810,498	149,494	587,241

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Depreciation Expense							
380 Services	20,775,235	18,076,531	2,384,997	103,876	153,737	10,388	45,706
381 Meters	2,429,689	1,149,000	926,198	145,538	104,477	19,680	84,796
382 Meter Installations	1,748,678	826,950	666,596	104,746	75,193	14,164	61,029
383 House Regulators	1,329,327	1,174,859	154,468	-	-	-	-
384 House Regulator Installations	268,653	237,436	31,217	-	-	-	-
385 Industrial M & R Equipment	86,538	40,924	32,988	5,184	3,721	701	3,020
390 Structures and Improvements	1,766,394 *	1,412,735	250,126	41,477	32,611	6,016	23,429
391 Office Furniture And Equipment	6,422,303 *	5,393,439	798,607	93,726	71,374	13,089	52,068
Subtotal Depreciation	34,826,817	28,311,874	5,245,197	494,547	441,113	64,038	270,048
Rate Base							
380 Services	494,060,199	429,881,780	56,718,111	2,470,301	3,656,045	247,030	1,086,932
381 Meters	44,127,676	20,867,978	16,821,470	2,643,248	1,897,490	357,434	1,540,056
382 Meter Installations	46,713,964	22,091,034	17,807,363	2,798,167	2,008,700	378,383	1,630,317
383 House Regulators	7,368,045	6,511,878	856,167	-	-	-	-
384 House Regulator Installations	7,126,184	6,298,121	828,063	-	-	-	-
385 Industrial M & R Equipment	1,990,879	941,486	758,923	119,254	85,608	16,126	69,482
390 Structures And Improvements	23,130,497 *	18,499,422	3,275,335	543,125	427,037	78,774	306,804
391 Office Furniture and Equipment	61,822,811 *	52,464,462	7,452,282	781,007	586,833	107,342	430,885
Deferred Taxes	(153,141,373) *	(124,071,069)	(23,369,551)	(2,195,321)	(2,018,279)	(283,267)	(1,203,886)
Customer Deposits	(12,149,000)	(10,930,455)	(1,218,545)	-	-	-	-
Subtotal Rate Base	521,049,882	422,554,637	79,929,618	7,159,781	6,643,434	901,822	3,860,590
Taxes and Return @ 10.0%	52,360,239	42,462,464	8,032,118	719,486	667,598	90,624	387,950
Total Direct Customer Costs	<u>\$ 134,221,177</u>	<u>\$ 108,695,093</u>	<u>\$ 19,804,210</u>	<u>\$ 2,253,270</u>	<u>\$ 1,919,209</u>	<u>\$ 304,156</u>	<u>\$ 1,245,239</u>
Number of bills	4,905,840	4,398,744	490,128	9,612	3,252	360	3,744
Direct Costs per bill		\$ 24.71	\$ 40.41	\$ 234.42	\$ 590.16	\$ 844.88	\$ 332.60

* Customer cost portion of account.

UGI UTILITIES, INC. - GAS DIVISION (SOUTH)

CALCULATION OF COSTS RELATED TO LFD AND XD DEMAND CHARGES

<u>Capital Costs</u>	<u>Rate LFD</u>	<u>Rate XD Firm</u>
Depreciation	\$ 1,471,751	\$ 795,765
Taxes Other Than Income	127,719	94,165
Income Taxes	792,743	405,432
Income Available for Return	<u>3,788,384</u>	<u>1,937,488</u>
Total	<u>\$ 6,180,597</u>	<u>\$ 3,232,850</u>
Cost Per Month	\$ 515,050	\$ 269,404
Demand Volume Units per Month	26,746	494,708
Demand Costs per MCF	\$ 19.26	\$ 0.54

NORTH RATE DISTRICT

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
BY SERVICE CLASSIFICATION FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2020
WITHOUT GAS COSTS

Service Classification (1)	Pro Forma Cost of Service		Pro Forma Margin Revenues,				Revenue Increase	
	Amount (2)	Percent (3)	Under Present Rates		Under Proposed Rates		Amount (8)	Percent Increase (9)
			Amount (4)	Percent (5)	Amount (6)	Percent (7)		
Rate R	\$ 112,855,674	66.8%	\$ 96,111,779	63.5%	\$ 104,836,832	60.8%	\$ 8,725,053	9.1%
Rate N	30,255,350	17.9%	24,956,736	16.5%	32,019,055	18.5%	7,062,318	28.3%
Rate DS	5,999,524	3.6%	7,054,285	4.7%	10,585,427	6.1%	3,531,142	50.1%
Rate LFD	5,807,702	3.4%	6,618,298	4.4%	8,358,102	4.8%	1,739,804	26.3%
Rate XD Firm	13,262,830	7.8%	14,841,385	9.8%	15,295,824	8.9%	454,439	3.1%
Interruptible	798,064	0.5%	1,610,105	1.1%	1,636,577	0.9%	26,472	1.6%
Total	<u>\$ 168,979,144</u>	<u>100.0%</u>	<u>\$ 151,192,589</u>	<u>100.0%</u>	<u>\$ 172,731,817</u>	<u>100.0%</u>	<u>\$ 21,539,228</u>	14.2%
Other Operating Revenues	<u>1,771,000</u>		<u>1,771,000</u>		<u>1,771,000</u>		<u>0</u>	
Total	<u>\$170,750,144</u>		<u>\$152,963,589</u>		<u>\$174,502,817</u>		<u>\$21,539,228</u>	14.1%

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PRESENT RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	\$ 151,192,589	\$ 96,111,779	\$ 24,956,736	\$ 7,054,285	\$ 6,618,298	\$ 14,841,385	\$ 1,610,105
2. Other Revenues	1,770,979	1,230,885	400,605	114,166	7,260	17,049	1,014
3. Total Operating Revenues	152,963,568	97,342,664	25,357,341	7,168,451	6,625,558	14,858,434	1,611,119
4. Less: Operating Expenses	101,583,339	70,408,339	17,410,627	3,211,007	2,869,901	7,249,760	433,705
5. Return and Income Taxes	51,380,229	26,934,326	7,946,715	3,957,444	3,755,657	7,608,674	1,177,414
6. Less: Interest Expense	14,330,000	9,020,735	2,757,092	604,726	614,757	1,256,741	75,949
7. Taxable Income	37,050,229	17,913,591	5,189,623	3,352,718	3,140,900	6,351,933	1,101,465
8. Less: Income Taxes	8,200,700	3,965,038	1,148,918	742,163	695,419	1,405,600	243,561
9. Net Return (Ln 5 - Ln 8)	43,179,529	22,969,288	6,797,797	3,215,281	3,060,238	6,203,074	933,853
10. Original Cost Measure of Value (Factor 15.)	669,649,464	421,586,974	128,872,130	28,237,274	28,697,540	58,732,493	3,523,053
11. Rate of Return, Percent	6.45%	5.45%	5.27%	11.39%	10.66%	10.56%	26.51%
12. Relative Rate of Return	1.00	0.84	0.82	1.77	1.65	1.64	4.11

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PROPOSED RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	172,731,817	\$ 104,836,832	\$ 32,019,055	\$ 10,585,427	\$ 8,358,102	\$ 15,295,824	\$ 1,636,577
2. Other Revenues	1,771,000	1,230,181	400,822	114,288	7,444	17,230	1,035
3. Total Operating Revenues	174,502,817	106,067,013	32,419,877	10,699,715	8,365,546	15,313,054	1,637,612
4. Less: Operating Expenses	101,837,367	70,698,371	17,397,353	3,205,692	2,865,679	7,236,410	433,862
5. Return and Income Taxes	72,665,450	35,368,643	15,022,524	7,494,022	5,499,867	8,076,644	1,203,750
6. Less: Interest Expense	14,330,000	9,025,034	2,755,659	603,293	613,324	1,256,741	75,949
7. Taxable Income	58,335,450	26,343,609	12,266,865	6,890,729	4,886,543	6,819,903	1,127,801
8. Less: Income Taxes	13,267,461	5,991,586	2,790,147	1,566,887	1,111,813	1,550,966	256,062
9. Net Return (Ln 5 - Ln 8)	59,397,988	29,377,057	12,232,377	5,927,135	4,388,054	6,525,678	947,688
10. Original Cost Measure of Value (Factor 15.)	669,634,412	421,704,191	128,802,801	28,219,941	28,680,211	58,704,215	3,523,053
11. Rate of Return, Percent	8.87%	6.97%	9.50%	21.00%	15.30%	11.12%	26.90%
12. Relative Rate of Return	1.00	0.79	1.07	2.37	1.72	1.25	3.03

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

SUMMARY OF COST OF SERVICE BY SERVICE CLASSIFICATION

Cost Function (1)	Cost of Service (Schedule E) (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD Firm (7)	Interruptible (8)
<u>Volumetric Costs</u>							
Rate R	\$ 57,667,671	\$ 57,667,671					
Rate N	18,327,592		\$18,327,592				
Rate DS	4,758,271			\$ 4,758,271			
Rate LFD	5,171,772				\$ 5,171,772		
Rate XD Firm	13,082,517					\$ 13,082,517	
Rate IS/IL	598,266						\$ 598,266
Total Volumetric Costs	<u>99,606,090</u>	<u>57,667,671</u>	<u>18,327,592</u>	<u>4,758,271</u>	<u>5,171,772</u>	<u>13,082,517</u>	<u>598,266</u>
<u>Customer Costs</u>							
Rate R	\$ 55,188,003	\$ 55,188,003					
Rate N	11,927,758		\$11,927,758				
Rate DS	1,241,253			\$ 1,241,253			
Rate LFD	635,930				\$ 635,930		
Rate XD Firm	180,313					\$ 180,313	
Rate IS/IL	199,798						\$ 199,798
Total Customer Costs	<u>69,373,055</u>	<u>55,188,003</u>	<u>11,927,758</u>	<u>1,241,253</u>	<u>635,930</u>	<u>180,313</u>	<u>199,798</u>
Total Excluding Gas Costs	<u>\$ 168,979,144</u>	<u>\$ 112,855,674</u>	<u>\$30,255,350</u>	<u>\$ 5,999,524</u>	<u>\$ 5,807,702</u>	<u>\$ 13,262,830</u>	<u>\$ 798,064</u>

UGI UTILITIES INC. - GAS DIVISION (NORTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account	Factor Ref.	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
OPERATION AND MAINTENANCE EXPENSES														
NATURAL GAS PRODUCTION EXPENSES														
<u>Manufactured Gas Production Expenses</u>														
710	1	0	-	-	-	-	-	-	-	-	-	-	-	-
717	1	0	-	-	-	-	-	-	-	-	-	-	-	-
725-736	1	0	-	-	-	-	-	-	-	-	-	-	-	-
740-742	1	2,160,333	1,652,007	508,326	-	-	-	-	-	-	-	-	-	-
		2,160,333	1,652,007	508,326	-	-	-	-	-	-	-	-	-	-
<u>Production and Gathering</u>														
750 - 760	1	-	-	-	-	-	-	-	-	-	-	-	-	-
761 - 769	1	-	-	-	-	-	-	-	-	-	-	-	-	-
770 - 783	1	-	-	-	-	-	-	-	-	-	-	-	-	-
784 - 791	1	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Other Gas Supply Expenses</u>														
800 - 803	1	-	-	-	-	-	-	-	-	-	-	-	-	-
804	1	-	-	-	-	-	-	-	-	-	-	-	-	-
805.1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
805	1	-	-	-	-	-	-	-	-	-	-	-	-	-
808.1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
808.2	1	-	-	-	-	-	-	-	-	-	-	-	-	-
812	1	-	-	-	-	-	-	-	-	-	-	-	-	-
813	1	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Production Expenses		2,160,333	1,652,007	508,326	-	-	-	-	-	-	-	-	-	-
OTHER STORAGE EXPENSE														
840	1A	57	40	17	-	-	-	-	-	-	-	-	-	-
841	4	-	-	-	-	-	-	-	-	-	-	-	-	-
342 - 842.3	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Storage Expense		57	40	17	-	-	-	-	-	-	-	-	-	-
TRANSMISSION EXPENSE														
850 - 860	4	-	-	-	-	-	-	-	-	-	-	-	-	-
861 - 867	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION EXPENSES														
<u>Operation</u>														
870	10	2,519,953	500,463	202,352	57,707	62,495	255,523	7,308	972,450	373,205	49,643	24,192	7,056	7,560
871	4A	553,000	132,112	53,420	15,263	16,535	333,348	2,323	-	-	-	-	-	-
872		-	-	-	-	-	-	-	-	-	-	-	-	-
873	2	-	-	-	-	-	-	-	-	-	-	-	-	-
874		-	-	-	-	-	-	-	-	-	-	-	-	-
	5	965,854	582,410	235,379	67,030	72,825	-	8,210	-	-	-	-	-	-
	17	2,595,554	1,288,952	520,928	148,466	161,184	457,856	18,169	-	-	-	-	-	-
	6C	3,483,276	-	-	-	-	-	-	3,075,733	386,644	14,281	5,225	-	1,393
875	4A	456,212	108,989	44,070	12,591	13,641	275,005	1,916	-	-	40,857	20,248	6,238	6,393
876	6B	73,736	-	-	-	-	-	-	-	-	-	-	-	-
877	4A	25,184	6,016	2,433	695	753	15,181	106	-	-	-	-	-	-
878	6	1,864,180	-	-	-	-	-	-	773,075	884,181	114,647	56,857	17,523	17,896
879	6	852,444	-	-	-	-	-	-	270,569	309,454	40,125	19,900	6,133	6,263
880	10	1,455,826	289,127	116,903	33,338	36,104	147,621	4,222	561,803	215,608	28,680	13,976	4,076	4,367
881	10	99,000	19,661	7,950	2,267	2,455	10,039	287	38,204	14,662	1,950	950	277	297
Total Operation		14,744,219	2,927,730	1,183,435	337,357	365,992	1,494,573	42,541	5,691,834	2,163,754	290,183	141,348	41,303	44,169

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UGI UTILITIES INC. - GAS DIVISION (NORTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
Maintenance															
885	Supervision - Engineering and Labor	11	587,849	225,734	91,234	25,983	28,217	82,828	3,233	92,234	25,630	7,113	3,468	1,058	1,117
886	Structures & Improvements	18	4,000	2,086	843	240	261	540	30	-	-	-	-	-	-
887	Mains - Small	5	1,752,567	1,056,798	427,101	121,628	132,144	-	14,897	-	-	-	-	-	-
	Mains - Large	17	4,709,702	2,338,838	945,237	269,395	292,472	830,791	32,968	-	-	-	-	-	-
888	Maintenance of Compressor Station Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
889	M & R Equip - General	4A	416,137	99,415	40,199	11,485	12,442	250,847	1,748	-	-	-	-	-	-
890	M & R Equip - Industrial	6B	135,090	-	-	-	-	-	-	-	-	74,853	37,096	11,429	11,712
891	M & R Equip - City Gate	4A	390,642	93,324	37,736	10,782	11,680	235,479	1,641	-	-	-	-	-	-
892	Services	6C	1,414,477	-	-	-	-	-	-	1,248,983	157,007	5,799	2,122	-	566
893	Meters & House Regulators	6	527,665	-	-	-	-	-	-	218,823	250,272	32,451	16,094	4,960	5,066
894	Other Expenses	11	147,623	56,687	22,911	6,525	7,086	20,800	812	23,162	6,436	1,786	871	266	280
895	Construction and Maintenance	11	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Maintenance		10,085,752	3,872,882	1,565,261	446,038	484,302	1,421,285	55,329	1,583,202	439,345	122,002	59,651	17,713	18,741
	Total Distribution Expenses		24,829,971	6,800,612	2,748,696	783,395	850,294	2,915,858	97,870	7,275,036	2,623,099	412,185	200,999	59,016	62,910
CUSTOMER ACCOUNTING EXPENSES															
Operation															
901	Supervision	7	158,090	-	-	-	-	-	-	142,360	15,161	427	95	16	32
902	Meter Reading Expenses	7	332,863	-	-	-	-	-	-	299,743	31,922	899	200	33	67
903	Customer Records & Coll Expenses	7	4,743,722	-	-	-	-	-	-	4,271,722	454,923	12,808	2,846	474	949
903.1	Universal Service Program	DA	3,663,000	3,663,000	-	-	-	-	-	-	-	-	-	-	-
904	Uncollectible Accounts	19	3,618,715	1,428,013	50,692	-	-	-	-	2,053,915	85,372	724	-	-	-
905	Miscellaneous Cust Accts Expenses	7	1,509,698	-	-	-	-	-	-	1,359,483	144,780	4,076	906	151	302
	Total Customer Accounting Expenses		14,026,088	5,091,013	50,692	-	-	-	-	8,127,223	732,158	18,934	4,047	674	1,350
CUSTOMER SERVICE AND INFORMATION EXPENSES															
Operation															
907	Supervision	7	-	-	-	-	-	-	-	-	-	-	-	-	-
908	Customer Assistance Expenses	9	404,627	-	-	-	-	-	-	404,627	-	-	-	-	-
909	Informational and Instructional Advertising	7	342,000	-	-	-	-	-	-	307,971	32,798	923	205	34	68
910	Miscellaneous Customer Service & Informational Exp.	7	(3,002,540)	-	-	-	-	-	-	(2,703,788)	(287,944)	(8,107)	(1,802)	(300)	(601)
910.1	Energy Efficiency and Conservation Programs	7	2,471,729	2,073,187	393,750	1,308	3,484	-	-	-	-	-	-	-	-
	Total Customer Service & Info Expenses		215,816	2,073,187	393,750	1,308	3,484	-	-	(1,991,190)	(255,146)	(7,184)	(1,597)	(266)	(533)
SALES EXPENSES															
Operation															
911	Supervision	8	-	-	-	-	-	-	-	-	-	-	-	-	-
912	Demonstrating and Selling Expenses	8	513,561	-	-	-	-	-	-	464,105	49,456	-	-	-	-
913	Advertising Expenses	8	122,000	-	-	-	-	-	-	110,251	11,749	-	-	-	-
916	Miscellaneous	8	49,000	-	-	-	-	-	-	44,281	4,719	-	-	-	-
	Total Sales Expenses		684,561	-	-	-	-	-	-	618,637	65,924	-	-	-	-
ADMINISTRATIVE AND GENERAL EXPENSES															
Operation															
920	Administrative & General Salaries	12	5,907,586	2,075,335	474,379	116,379	127,013	433,026	14,769	2,084,787	470,244	63,211	30,129	8,861	9,452
921	Office Supplies and Expenses	12	7,096,637	2,493,049	569,860	139,804	152,578	520,183	17,742	2,504,403	564,892	75,934	36,193	10,645	11,355
922	Administrative Expenses Transferred-Credit		-	-	-	-	-	-	-	-	-	-	-	-	-
923	Outside Services Employed - Other	12	5,606,184	1,969,452	450,177	110,442	120,533	410,933	14,015	1,978,422	446,252	59,986	28,592	8,409	8,970
924	Property Damage Insurance	12	50,000	17,565	4,015	985	1,075	3,665	125	17,645	3,980	535	255	75	80
925	Injuries and Damages	12	2,807,344	986,220	225,430	55,305	60,358	205,778	7,018	990,712	223,465	30,039	14,317	4,211	4,492
926	Employee Pensions and Benefits	13	4,964,996	1,043,146	326,697	87,880	95,824	343,578	10,923	2,298,793	608,212	84,405	40,713	11,916	12,909
927	Franchise Requirements		-	-	-	-	-	-	-	-	-	-	-	-	-
928	Regulatory Commission Expenses	16	386,000	130,507	41,495	10,769	11,696	29,606	1,351	127,380	27,831	3,049	1,428	425	463
929	Duplicate Charges-Credit		-	-	-	-	-	-	-	-	-	-	-	-	-
930	Miscellaneous General Expenses	12	90,000	31,617	7,227	1,773	1,935	6,597	225	31,761	7,164	963	459	135	144
930	Miscellaneous Company Charges	12	1,050,708	369,114	84,372	20,699	22,590	77,017	2,627	370,795	83,636	11,243	5,359	1,576	1,681
931	Other	12	109,000	38,292	8,753	2,147	2,344	7,990	273	38,466	8,676	1,166	556	164	174
	Total Operation		28,068,455	9,154,297	2,192,405	546,183	595,946	2,038,373	69,068	10,443,164	2,444,352	330,531	158,001	46,417	49,720

UGI UTILITIES INC. - GAS DIVISION (NORTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
Maintenance														
932 Maintenance of General Plant	12	1,211,000	425,424	97,243	23,857	26,037	88,766	3,028	427,362	96,396	12,958	6,176	1,817	1,938
935 Maintenance of General Plant	12	4,000	1,405	321	79	86	293	10	1,412	318	43	20	6	6
Total Maintenance		1,215,000	426,829	97,564	23,936	26,123	89,059	3,038	428,774	96,714	13,001	6,196	1,823	1,944
Total Administrative & General Expenses		29,283,455	9,581,126	2,289,969	570,119	622,069	2,127,432	72,106	10,871,938	2,541,066	343,532	164,197	48,240	51,664
Total Operation and Maintenance Expenses		71,200,281	25,197,985	5,991,450	1,354,822	1,475,847	5,043,290	169,976	24,901,644	5,707,101	767,467	367,646	107,664	115,391
DEPRECIATION AND AMORTIZATION EXPENSE														
PRODUCTION PLANT														
305 Manufactured Gas Plant Site Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-	-
325.2 Production Leaseholds	1	-	-	-	-	-	-	-	-	-	-	-	-	-
325.4 Rights-Of-Way	1	-	-	-	-	-	-	-	-	-	-	-	-	-
328 Field Measuring and Regulating Station Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
329 Other Structures	1	-	-	-	-	-	-	-	-	-	-	-	-	-
330 Producing Gas Wells - Well Construction	1	-	-	-	-	-	-	-	-	-	-	-	-	-
331 Product Gas Wells - Well Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
332 Field Lines	1	-	-	-	-	-	-	-	-	-	-	-	-	-
334 Field Measuring and Regulating Station Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
335 Drilling and Cleaning Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
337 Other Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Production Plant		-	-	-	-	-	-	-	-	-	-	-	-	-
STORAGE PLANT														
352.01 Well Construction	1	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSMISSION PLANT														
365.2 Rights-Of-Way	4	-	-	-	-	-	-	-	-	-	-	-	-	-
366 Structures and Improvements	4	-	-	-	-	-	-	-	-	-	-	-	-	-
367 Mains	4	-	-	-	-	-	-	-	-	-	-	-	-	-
369 Measuring and Regulating Station Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
370 Communication Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
371 Other Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
371.1 Testing Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Plant		-	-	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION PLANT														
305 Manufactured Gas Plant Site Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-	-
374.2 Rights of Way	18	-	-	-	-	-	-	-	-	-	-	-	-	-
375 Structures And Improvements	18	52,008	27,127	10,963	3,120	3,391	7,021	385	-	-	-	-	-	-
376 Mains - Small	5	2,257,593	1,361,329	550,175	156,677	170,223	-	19,190	-	-	-	-	-	-
Mains - Large	4	6,066,866	3,658,320	1,478,495	421,041	457,442	-	51,568	-	-	-	-	-	-
Mains - Direct Assign	DA	1,299,134	-	-	-	-	1,289,615	9,519	-	-	-	-	-	-
378 Measuring & Regulating Equipment - General	18	1,213,627	633,028	255,833	72,818	79,128	163,840	8,981	-	-	-	-	-	-
379 Measuring & Regulating Equipment - City Gate	18	437,325	228,109	92,188	26,240	28,514	59,039	3,236	-	-	-	-	-	-
380 Services	6C	8,583,975	-	-	-	-	-	-	7,579,650	952,821	35,194	12,876	-	3,434
381 Meters	6	1,826,388	-	-	-	-	-	-	757,403	866,256	112,323	55,705	17,168	17,533
382 Meter Installations	6	23,670	-	-	-	-	-	-	9,816	11,227	1,456	722	222	227
383 House Regulators	6A	40,368	-	-	-	-	-	-	35,859	4,509	-	-	-	-
384 House Regulator Installations	6A	57,562	-	-	-	-	-	-	51,132	6,430	-	-	-	-
385 Industrial Measuring & Regulating Equipment	6	214,167	-	-	-	-	-	-	88,815	101,579	13,171	6,532	2,013	2,056
386 Other Property on Customer Premises	6C	-	-	-	-	-	-	-	-	-	-	-	-	-
387 Other Equipment	10	1,988	395	160	46	49	202	6	767	294	39	19	6	6
387.1 Other Equipment	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Distribution Plant		22,074,671	5,908,308	2,387,814	679,942	738,747	1,519,717	92,885	8,523,442	1,943,116	162,183	75,854	19,409	23,256
GENERAL PLANT														
390 Structures And Improvements	12	874,712	307,286	70,239	17,232	18,806	64,116	2,187	308,686	69,627	9,359	4,461	1,312	1,400
391 Office Furniture And Equipment	12	79,566	27,952	6,389	1,567	1,711	5,832	199	28,079	6,333	851	406	119	127
392 Transportation Equipment	12	1,335,357	469,111	107,229	26,307	28,710	97,882	3,338	471,247	106,294	14,288	6,810	2,003	2,137
393 Stores Equipment	12	85	30	7	2	2	6	-	30	7	1	-	-	-
394 Tools, Shop And Garage Equipment	12	385,444	135,406	30,951	7,593	8,287	28,253	964	136,023	30,681	4,124	1,966	578	617
395 Laboratory Equipment	12	-	-	-	-	-	-	-	-	-	-	-	-	-
396 Power Operated Equipment	12	80,248	28,191	6,444	1,581	1,725	5,882	201	28,320	6,388	859	409	120	128
397 Communication Equipment	12	85,395	29,998	6,857	1,682	1,836	6,259	213	30,136	6,797	914	436	128	137
398 Miscellaneous Equipment	12	74,559	26,192	5,987	1,469	1,603	5,465	186	26,312	5,935	798	380	112	119
399 Other Tangible Property	12	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General Plant		2,915,366	1,024,166	234,103	57,433	62,680	213,695	7,288	1,028,833	232,062	31,194	14,868	4,372	4,665

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UGI UTILITIES INC. - GAS DIVISION (NORTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
COMMON PLANT ALLOCATED @ 17.64%															
390.2	12	Structures and Improvements	171,278	60,170	13,754	3,374	3,682	12,555	428	60,444	13,634	1,833	874	257	274
391	12	Office Furniture and Equipment	83,540	29,348	6,708	1,646	1,796	6,123	209	29,481	6,650	894	426	125	134
392.1	12	Transportation Equipment	149	52	12	3	3	11	-	52	12	2	1	-	-
		Total Common Plant	254,967	89,570	20,474	5,023	5,481	18,689	637	89,977	20,296	2,729	1,301	382	408
INFORMATION SERVICES (IS) ALLOCATED @ 24.64%															
391	12	Office Furniture and Equipment	2,929,877	1,029,266	235,269	57,719	62,992	214,760	7,325	1,033,953	233,218	31,350	14,942	4,395	4,688
391.1	7	Office Furniture and Equip. - New CIS Software	1,251,106	-	-	-	-	-	-	1,126,621	119,981	3,378	751	125	250
		Total Information Services	4,180,983	1,029,266	235,269	57,719	62,992	214,760	7,325	2,160,574	353,199	34,728	15,693	4,520	4,938
Less:															
	12	Amount Charged to Clearing Accounts	(1,922,000)	(675,199)	(154,337)	(37,863)	(41,323)	(140,883)	(4,805)	(678,274)	(152,991)	(20,565)	(9,802)	(2,883)	(3,075)
390.1	12	Reading Service Center Alloc. to Electric Div. @ 24.88%	16,103	5,657	1,293	317	346	1,180	40	5,683	1,282	172	82	24	26
		Total Depreciation & Amortization Expense	27,520,090	7,381,768	2,724,616	762,571	828,923	1,827,158	103,370	11,130,235	2,396,964	210,441	97,996	25,824	30,218
TAXES OTHER THAN INCOME TAXES															
408.10	15	Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
408.10	16	County and Municipal Taxes	372,000	125,772	39,990	10,379	11,272	28,532	1,302	122,760	26,821	2,939	1,376	409	446
408.10	13	Payroll Related Tax	1,817,000	381,752	119,559	32,161	35,068	125,736	3,997	841,271	222,583	30,889	14,899	4,361	4,724
408.10	16	Public Utility Assessment	803,000	271,494	86,323	22,404	24,331	61,590	2,811	264,990	57,896	6,344	2,971	883	964
408.10	15	Public Utility Realty Tax	125,000	44,150	17,000	4,675	5,075	10,888	575	34,550	7,050	600	275	75	88
408.10	16	Miscellaneous Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
		Total Taxes Other Than Income	3,117,000	823,168	262,872	69,619	75,746	226,746	8,685	1,263,571	314,350	40,772	19,521	5,728	6,222
		Total Operating Expenses	101,837,370	33,402,921	8,978,938	2,187,012	2,380,516	7,097,194	282,031	37,295,450	8,418,415	1,018,680	485,163	139,216	151,831
INCOME TAXES															
	15		13,267,461	4,686,068	1,804,375	496,203	538,659	1,155,596	61,030	3,667,126	748,285	63,684	29,188	7,960	9,287
OPERATING INCOME AVAILABLE FOR RETURN															
	15		55,645,315	19,653,925	7,567,763	2,081,135	2,259,200	4,846,707	255,968	15,380,365	3,138,396	267,098	122,420	33,387	38,952
TOTAL COST OF SERVICE															
			170,750,146	57,742,914	18,351,076	4,764,350	5,178,375	13,099,497	599,029	56,342,941	12,305,096	1,349,462	636,771	180,563	200,070
Less: Other Revenues															
	6C	Reconnection Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
	12	Rent From Gas Property	14,000	4,918	1,124	276	301	1,026	35	4,941	1,114	150	71	21	22
	20	Forfeited Discounts/Penalties	1,549,000	-	-	-	-	-	-	1,081,357	361,227	106,416	-	-	-
	16	Other Miscellaneous Revenues	208,000	70,325	22,360	5,803	6,302	15,954	728	68,640	14,997	1,643	770	229	250
		Subtotal	1,771,000	75,243	23,484	6,079	6,603	16,980	763	1,154,938	377,338	108,209	841	250	272
TOTAL COST OF SERVICE RELATED TO TARIFF SALES AND TRANSPORTATION															
			\$ 168,979,146	\$ 57,667,671	\$ 18,327,592	\$ 4,758,271	\$ 5,171,772	\$ 13,082,517	\$ 598,266	\$ 55,188,003	\$ 11,927,758	\$ 1,241,253	\$ 635,930	\$ 180,313	\$ 199,798

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UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 1 and 1A. ALLOCATION OF COSTS WHICH VARY DIRECTLY WITH PGC AND CHOICE SALES.

Factors are based on the pro forma average daily PGC sales volumes for each service classification.

Service Classification	Pro Forma Average Daily PGC Volumes (Mcf)	Allocation Factor 1	PGC and Choice Volumes (Mcf)	Allocation Factor 1A
(1)	(2)	(3)		
<u>Volumetric Costs</u>				
Rate R	42,781	0.7647	44,936	0.6965
Rate N	13,162	0.2353	19,578	0.3035
Rate DS		-		
Rate LFD		-		
Rate XD	-	-		
Interruptible	-	-		
 Total	 <u>55,943</u>	 <u>1.0000</u>	 <u>64,514</u>	 <u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 2 . ALLOCATION OF COMPRESSOR STATION FUEL.

Factors are based on the pro forma average daily throughput volumes for each service classification.

<u>Service Classification</u> (1)	<u>Pro Forma Average Daily Throughput Volumes (Mcf)</u> (2)	<u>Allocation Factor 2</u> (3)
<u>Volumetric Costs</u>		
Rate R	44,936	0.0960
Rate N	19,578	0.0419
Rate DS	8,962	0.0192
Rate LFD	13,637	0.0292
Rate XD Firm	376,822	0.8059
Interruptible	<u>3,658</u>	<u>0.0078</u>
Total	<u><u>467,593</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 3 and 3A. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS.

Factors are based on the maximum day extra demand throughput for each classification.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3	Allocation Factor 3A
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(5)
<u>Volumetric Costs</u>					
Rate R	44,936	206,670	161,734	0.4097	0.6403
Rate N	19,578	83,539	63,961	0.1620	0.2532
Rate DS	8,962	23,749	14,787	0.0375	0.0585
Rate LFD	13,637	25,752	12,115	0.0307	0.0480
Subtotal	87,113	339,710	252,597	0.6399	1.0000
Rate XD Firm	376,822	518,973	142,151	0.3601	-
Total	463,935	858,683	394,748	1.0000	1.0000

FACTOR 3B. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS FOR SMALL MAINS ALLOCATION.

Factors are based on the maximum day extra demand throughput for each classification, excluding XD and Interruptible classifications.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3B
(1)	(2)	(3)	(4)=(3)-(2)	(5)
<u>Volumetric Costs</u>				
Rate R	44,936	206,670	161,734	0.6403
Rate N	19,578	83,539	63,961	0.2532
Rate DS	8,962	23,749	14,787	0.0585
Rate LFD	13,637	25,752	12,115	0.0480
Total	87,113	339,710	252,597	1.0000

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND LARGE DISTRIBUTION MAINS

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 4 (7)=(4)+(6)
	MCF/Day (2)	Allocation Factor (3)	Weighted Factor* (4)=(3)x 0.2649	Allocation Factor 3A (5)	Weighted Factor* (6)=(5)x 0.7351	
<u>Volumetric Costs</u>						
Rate R	44,936	0.4993	0.1323	0.6403	0.4707	0.6030
Rate N	19,578	0.2175	0.0576	0.2532	0.1861	0.2437
Rate DS	8,962	0.0996	0.0264	0.0585	0.0430	0.0694
Rate LFD	13,637	0.1515	0.0401	0.0480	0.0353	0.0754
Rate XD Firm		-	-	-	-	-
Interruptible**	2,891	0.0321	0.0085		-	0.0085
Total	90,004	1.0000	0.2649	1.0000	0.7351	1.0000

* The weighting of the factors is based on the percentage of average daily throughput excluding XD 90,004 mcf divided by peak day demand of 339,710 mcf excluding XD - 90,004 / 339,710 = 26.49%

** Excludes XD-I volumes for customers who are 100% interruptible.

FACTOR 4A. ALLOCATION OF COSTS ASSOCIATED WITH LOAD DISPATCHING AND M&R STATION EQUIPMENT.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Throughput (2)	Average Daily Throughput		Maximum Day Extra Demand		Allocation Factor (7)=(4)+(6)
		Allocation Factor 2 (3)	Weighted Factor (4)=(3)x 0.5445	Allocation Factor 3 (5)	Weighted Factor (6)=(5)x 0.4555	
<u>Volumetric</u>						
Rate R	44,936	0.0960	0.0523	0.4097	0.1866	0.2389
Rate N	19,578	0.0419	0.0228	0.1620	0.0738	0.0966
Rate DS	8,962	0.0192	0.0105	0.0375	0.0171	0.0276
Rate LFD	13,637	0.0292	0.0159	0.0307	0.0140	0.0299
Rate XD-Firm	376,822	0.8059	0.4388	0.3601	0.1640	0.6028
Interruptible	3,658	0.0078	0.0042	-	-	0.0042
Total	467,593	1.0000	0.5445	1.0000	0.4555	1.0000

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH SMALL DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification (1)	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 5 (7)
	Volumes (Mcf) (2)	Allocation Factor (3)	Weighted Factor (4)=(3)x 0.2649	Allocation Factor 3B (5)	Weighted Factor (6)=(5)x 0.7351	
<u>Volumetric Costs</u>						
Rate R	44,936	0.4993	0.1323	0.6403	0.4707	0.6030
Rate N	19,578	0.2175	0.0576	0.2532	0.1861	0.2437
Rate DS	8,962	0.0996	0.0264	0.0585	0.0430	0.0694
Rate LFD	13,637	0.1515	0.0401	0.0480	0.0353	0.0754
Rate XD - Firm Interruptible	2,891	-	-	-	-	-
		0.0321	0.0085	-	-	0.0085
Total	90,004	1.0000	0.2649	1.0000	0.7351	1.0000

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH ACCOUNTS 381 and 385.

Factors are based on the cost of meters by class included in Accounts 381 and 385, Meters and M&R Equipment.

<u>Service Classification</u> (1)	<u>Cost of Meters and M&R Equip.</u>	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 16,988,913	0.4147
Rate N	19,427,528	0.4743
Rate DS	2,518,238	0.0615
Rate LFD	1,248,158	0.0305
Rate XD-Firm	384,411	0.0094
Interruptible	<u>393,857</u>	<u>0.0096</u>
Total	<u>\$ 40,961,104</u>	<u>1.0000</u>

FACTOR 6A. ALLOCATION OF COSTS ASSOCIATED WITH HOUSE REGULATORS

Factors are based on the number of weighted house regulators for customers served.

<u>Service Classification</u> (1)	<u>Number of Regulators</u> (2)	<u>Factor</u> (3)	<u>Weighted Regulators</u> (4)	<u>Allocation Factor</u> (5)
<u>Customer</u>				
Rate R	154,371	1.00	154,371	0.8883
Rate N	<u>16,446</u>	1.18	<u>19,406</u>	<u>0.1117</u>
Total	<u>170,817</u>		<u>173,777</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6B. ALLOCATION OF COSTS ASSOCIATED WITH INDUSTRIAL MEASURING AND REGULATING EQUIPMENT.

Factors are based on the cost of Meters and M&R equipment by class included in Accounts 381 and 385.

<u>Service Classification</u> (1)	<u>Cost of Meters & M&R Equipment</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate DS	\$ 2,518,238	0.5541
Rate LFD	1,248,158	0.2746
Rate XD - Firm	384,411	0.0846
Interruptible	<u>393,857</u>	<u>0.0867</u>
Total	<u>\$ 4,544,664</u>	<u>1.0000</u>

FACTOR 6C. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the cost of services by class included in Account 380, Service Lines.

<u>Service Classification</u> (1)	<u>Cost of Service Lines</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 247,937,005	0.8830
Rate N	31,153,221	0.1110
Rate DS	1,162,395	0.0041
Rate LFD	408,072	0.0015
Rate XD - Firm	3,573	-
Interruptible	<u>101,554</u>	<u>0.0004</u>
Total	<u>\$ 280,765,821</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH CUSTOMER ACCOUNTING AND METER READING

Factors are based on the number of customers for each classification, as follows.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor 7</u> (3)
<u>Customer Costs</u>		
Rate R	154,371	0.9005
Rate N	16,446	0.0959
Rate DS	469	0.0027
Rate LFD	109	0.0006
Rate XD Firm	16	0.0001
Interruptible	<u>33</u>	<u>0.0002</u>
Total	<u><u>171,444</u></u>	<u><u>1.0000</u></u>

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH SALES EXPENSES.

Factors are based on the number of Rate R and Rate N customers.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	154,371	0.9037
Rate N	<u>16,446</u>	<u>0.0963</u>
Total	<u><u>170,817</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 9 (DA). ALLOCATION OF CUSTOMER ASSISTANCE EXPENSES.

These costs are directly assigned to the Residential Classification.

<u>Service Classification</u> (1)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u> Rate R	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 10. ALLOCATION OF DISTRIBUTION OPERATION OTHER EXPENSES AND RENT.

Factors are based on distribution operation expenses other than those being allocated.

<u>Service Classification</u> (1)	<u>Operation Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 2,118,479	0.1986
Rate N	856,230	0.0803
Rate DS	244,045	0.0229
Rate LFD	264,938	0.0248
Rate XD Firm	1,081,390	0.1014
Interruptible	30,724	0.0029
<u>Customer Costs</u>		
Rate R	4,119,377	0.3859
Rate N	1,580,279	0.1481
Rate DS	209,910	0.0197
Rate LFD	102,230	0.0096
Rate XD Firm	29,894	0.0028
Interruptible	31,945	0.0030
Total	<u>\$ 10,669,441</u>	<u>1.0000</u>

FACTOR 11. ALLOCATION OF DISTRIBUTION MAINTENANCE OTHER EXPENSES.

Factors are based on distribution maintenance expenses other than those being allocated.

<u>Service Classification</u> (1)	<u>Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 3,590,461	0.3840
Rate N	1,451,116	0.1552
Rate DS	413,530	0.0442
Rate LFD	448,999	0.0480
Rate XD Firm	1,317,657	0.1409
Interruptible	51,284	0.0055
<u>Customer Costs</u>		
Rate R	1,467,806	0.1569
Rate N	407,279	0.0436
Rate DS	113,103	0.0121
Rate LFD	55,312	0.0059
Rate XD Firm	16,389	0.0018
Interruptible	17,344	0.0019
Total	<u>\$ 9,350,280</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 12. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES.

Factors are based on the allocation of operation and maintenance expenses.

<u>Service Classification</u> (1)	<u>Operation & Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 13,964,852	0.3513
Rate N	3,193,155	0.0803
Rate DS	784,703	0.0197
Rate LFD	853,778	0.0215
Rate XD Firm	2,915,858	0.0733
Interruptible	97,870	0.0025
<u>Customer Costs</u>		
Rate R	14,029,706	0.3529
Rate N	3,166,035	0.0796
Rate DS	423,935	0.0107
Rate LFD	203,449	0.0051
Rate XD Firm	59,424	0.0015
Interruptible	63,727	0.0016
Total	<u>\$ 39,756,492</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 13. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of total operation and maintenance direct labor expense to service classifications as shown on the following page.

Service Classification (1)	Total Labor Expense (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 4,514,157	0.2101
Rate N	1,413,571	0.0658
Rate DS	381,317	0.0177
Rate LFD	414,550	0.0193
Rate XD Firm	1,486,386	0.0692
Interruptible	48,034	0.0022
<u>Customer Costs</u>		
Rate R	9,946,551	0.4630
Rate N	2,631,219	0.1225
Rate DS	365,008	0.0170
Rate LFD	175,251	0.0082
Rate XD Firm	52,117	0.0024
Interruptible	55,078	0.0026
Total	<u>\$ 21,483,239</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS, MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation excluding the items being allocated, as follows:

Service Classification (1)	Original Cost Less Depreciation (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 289,686,063	0.3532
Rate N	111,518,508	0.1360
Rate DS	30,651,217	0.0374
Rate LFD	33,310,184	0.0406
Rate XD Firm	71,445,363	0.0871
Interruptible	3,764,250	0.0046
<u>Customer Costs</u>		
Rate R	226,808,510	0.2764
Rate N	46,251,367	0.0564
Rate DS	3,922,209	0.0048
Rate LFD	1,813,846	0.0022
Rate XD Firm	462,657	0.0006
Interruptible	556,753	0.0007
Total	<u>\$ 820,190,927</u>	<u>1.0000</u>

UGI UTILITIES INC. - GAS DIVISION (NORTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Volumetric Costs							Customer Costs				
			Rate R	Rate N	Rate DS	Rate LFD	Rate XD Firm	Interruptible	Rate R	Rate N	Rate DS	Rate LFD	Rate XD Firm	Interruptible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
DIRECT LABOR EXPENSE														
725 - 736	Total Gas Fuels Expenses	1	0	-	-	-	-	-	-	-	-	-	-	-
750-760	Total Production & Gathering Operation Expenses	1	0	-	-	-	-	-	-	-	-	-	-	-
761 - 769	Total Gas Raw Materials Expenses	1	-	-	-	-	-	-	-	-	-	-	-	-
813	Other Gas Supply Expenses	1	-	-	-	-	-	-	-	-	-	-	-	-
840	Storage	1A	4,057	2,826	1,231	-	-	-	-	-	-	-	-	-
850 - 860	Total Transmission Operation Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-
861 - 867	Total Transmission Maintenance Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-
870	Operation Supervision and Engineering	10	2,289,953	454,785	183,883	52,440	56,791	232,201	6,641	883,693	339,142	45,112	21,984	6,412
871	Distribution Load Dispatching	4A	-	-	-	-	-	-	-	-	-	-	-	-
874	Mains And Services Expenses													
	Mains - Small	5	222,888	134,401	54,318	15,468	16,806	-	1,895	-	-	-	-	-
	Mains - Large	17	598,969	297,448	120,213	34,261	37,196	105,658	4,193	-	-	-	-	-
	Services	6C	803,827	-	-	-	-	-	-	709,779	89,225	3,296	1,206	-
875	M & R Station Expenses -General	4A	230,212	54,998	22,238	6,354	6,883	138,772	967	-	-	-	-	-
876	Measuring and Regulating Station Expenses-Industrial	6B	52,736	-	-	-	-	-	-	-	-	29,221	14,481	4,461
877	Measuring and Regulating Station Expenses-City Gate	4A	13,184	3,150	1,274	364	394	7,947	55	-	-	-	-	-
878	Meter And House Regulator Expenses	6	1,446,180	-	-	-	-	-	-	599,731	685,923	88,940	44,108	13,594
879	Customer Installation Expenses	6	533,444	-	-	-	-	-	-	221,219	253,012	32,807	16,270	5,014
880	Other Expenses	10	775,826	154,079	62,299	17,766	19,240	78,669	2,250	299,391	114,900	15,284	7,448	2,172
881	Rent	10	-	-	-	-	-	-	-	-	-	-	-	-
885	Supervision - Engineering and Labor	11	490,849	188,486	76,180	21,696	23,561	69,161	2,700	77,014	21,401	5,939	2,896	884
886	Structures & Improvements	18	-	-	-	-	-	-	-	-	-	-	-	-
887	Mains - Small	5	413,382	249,269	100,741	28,689	31,169	-	3,514	-	-	-	-	-
	Mains - Large	17	1,110,887	551,666	222,955	63,543	68,986	195,960	7,776	-	-	-	-	-
889	M & R Equip - General	4A	153,137	36,584	14,793	4,227	4,579	92,311	643	-	-	-	-	-
890	M & R Equip - Ind	6B	78,090	-	-	-	-	-	-	-	-	-	-	-
891	M & R Equip - CG Check Station	4A	117,642	28,105	11,364	3,247	3,517	70,915	494	-	-	43,270	21,444	6,606
892	Services	6C	392,477	-	-	-	-	-	-	-	-	-	-	-
893	Meters & House Regulators	6	262,665	-	-	-	-	-	-	346,557	43,565	1,609	589	157
895	Other Equipment	11	44,623	17,135	6,925	1,972	2,142	6,287	245	7,001	1,946	540	263	80
894	Other Equipment	11	-	-	-	-	-	-	-	-	-	-	-	-
901	Supervision	7	78,090	-	-	-	-	-	-	70,320	7,489	211	47	8
902	Meter Reading Expenses	7	276,863	-	-	-	-	-	-	249,315	26,551	748	166	28
903	Customer Records & Coll Expenses	7	2,416,722	-	-	-	-	-	-	2,176,258	231,764	6,525	1,450	242
905	Miscellaneous Cust Accts Expenses	7	1,411,698	-	-	-	-	-	-	1,271,234	135,382	3,812	847	141
907	Supervision	7	-	-	-	-	-	-	-	-	-	-	-	-
908	Customer Assistance Expenses	9	331,627	-	-	-	-	-	-	331,627	-	-	-	-
910	Miscellaneous Customer Service & Info. Exp.	7	85,189	-	-	-	-	-	-	76,713	8,170	230	51	9
911	Supervision	8	-	-	-	-	-	-	-	-	-	-	-	-
912	Demonstrating And Selling Expenses	8	183,561	-	-	-	-	-	-	165,884	17,677	-	-	-
920	Administrative & General Salaries	12	5,488,586	1,928,140	440,733	108,125	118,005	402,313	13,721	1,936,922	436,891	58,728	27,992	8,233
921	Office Supplies And Expenses	12	45,637	16,032	3,665	899	981	3,345	114	16,105	3,633	488	233	68
922	Administrative Expenses Transferred-Credit	12	-	-	-	-	-	-	-	-	-	-	-	-
923	Outside Service Employed	12	13,184	4,632	1,059	260	283	966	33	4,653	1,049	141	67	20
924	Property Insurance	12	-	-	-	-	-	-	-	-	-	-	-	-
925	Injuries and Damages	12	311,344	109,375	25,001	6,133	6,694	22,822	778	109,873	24,783	3,331	1,588	467
927	Franchise Requirements	12	-	-	-	-	-	-	-	-	-	-	-	-
928	Regulatory Commission Expenses	12	-	-	-	-	-	-	-	-	-	-	-	-
929	Duplicate Charges-Credit	12	-	-	-	-	-	-	-	-	-	-	-	-
930	Miscellaneous General Expenses	12	-	-	-	-	-	-	-	-	-	-	-	-
930	Miscellaneous Intercorporal Charges	12	480,708	168,873	38,601	9,470	10,335	35,236	1,202	169,642	38,264	5,144	2,452	721
932	Maintenance of General Plant	12	325,000	114,173	26,098	6,403	6,988	23,823	813	114,693	25,870	3,478	1,658	488
	Total Direct Labor Expense		21,483,237	4,514,157	1,413,571	381,317	414,550	1,486,386	48,034	9,946,551	2,631,219	365,008	175,251	52,117
														55,078

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UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 15. ALLOCATION OF RETURN AND TAXES.

Factors are based on the result of allocating the original cost measure of value, as presented on the following pages.

Service Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 236,509,502	0.3532
Rate N	91,042,821	0.1360
Rate DS	25,020,403	0.0374
Rate LFD	27,197,589	0.0406
Rate XD Firm	58,331,891	0.0871
Interruptible	3,071,690	0.0046
<u>Customer Costs</u>		
Rate R	185,194,689	0.2764
Rate N	37,759,980	0.0564
Rate DS	3,199,538	0.0048
Rate LFD	1,482,622	0.0022
Rate XD Firm	372,324	0.0006
Interruptible	451,363	0.0007
Total	<u>\$ 669,634,412</u>	<u>1.0000</u>

FACTOR 16. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER REVENUES.

Factors are based on the allocated cost of service excluding those items being allocated.

Service Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 57,215,141	0.3381
Rate N	18,183,268	0.1075
Rate DS	4,720,798	0.0279
Rate LFD	5,131,076	0.0303
Rate XD Firm	12,979,769	0.0767
Interruptible	593,565	0.0035
<u>Customer Costs</u>		
Rate R	55,827,811	0.3300
Rate N	12,192,548	0.0721
Rate DS	1,337,130	0.0079
Rate LFD	630,996	0.0037
Rate XD Firm	178,846	0.0011
Interruptible	198,197	0.0012
Total	<u>\$ 169,189,145</u>	<u>1.0000</u>

UGI UTILITIES INC. - GAS DIVISION (NORTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
RATE BASE														
PRODUCTION PLANT														
305		-	-	-	-	-	-	-	-	-	-	-	-	-
325.1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
325.2	1	-	-	-	-	-	-	-	-	-	-	-	-	-
325.4	1	-	-	-	-	-	-	-	-	-	-	-	-	-
325.5	1	-	-	-	-	-	-	-	-	-	-	-	-	-
328	1	-	-	-	-	-	-	-	-	-	-	-	-	-
329	1	-	-	-	-	-	-	-	-	-	-	-	-	-
330	1	-	-	-	-	-	-	-	-	-	-	-	-	-
331	1	-	-	-	-	-	-	-	-	-	-	-	-	-
332	1	-	-	-	-	-	-	-	-	-	-	-	-	-
334	1	-	-	-	-	-	-	-	-	-	-	-	-	-
335	1	-	-	-	-	-	-	-	-	-	-	-	-	-
337	1	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
STORAGE PLANT														
352.01	1	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSMISSION PLANT														
365	4	-	-	-	-	-	-	-	-	-	-	-	-	-
365.2	4	-	-	-	-	-	-	-	-	-	-	-	-	-
366	4	-	-	-	-	-	-	-	-	-	-	-	-	-
367	4	-	-	-	-	-	-	-	-	-	-	-	-	-
369	4	-	-	-	-	-	-	-	-	-	-	-	-	-
370	4	-	-	-	-	-	-	-	-	-	-	-	-	-
371	4	-	-	-	-	-	-	-	-	-	-	-	-	-
371.1	4	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION PLANT														
374	18	276,467	144,205	58,279	16,588	18,026	37,323	2,046	-	-	-	-	-	-
374	18	3,109,045	1,621,678	655,387	186,543	202,710	419,721	23,007	-	-	-	-	-	-
374	4	-	-	-	-	-	-	-	-	-	-	-	-	-
375	18	1,286,433	671,003	271,180	77,186	83,875	173,668	9,520	-	-	-	-	-	-
376	5	101,699,646	61,324,887	24,784,204	7,057,955	7,668,153	-	864,447	-	-	-	-	-	-
	4	273,299,049	164,799,327	66,602,978	18,966,954	20,606,748	-	2,323,042	-	-	-	-	-	-
	DA	58,523,162	-	-	-	-	58,523,080	82	-	-	-	-	-	-
378	18	31,737,941	16,554,510	6,690,358	1,904,276	2,069,314	4,284,622	234,861	-	-	-	-	-	-
379	18	-	-	-	-	-	-	-	-	-	-	-	-	-
379	18	12,225,296	6,376,714	2,577,092	733,518	797,089	1,650,415	90,467	-	-	-	-	-	-
380	6C	192,276,384	-	-	-	-	-	-	169,780,047	21,342,679	788,333	288,415	-	76,911
381	6	28,432,270	-	-	-	-	-	-	11,790,862	13,485,426	1,748,585	867,184	267,263	272,950
382	6	832,716	-	-	-	-	-	-	345,327	394,957	51,212	25,398	7,828	7,994
383	6A	899,542	-	-	-	-	-	-	799,063	100,479	-	-	-	-
384	6A	1,445,036	-	-	-	-	-	-	1,283,625	161,411	-	-	-	-
385	6	5,955,980	-	-	-	-	-	-	2,469,945	2,824,921	366,293	181,657	55,986	57,177
386	6C	-	-	-	-	-	-	-	-	-	-	-	-	-
387	10	40,290	8,002	3,235	923	999	4,085	117	15,548	5,967	794	387	113	121
387	10	-	-	-	-	-	-	-	-	-	-	-	-	-
		712,039,257	251,500,326	101,642,713	28,943,943	31,446,914	65,092,914	3,547,589	186,484,417	38,315,840	2,955,217	1,363,041	331,190	415,153
GENERAL PLANT														
389	12	838,910	294,709	67,364	16,527	18,037	61,492	2,097	296,051	66,777	8,976	4,278	1,258	1,342
390	12	22,833,412	8,021,378	1,833,523	449,818	490,918	1,673,689	57,084	8,057,911	1,817,540	244,318	116,540	34,250	36,533
391	12	1,063,722	373,686	85,417	20,955	22,870	77,971	2,659	375,387	84,672	11,382	5,425	1,596	1,702
392	12	7,721,052	2,712,406	620,000	152,105	166,003	565,953	19,303	2,724,759	614,596	82,615	39,377	11,582	12,354
393	12	299	105	24	6	6	22	1	106	24	3	2	-	-
394	12	4,938,346	1,734,841	396,549	97,285	106,174	361,981	12,346	1,742,742	393,092	52,840	25,186	7,408	7,901
393	12	-	-	-	-	-	-	-	-	-	-	-	-	-
396	12	856,723	300,967	68,795	16,877	18,420	62,798	2,142	302,338	68,195	9,167	4,369	1,285	1,371
397	12	545,673	191,695	43,818	10,750	11,732	39,998	1,364	192,568	43,436	5,839	2,783	819	873
398	12	476,390	167,356	38,254	9,385	10,242	34,919	1,191	168,118	37,921	5,097	2,430	715	762
399	12	-	-	-	-	-	-	-	-	-	-	-	-	-
		39,274,527	13,797,143	3,153,744	773,708	844,402	2,878,823	98,187	13,859,980	3,126,253	420,237	200,300	58,913	62,838
Total Plant		751,313,784	265,297,469	104,796,457	29,717,651	32,291,316	67,971,737	3,645,776	200,344,397	41,442,093	3,375,454	1,563,341	390,103	477,991

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UGI UTILITIES INC. - GAS DIVISION (NORTH)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Volumetric Costs							Customer Costs				
			Rate R	Rate N	Rate DS	Rate LFD	Rate XD Firm	Interruptible	Rate R	Rate N	Rate DS	Rate LFD	Rate XD Firm	Interruptible
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
COMMON PLANT ALLOCATED @ 17.64%														
301 Organization	14	24,513	8,658	3,334	917	995	2,135	113	6,775	1,383	118	54	15	17
389.1 Land and Land Rights	12	1,225,470	430,508	98,405	24,142	26,348	89,827	3,064	432,468	97,547	13,113	6,250	1,838	1,961
390.2 Structures and Improvements	12	5,218,257	1,833,174	419,026	102,800	112,193	382,498	13,046	1,841,523	415,373	55,835	26,613	7,827	8,349
391 Office Furniture and Equipment	12	595,015	209,029	47,780	11,722	12,793	43,615	1,488	209,981	47,363	6,367	3,035	893	952
392.1 Transportation Equipment	12	308	108	25	6	7	23	1	109	25	3	2	-	-
Total Common Plant		7,063,564	2,481,477	568,570	139,587	152,336	518,098	17,712	2,490,856	561,691	75,436	35,954	10,573	11,279
INFORMATION SERVICES (IS) ALLOCATED @ 24.64%														
391 Office Furniture and Equipment	12	701,229	246,342	56,309	13,814	15,076	51,400	1,753	247,464	55,818	7,503	3,576	1,052	1,122
391.1 Office Furniture and Equip. - CIS	7	14,700,499	-	-	-	-	-	-	13,237,800	1,409,778	39,691	8,820	1,470	2,940
391.2 Office Furniture and Equip. - System Development Costs	12	22,572,358	7,929,669	1,812,560	444,675	485,306	1,654,554	56,431	7,965,785	1,796,760	241,524	115,119	33,859	36,116
Total Information Services		37,974,086	8,176,011	1,868,869	458,489	500,382	1,705,954	58,184	21,451,049	3,262,356	288,718	127,515	36,381	40,178
INTANGIBLE PLANT														
301 Organization	14	86,238	30,459	11,728	3,225	3,501	7,511	397	23,836	4,864	414	190	52	60
302 Franchises And Consents	14	9,422	3,328	1,281	352	383	821	43	2,604	531	45	21	6	7
303 Miscellaneous Intangible Plant	14	-	-	-	-	-	-	-	-	-	-	-	-	-
304 Land and Land Rights	14	-	-	-	-	-	-	-	-	-	-	-	-	-
305 Manufactured Gas Plant Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Nondepreciable Plant		95,660	33,787	13,009	3,577	3,884	8,332	440	26,440	5,395	459	211	58	67
Total Utility Plant in Service		796,447,093	275,988,744	107,246,905	30,319,304	32,947,918	70,204,121	3,722,112	224,312,742	45,271,535	3,740,067	1,727,021	437,115	529,515
OTHER RATE BASE ELEMENTS														
Gas Storage Inventory	1A	5,997,000	4,176,911	1,820,090	-	-	-	-	-	-	-	-	-	-
Cash Working Capital	12	11,736,515	4,123,038	942,442	231,209	252,335	860,287	29,341	4,141,816	934,227	125,581	59,856	17,605	18,778
Cash Working Capital - Purchased Gas Related	1	4,680,485	3,563,873	1,096,612	-	-	-	-	-	-	-	-	-	-
Materials & Supplies	12	5,340,000	1,875,942	428,802	105,198	114,810	391,422	13,350	1,884,486	425,064	57,138	27,234	8,010	8,544
Deferred Taxes	14	(150,676,688)	(53,219,006)	(20,492,030)	(5,635,308)	(6,117,474)	(13,123,939)	(693,113)	(41,647,036)	(8,498,165)	(723,248)	(331,489)	(90,406)	(105,474)
Customer Deposits	8	(3,870,000)	-	-	-	-	-	-	(3,497,319)	(372,681)	-	-	-	-
Investment Tax Credit	14	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Rate Base Elements		(126,812,688)	(39,479,242)	(16,204,084)	(5,298,901)	(5,750,329)	(11,872,230)	(650,422)	(39,118,053)	(7,511,555)	(540,529)	(244,399)	(64,791)	(78,152)
Total Measure of Value		\$ 669,634,406	\$ 236,509,502	\$ 91,042,821	\$ 25,020,403	\$ 27,197,589	\$ 58,331,891	\$ 3,071,690	\$ 185,194,689	\$ 37,759,980	\$ 3,199,538	\$ 1,482,622	\$ 372,324	\$ 451,363

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 17. ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
ASSOCIATED WITH LARGE MAINS.

Factors are based on the allocation of rate base for large and directly assigned mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 164,799,327	0.4966
Rate N	66,602,978	0.2007
Rate DS	18,966,954	0.0572
Rate LFD	20,606,748	0.0621
Rate XD Firm	58,523,080	0.1764
Interruptible	2,323,124	0.0070
Total	<u>\$ 331,822,211</u>	<u>1.0000</u>

FACTOR 18. ALLOCATION OF RATE BASE ASSOCIATED M&R STATION EQUIPMENT

Factors are based on the composite allocation of all mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 226,124,214	0.5216
Rate N	91,387,182	0.2108
Rate DS	26,024,909	0.0600
Rate LFD	28,274,901	0.0652
Rate XD Firm	58,523,080	0.1350
Interruptible	3,187,571	0.0074
Total	<u>\$ 433,521,857</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 19. ALLOCATION OF UNCOLLECTIBLE ACCOUNTS

Factors are based on history of net write-offs by class.

Service Classification <u>(1)</u>	3-Yr. Average of Net Write-offs <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Customer Costs</u>		
Rate R	\$ 2,336,738	0.9622
Rate N	91,270	0.0376
Rate DS	458	0.0002
Rate LFD	-	-
Rate XD Firm	-	-
Interruptible	-	-
Total	<u>\$ 2,428,466</u>	<u>1.0000</u>

FACTOR 20. ALLOCATION OF PENALTY REVENUE

Factors are based on an analysis of penalty revenue, by class.

Service Classification <u>(1)</u>	Penalty Revenue <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Customer Costs</u>		
Rate R	\$ 1,081,357	0.6981
Rate N	361,227	0.2332
Rate DS	106,416	0.0687
Rate LFD	-	-
Rate XD Firm	-	-
Interruptible	-	-
Total	<u>\$ 1,549,000</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Fully Allocated Customer Costs							
Customer Costs	69,373,055	\$ 55,188,003	\$ 11,927,758	\$ 1,241,253	\$ 635,930	\$ 180,313	\$ 199,798
Number of bills	2,057,327	1,852,452	197,351	5,628	1,308	192	396
Customer Cost per bill		\$ 29.79	\$ 60.44	\$ 220.55	\$ 486.19	\$ 939.13	\$ 504.54
Direct Customer Costs							
<u>O & M Expenses:</u>							
874 Mains And Services Expenses							
Mains	-	-	-	-	-	-	-
Services	3,483,276	3,075,733	386,644	14,281	5,225	-	1,393
876 M & R Station Expenses - Industrial	73,736	-	-	40,857	20,248	6,238	6,393
878 Meter and House Regulator Expenses	1,864,179	773,075	884,181	114,647	56,857	17,523	17,896
879 Customer Installations Expenses	652,444	270,569	309,454	40,125	19,900	6,133	6,263
890 M & R Equip - Industrial	135,090	-	-	74,853	37,096	11,429	11,712
892 Services	1,414,477	1,248,983	157,007	5,799	2,122	-	566
893 Meters & House Regulators	527,666	218,823	250,272	32,451	16,094	4,960	5,066
901 Supervision	158,091	142,360	15,161	427	95	16	32
902 Meter Reading Expenses	332,864	299,743	31,922	899	200	33	67
903 Customer Records & Coll Expenses	4,743,722	4,271,722	454,923	12,808	2,846	474	949
903.1 Universal Service Program	-	-	-	-	-	-	-
904 Uncollectible Accounts	2,140,011	2,053,915	85,372	724	-	-	-
905 Miscellaneous Cust Accts Expenses	1,509,698	1,359,483	144,780	4,076	906	151	302
907 Supervision	-	-	-	-	-	-	-
908 Customer Assistance Expenses	404,627	404,627	-	-	-	-	-
910 Miscellaneous Customer Service Exp.	-	-	-	-	-	-	-
911 Supervision	-	-	-	-	-	-	-
912 Demonstrating and Selling Expenses	513,561	464,105	49,456	-	-	-	-
912.1 Energy Efficiency and Conservation	-	-	-	-	-	-	-
913 Advertising Expenses	122,000	110,251	11,749	-	-	-	-
916 Miscellaneous	49,000	44,281	4,719	-	-	-	-
926 Employee Pensions and Benefits	3,056,948 *	2,298,793	608,212	84,405	40,713	11,916	12,909
408 Payroll Taxes	1,118,727 *	841,271	222,583	30,889	14,899	4,361	4,724
Subtotal O & M Expenses	22,300,117	17,877,734	3,616,435	457,241	217,201	63,234	68,272

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Depreciation Expense							
380 Services	8,583,975	7,579,650	952,821	35,194	12,876	-	3,434
381 Meters	1,826,388	757,403	866,256	112,323	55,705	17,168	17,533
382 Meter Installations	23,670	9,816	11,227	1,456	722	222	227
383 House Regulators	40,368	35,859	4,509	-	-	-	-
384 House Regulator Installations	57,562	51,132	6,430	-	-	-	-
385 Industrial M & R Equipment	214,166	88,815	101,579	13,171	6,532	2,013	2,056
390 Structures and Improvements	394,845 *	308,686	69,627	9,359	4,461	1,312	1,400
391 Office Furniture And Equipment	2,647,277 *	2,218,134	366,182	36,473	16,525	4,764	5,199
Subtotal Depreciation	13,788,251	11,049,495	2,378,631	207,976	96,821	25,479	29,849
Rate Base							
380 Services	192,276,385	169,780,047	21,342,679	788,333	288,415	-	76,911
381 Meters	28,432,270	11,790,862	13,485,426	1,748,585	867,184	267,263	272,950
382 Meter Installations	832,716	345,327	394,957	51,212	25,398	7,828	7,994
383 House Regulators	899,542	799,063	100,479	-	-	-	-
384 House Regulator Installations	1,445,036	1,283,625	161,411	-	-	-	-
385 Industrial M & R Equipment	5,955,979	2,469,945	2,824,921	366,293	181,657	55,986	57,177
390 Structures And Improvements	10,307,002 *	8,057,911	1,817,540	244,318	116,450	34,250	36,533
391 Office Furniture and Equipment	25,954,952 *	22,036,417	3,394,391	306,467	135,975	38,870	42,832
Deferred Taxes	(51,395,818) *	(41,647,036)	(8,498,165)	(723,248)	(331,489)	(90,406)	(105,474)
Customer Deposits	(3,870,000)	(3,497,319)	(372,681)	-	-	-	-
Subtotal Rate Base	210,838,064	171,418,842	34,650,958	2,781,960	1,283,590	313,791	388,923
Taxes and Return @ 10.3%	21,697,565	17,640,892	3,565,966	286,294	132,096	32,293	40,024
Total Direct Customer Costs	<u>\$ 57,785,933</u>	<u>\$ 46,568,121</u>	<u>\$ 9,561,032</u>	<u>\$ 951,511</u>	<u>\$ 446,118</u>	<u>\$ 121,006</u>	<u>\$ 138,145</u>
Number of bills	2,057,327	1,852,452	197,351	5,628	1,308	192	396
Direct Costs per bill		\$ 25.14	\$ 48.45	\$ 169.07	\$ 341.07	\$ 630.24	\$ 348.85

* Customer cost portion of account.

UGI UTILITIES, INC. - GAS DIVISION (NORTH)

CALCULATION OF COSTS RELATED TO LFD AND XD DEMAND CHARGES

<u>Capital Costs</u>	<u>Rate LFD</u>	<u>Rate XD Firm</u>
Depreciation	\$ 828,923	\$ 1,827,158
Taxes Other Than Income	75,746	226,746
Income Taxes	538,659	1,155,596
Income Available for Return	<u>2,259,200</u>	<u>4,846,707</u>
Total	<u>\$ 3,702,528</u>	<u>\$ 8,056,207</u>
Cost Per Month	\$ 308,544	\$ 671,351
Demand Volume Units per Month	25,752	518,973
Demand Costs per MCF	\$ 11.98	\$ 1.29

CENTRAL RATE DISTRICT

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
BY SERVICE CLASSIFICATION FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2020
WITHOUT GAS COSTS

Service Classification (1)	Pro Forma Cost of Service		Pro Forma Margin Revenues,				Revenue Increase	
	Amount (2)	Percent (3)	Under Present Rates		Under Proposed Rates		Amount (8)	Percent Increase (9)
			Amount (4)	Percent (5)	Amount (6)	Percent (7)		
Rate R	\$ 61,052,574	60.1%	\$ 52,950,904	56.7%	\$ 43,934,551	51.1%	\$ (9,016,354)	-17.0%
Rate N	22,672,186	22.3%	18,609,969	19.9%	20,358,107	23.7%	1,748,138	9.4%
Rate DS	7,727,518	7.6%	5,904,636	6.3%	6,447,711	7.5%	543,075	9.2%
Rate LFD	6,784,620	6.7%	8,460,992	9.1%	7,799,883	9.1%	(661,109)	-7.8%
Rate XD Firm	1,464,680	1.4%	5,333,109	5.7%	5,313,068	6.2%	(20,041)	-0.4%
Interruptible	1,895,376	1.9%	2,117,524	2.3%	2,053,344	2.4%	(64,180)	-3.0%
Total	<u>\$ 101,596,954</u>	<u>100.0%</u>	<u>\$ 93,377,134</u>	<u>100.0%</u>	<u>\$ 85,906,664</u>	<u>100.0%</u>	<u>\$ (7,470,470)</u>	-8.0%
Other Operating Revenues	916,000		916,000		916,000		0	
Total	<u>\$102,512,954</u>		<u>\$94,293,134</u>		<u>\$86,822,664</u>		<u>-\$7,470,470</u>	-7.9%

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PRESENT RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	\$ 93,377,134	\$ 52,950,904	\$ 18,609,969	\$ 5,904,636	\$ 8,460,992	\$ 5,333,109	\$ 2,117,524
2. Other Revenues	916,032	764,229	125,801	11,120	10,110	2,562	2,210
3. Total Operating Revenues	94,293,166	53,715,133	18,735,770	5,915,756	8,471,102	5,335,671	2,119,734
4. Less: Operating Expenses	60,284,465	39,171,799	12,152,597	3,789,562	3,290,562	941,326	938,619
5. Return and Income Taxes	34,008,701	14,543,334	6,583,172	2,126,194	5,180,540	4,394,345	1,181,115
6. Less: Interest Expense	8,658	4,628	2,190	813	721	108	197
7. Taxable Income	34,000,043	14,538,706	6,580,982	2,125,381	5,179,819	4,394,237	1,180,918
8. Less: Income Taxes	6,163,742	2,636,232	1,193,300	385,234	938,738	796,355	213,882
9. Net Return (Ln 5 - Ln 8)	27,844,959	11,907,102	5,389,872	1,740,960	4,241,802	3,597,990	967,233
10. Original Cost Measure of Value (Factor 15.)	404,585,340	216,281,646	102,361,105	37,974,640	33,700,880	5,048,743	9,218,326
11. Rate of Return, Percent	6.88%	5.51%	5.27%	4.58%	12.59%	71.27%	10.49%
12. Relative Rate of Return	1.00	0.80	0.77	0.67	1.83	10.35	1.52

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

DEVELOPMENT OF RATE OF RETURN BY SERVICE CLASSIFICATION
UNDER PROPOSED RATES

Item (1)	Cost of Service (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD-Firm (7)	Interruptible (8)
1. Revenues From Tariff Sales and Transportation	85,906,664	\$ 43,934,551	\$ 20,358,107	\$ 6,447,711	\$ 7,799,883	\$ 5,313,068	\$ 2,053,344
2. Other Revenues	916,004	764,194	125,792	11,138	10,128	2,544	2,208
3. Total Operating Revenues	86,822,668	44,698,745	20,483,899	6,458,849	7,810,011	5,315,612	2,055,552
4. Less: Operating Expenses	60,386,064	39,287,305	12,144,087	3,787,155	3,289,790	940,637	937,090
5. Return and Income Taxes	26,436,603	5,411,440	8,339,811	2,671,694	4,520,221	4,374,975	1,118,462
6. Less: Interest Expense	8,658	4,629	2,190	813	721	108	197
7. Taxable Income	26,427,945	5,406,811	8,337,621	2,670,881	4,519,500	4,374,867	1,118,265
8. Less: Income Taxes	8,507,097	1,740,552	2,683,989	860,067	1,454,714	1,407,924	359,850
9. Net Return (Ln 5 - Ln 8)	17,929,507	3,670,888	5,655,822	1,811,627	3,065,507	2,967,051	758,612
10. Original Cost Measure of Value (Factor 15.)	404,566,061	216,328,595	102,324,909	37,969,261	33,688,555	5,042,580	9,212,161
11. Rate of Return, Percent	4.43%	1.70%	5.53%	4.77%	9.10%	58.84%	8.23%
12. Relative Rate of Return	1.00	0.38	1.25	1.08	2.05	13.28	1.86

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

SUMMARY OF COST OF SERVICE BY SERVICE CLASSIFICATION

Cost Function (1)	Cost of Service (Schedule E) (2)	Rate R (3)	Rate N (4)	Rate DS (5)	Rate LFD (6)	Rate XD Firm (7)	Interruptible (8)
<u>Volumetric Costs</u>							
Rate R	\$ 30,356,155	\$ 30,356,155					
Rate N	15,653,727		\$15,653,727				
Rate DS	6,742,479			\$ 6,742,479			
Rate LFD	6,228,021				\$ 6,228,021		
Rate XD Firm	1,351,716					\$ 1,351,716	
Rate IS/IL	1,726,749						\$ 1,726,749
Total Volumetric Costs	<u>62,058,847</u>	<u>30,356,155</u>	<u>15,653,727</u>	<u>6,742,479</u>	<u>6,228,021</u>	<u>1,351,716</u>	<u>1,726,749</u>
<u>Customer Costs</u>							
Rate R	\$ 30,696,419	\$ 30,696,419					
Rate N	7,018,459		\$ 7,018,459				
Rate DS	985,039			\$ 985,039			
Rate LFD	556,599				\$ 556,599		
Rate XD Firm	112,964					\$ 112,964	
Rate IS/IL	168,627						\$ 168,627
Total Customer Costs	<u>39,538,107</u>	<u>30,696,419</u>	<u>7,018,459</u>	<u>985,039</u>	<u>556,599</u>	<u>112,964</u>	<u>168,627</u>
Total Excluding Gas Costs	<u>\$101,596,954</u>	<u>\$ 61,052,574</u>	<u>\$22,672,186</u>	<u>\$ 7,727,518</u>	<u>\$ 6,784,620</u>	<u>\$ 1,464,680</u>	<u>\$ 1,895,376</u>

UGI UTILITIES INC. - GAS DIVISION (CENTRAL)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
OPERATION AND MAINTENANCE EXPENSES														
NATURAL GAS PRODUCTION EXPENSES														
<u>Manufactured Gas Production Expenses</u>														
710		0	-	-	-	-	-	-	-	-	-	-	-	-
717		0	-	-	-	-	-	-	-	-	-	-	-	-
725-736		44,372	28,970	15,402	-	-	-	-	-	-	-	-	-	-
740-742		600,333	391,957	208,376	-	-	-	-	-	-	-	-	-	-
		644,705	420,927	223,778	-	-	-	-	-	-	-	-	-	-
<u>Production and Gathering</u>														
750 - 760		-	-	-	-	-	-	-	-	-	-	-	-	-
761 - 769		-	-	-	-	-	-	-	-	-	-	-	-	-
770 - 783		-	-	-	-	-	-	-	-	-	-	-	-	-
784 - 791		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Other Gas Supply Expenses</u>														
800 - 803		-	-	-	-	-	-	-	-	-	-	-	-	-
804		-	-	-	-	-	-	-	-	-	-	-	-	-
805.1		-	-	-	-	-	-	-	-	-	-	-	-	-
805		-	-	-	-	-	-	-	-	-	-	-	-	-
808.1		-	-	-	-	-	-	-	-	-	-	-	-	-
808.2		-	-	-	-	-	-	-	-	-	-	-	-	-
812		-	-	-	-	-	-	-	-	-	-	-	-	-
813		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Production Expenses		644,705	420,927	223,778	-	-	-	-	-	-	-	-	-	-
OTHER STORAGE EXPENSE														
840	1A	-	-	-	-	-	-	-	-	-	-	-	-	-
841	4	-	-	-	-	-	-	-	-	-	-	-	-	-
842 - 842.3	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Natural Gas Storage Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSMISSION EXPENSE														
850 - 860	4	-	-	-	-	-	-	-	-	-	-	-	-	-
861 - 867	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
DISTRIBUTION EXPENSES														
<u>Operation</u>														
870	10	1,377,498	326,054	206,762	95,323	88,022	31,820	25,208	453,886	121,220	16,943	8,265	1,102	2,893
871	4A	279,707	110,400	70,011	32,278	29,901	27,188	9,930	-	-	-	-	-	-
872		-	-	-	-	-	-	-	-	-	-	-	-	-
873	2	-	-	-	-	-	-	-	-	-	-	-	-	-
874		-	-	-	-	-	-	-	-	-	-	-	-	-
	5	864,686	381,154	241,593	111,458	102,811	-	27,670	-	-	-	-	-	-
	17	1,878,608	807,801	512,109	236,329	217,919	45,838	58,613	-	-	-	-	-	-
	6C	2,480,831	-	-	-	-	-	-	2,110,195	349,549	14,141	5,210	496	1,240
875	4A	778,071	307,105	194,751	89,789	83,176	75,629	27,622	-	-	-	-	-	-
876	6B	28,058	-	-	-	-	-	-	-	-	15,847	8,131	1,162	2,918
877	4A	144,333	56,968	36,127	16,656	15,429	14,029	5,124	-	-	-	-	-	-
878	6	383,310	-	-	-	-	-	-	136,343	179,887	37,871	19,434	2,798	6,976
879	6	190,309	-	-	-	-	-	-	67,693	89,312	18,803	9,649	1,389	3,464
880	10	1,182,982	280,012	177,566	81,862	75,593	27,327	21,649	389,793	104,102	14,551	7,098	946	2,484
881	10	84,649	20,036	12,706	5,858	5,409	1,955	1,549	27,892	7,449	1,041	508	68	178
Total Operation		9,673,042	2,289,530	1,451,625	669,553	618,260	223,786	177,365	3,185,802	851,519	119,197	58,295	7,961	20,153

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UGI UTILITIES INC. - GAS DIVISION (CENTRAL)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
Maintenance															
885	Supervision - Engineering and Labor	11	550,739	194,962	123,586	57,001	52,651	19,937	15,200	49,677	15,090	12,832	6,554	936	2,313
886	Structures & Improvements	18	19,060	8,261	5,236	2,415	2,228	320	600	-	-	-	-	-	-
887	Mains - Small	5	531,251	234,175	148,432	68,478	63,166	-	17,000	-	-	-	-	-	-
	Mains - Large	17	1,154,191	496,302	314,632	145,197	133,886	28,162	36,011	-	-	-	-	-	-
888	Maintenance of Compressor Station Equipment	4	-	-	-	-	-	-	-	-	-	-	-	-	-
889	M & R Equip - General	4A	686,654	271,022	171,869	79,240	73,403	66,743	24,376	-	-	-	-	-	-
890	M & R Equip - Industrial	6B	105,319	-	-	-	-	-	-	-	-	59,484	30,521	4,360	10,953
891	M & R Equip - City Gate	4A	143,425	56,610	35,899	16,551	15,332	13,941	5,092	-	-	-	-	-	-
892	Services	6C	281,531	-	-	-	-	-	-	239,470	39,668	1,605	591	56	141
893	Meters & House Regulators	6	91,276	-	-	-	-	-	-	32,467	42,836	9,018	4,628	666	1,661
894	Other Expenses	11	418,102	148,008	93,822	43,274	39,971	15,135	11,540	37,713	11,456	9,742	4,975	711	1,756
895	Construction and Maintenance	11	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Maintenance		3,981,548	1,409,340	893,476	412,156	380,637	144,238	109,819	359,327	109,050	92,681	47,269	6,729	16,824
	Total Distribution Expenses		13,654,690	3,698,870	2,345,101	1,081,709	998,897	368,024	287,184	3,545,129	960,569	211,878	105,564	14,690	36,977
CUSTOMER ACCOUNTING EXPENSES															
<u>Operation</u>															
901	Supervision	7	45,788	-	-	-	-	-	-	39,556	6,003	156	50	5	18
902	Meter Reading Expenses	7	1,117,203	-	-	-	-	-	-	965,152	146,465	3,798	1,229	112	447
903	Customer Records & Coll Expenses	7	3,438,279	-	-	-	-	-	-	2,970,329	450,758	11,690	3,782	344	1,375
903.1	Universal Service Program	DA	1,718,000	1,718,000	-	-	-	-	-	-	-	-	-	-	-
904	Uncollectible Accounts	19	1,790,902	564,875	34,657	-	-	-	-	1,113,379	17,816	716	37,788	21,670	-
905	Miscellaneous Cust Accts Expenses	7	222,282	-	-	-	-	-	-	192,029	29,141	756	245	22	89
	Total Customer Accounting Expenses		8,332,454	2,282,875	34,657	-	-	-	-	5,280,445	650,183	17,116	43,094	22,153	1,929
CUSTOMER SERVICE AND INFORMATION EXPENSES															
<u>Operation</u>															
907	Supervision	7	44,386	-	-	-	-	-	-	38,345	5,819	151	49	4	18
908	Customer Assistance Expenses	9	318,262	-	-	-	-	-	-	318,262	-	-	-	-	-
909	Informational and Instructional Advertising	7	195,098	-	-	-	-	-	-	168,545	25,577	663	215	20	78
910	Miscellaneous Customer Service & Informational Exp.	7	(1,066,801)	-	-	-	-	-	-	(921,610)	(139,858)	(3,627)	(1,173)	(107)	(427)
910.1	Energy Efficiency and Conservation Programs	7	1,073,862	822,579	247,212	781	3,290	-	-	-	-	-	-	-	-
	Total Customer Service & Info Expenses		564,807	822,579	247,212	781	3,290	-	-	(396,458)	(108,462)	(2,813)	(909)	(83)	(331)
SALES EXPENSES															
<u>Operation</u>															
911	Supervision	8	54,473	-	-	-	-	-	-	47,299	7,174	-	-	-	-
912	Demonstrating and Selling Expenses	8	258,811	-	-	-	-	-	-	224,726	34,085	-	-	-	-
913	Advertising Expenses	8	68,683	-	-	-	-	-	-	59,637	9,046	-	-	-	-
916	Miscellaneous	8	19,908	-	-	-	-	-	-	17,286	2,622	-	-	-	-
	Total Sales Expenses		401,875	-	-	-	-	-	-	348,948	52,927	-	-	-	-
ADMINISTRATIVE AND GENERAL EXPENSES															
<u>Operation</u>															
920	Administrative & General Salaries	12	4,384,632	1,299,605	501,602	206,955	191,608	70,154	54,808	1,676,683	297,278	43,408	28,062	7,015	7,454
921	Office Supplies and Expenses	12	4,155,495	1,231,689	475,389	196,139	181,595	66,488	51,944	1,589,061	281,743	41,139	26,595	6,649	7,064
922	Administrative Expenses Transferred-Credit		-	-	-	-	-	-	-	-	-	-	-	-	-
923	Outside Services Employed - Other	12	3,218,235	953,885	368,166	151,901	140,637	51,492	40,228	1,230,653	218,196	31,861	20,597	5,149	5,471
924	Property Damage Insurance	12	27,871	8,261	3,188	1,316	1,218	446	348	10,658	1,890	276	178	45	47
925	Injuries and Damages	12	2,104,659	623,821	240,773	99,340	91,974	33,675	26,308	804,822	142,696	20,836	13,470	3,367	3,578
926	Employee Pensions and Benefits	13	3,968,375	859,153	464,697	206,752	190,879	69,447	54,764	1,702,830	335,328	47,621	24,604	4,365	7,937
927	Franchise Requirements		-	-	-	-	-	-	-	-	-	-	-	-	-
928	Regulatory Commission Expenses	16	215,000	63,726	32,874	14,147	13,072	2,838	3,634	65,941	14,943	2,064	1,183	237	344
929	Duplicate Charges-Credit		-	-	-	-	-	-	-	-	-	-	-	-	-
930	Miscellaneous General Expenses	12	18,913	5,606	2,164	893	826	303	236	7,232	1,282	187	121	30	32
930	Miscellaneous Company Charges	12	584,976	173,387	66,921	27,611	25,563	9,360	7,312	223,695	39,661	5,791	3,744	936	994
931	Other	12	181,163	53,697	20,725	8,551	7,917	2,899	2,285	69,277	12,283	1,794	1,159	290	308
	Total Operation		18,859,319	5,272,830	2,176,499	913,605	845,289	307,102	241,847	7,380,852	1,345,300	194,977	119,713	28,083	33,229

UGI UTILITIES INC. - GAS DIVISION (CENTRAL)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
Maintenance														
932 Maintenance of General Plant	12	513,636	152,242	58,760	24,244	22,446	8,218	6,420	196,414	34,825	5,085	3,287	822	873
935 Maintenance of General Plant	12	1,991	590	228	94	87	32	25	761	135	20	13	3	3
Total Maintenance		515,627	152,832	58,988	24,338	22,533	8,250	6,445	197,175	34,960	5,105	3,300	825	876
Total Administrative & General Expenses		19,374,946	5,425,662	2,235,487	937,943	867,822	315,352	248,292	7,578,027	1,380,260	200,082	123,013	28,908	34,105
Total Operation and Maintenance Expenses		42,973,377	12,650,913	5,086,235	2,020,433	1,870,009	683,376	535,476	16,356,091	2,935,477	426,263	270,762	65,668	72,680
DEPRECIATION AND AMORTIZATION EXPENSE														
PRODUCTION PLANT														
305 Manufactured Gas Plant Site Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-	-
325.2 Production Leaseholds	1	36	24	12	-	-	-	-	-	-	-	-	-	-
325.4 Rights-Of-Way	1	21	14	7	-	-	-	-	-	-	-	-	-	-
328 Field Measuring and Regulating Station Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
329 Other Structures	1	-	-	-	-	-	-	-	-	-	-	-	-	-
330 Producing Gas Wells - Well Construction	1	50,841	33,194	17,647	-	-	-	-	-	-	-	-	-	-
331 Product Gas Wells - Well Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
332 Field Lines	1	1,039	678	361	-	-	-	-	-	-	-	-	-	-
334 Field Measuring and Regulating Station Equipment	1	940	614	326	-	-	-	-	-	-	-	-	-	-
335 Drilling and Cleaning Equipment	1	21	14	7	-	-	-	-	-	-	-	-	-	-
337 Other Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Production Plant		52,898	34,538	18,360	-	-	-	-	-	-	-	-	-	-
STORAGE PLANT														
352.01 Well Construction	1	15,970	10,427	5,543	-	-	-	-	-	-	-	-	-	-
TRANSMISSION PLANT														
365.2 Rights-Of-Way	4	12,347	5,443	3,450	1,592	1,468	-	395	-	-	-	-	-	-
366 Structures and Improvements	4	1,237	545	346	159	147	-	40	-	-	-	-	-	-
367 Mains	4	462,699	203,958	129,278	59,642	55,015	-	14,806	-	-	-	-	-	-
369 Measuring and Regulating Station Equipment	4	98,424	43,385	27,500	12,687	11,703	-	3,150	-	-	-	-	-	-
370 Communication Equipment	4	119,305	52,590	33,334	15,378	14,185	-	3,818	-	-	-	-	-	-
371 Other Equipment	4	1,368	603	382	176	163	-	44	-	-	-	-	-	-
371.1 Testing Equipment	4	5,572	2,456	1,557	718	663	-	178	-	-	-	-	-	-
Total Transmission Plant		700,952	308,980	195,847	90,352	83,344	-	22,431	-	-	-	-	-	-
DISTRIBUTION PLANT														
305 Manufactured Gas Plant Site Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-	-
374.2 Rights of Way	18	42,062	18,230	11,554	5,329	4,917	707	1,325	-	-	-	-	-	-
375 Structures And Improvements	18	8,653	3,750	2,377	1,096	1,012	145	273	-	-	-	-	-	-
376 Mains - Small	5	1,617,017	712,781	451,795	208,433	192,263	-	51,745	-	-	-	-	-	-
Mains - Large	4	3,513,114	1,548,581	981,564	452,840	417,709	-	112,420	-	-	-	-	-	-
Mains - Direct Assign	DA	87,791	-	-	-	78,836	-	8,955	-	-	-	-	-	-
378 Measuring & Regulating Equipment - General	18	806,195	349,405	221,462	102,145	94,244	13,544	25,395	-	-	-	-	-	-
379 Measuring & Regulating Equipment - City Gate	18	1,513	656	416	192	177	25	48	-	-	-	-	-	-
380 Services	6C	3,298,848	-	-	-	-	-	-	2,806,000	464,808	18,803	6,928	660	1,649
381 Meters	6	394,338	-	-	-	-	-	-	140,266	185,063	38,961	19,993	2,879	7,177
382 Meter Installations	6	689,225	-	-	-	-	-	-	245,157	323,453	68,095	34,944	5,031	12,544
383 House Regulators	6A	24,909	-	-	-	-	-	-	21,374	3,535	-	-	-	-
384 House Regulator Installations	6A	30,377	-	-	-	-	-	-	26,067	4,310	-	-	-	-
385 Industrial Measuring & Regulating Equipment	6	366,772	-	-	-	-	-	-	130,461	172,126	36,237	18,595	2,677	6,675
386 Other Property on Customer Premises	6C	-	-	-	-	-	-	-	-	-	-	-	-	-
387 Other Equipment	10	45,301	10,723	6,800	3,135	2,895	1,046	829	14,927	3,986	557	272	36	95
387.1 Other Equipment	10	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Distribution Plant		10,926,115	2,644,126	1,675,968	773,170	713,217	94,303	200,990	3,384,252	1,157,281	162,653	80,732	11,283	28,140
GENERAL PLANT														
390 Structures And Improvements	12	702,521	208,227	80,368	33,159	30,700	11,240	8,782	268,644	47,631	6,955	4,496	1,124	1,194
391 Office Furniture And Equipment	12	47,908	14,200	5,481	2,261	2,094	767	599	18,320	3,248	474	307	77	81
392 Transportation Equipment	12	1,161,030	344,129	132,822	54,801	50,737	18,576	14,513	443,978	78,718	11,494	7,431	1,858	1,974
393 Stores Equipment	12	861	255	98	41	38	14	11	329	58	9	6	1	1
394 Tools, Shop And Garage Equipment	12	525,206	155,671	60,084	24,790	22,952	8,403	6,565	200,839	35,609	5,200	3,361	840	893
395 Laboratory Equipment	12	21,719	6,438	2,485	1,025	949	348	271	8,305	1,473	215	139	35	37
396 Power Operated Equipment	12	121,513	36,016	13,901	5,735	5,310	1,944	1,519	46,467	8,239	1,203	778	194	207
397 Communication Equipment	12	5,386	1,595	616	254	235	86	67	2,060	365	53	34	9	9
398 Miscellaneous Equipment	12	97,627	28,936	11,169	4,608	4,266	1,562	1,220	37,333	6,619	967	625	156	166
399 Other Tangible Property	12	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General Plant		2,683,771	795,467	307,024	126,674	117,281	42,940	33,547	1,026,275	181,960	26,570	17,177	4,294	4,562

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UGI UTILITIES INC. - GAS DIVISION (CENTRAL)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
COMMON PLANT ALLOCATED @ 5.44%														
390.2 Structures and Improvements	12	52,820	15,656	6,043	2,493	2,308	845	660	20,199	3,581	523	338	85	90
391 Office Furniture and Equipment	12	25,763	7,636	2,947	1,216	1,126	412	322	9,852	1,747	255	165	41	44
392.1 Transportation Equipment	12	46	14	5	2	2	1	1	18	3	-	-	-	-
Total Common Plant		78,629	23,306	8,995	3,711	3,436	1,258	983	30,069	5,331	778	503	126	134
INFORMATION SERVICES (IS) ALLOCATED @ 14.75%														
391 Office Furniture and Equipment	12	1,753,883	519,851	200,644	82,783	76,645	28,062	21,924	670,685	118,913	17,363	11,225	2,806	2,982
391.1 Office Furniture and Equip. - New CIS Software	7	748,937	-	-	-	-	-	-	647,007	98,186	2,546	824	75	300
Total Information Services		2,502,821	519,851	200,644	82,783	76,645	28,062	21,924	1,317,692	217,099	19,909	12,049	2,881	3,282
Less:														
Amount Charged to Clearing Accounts	12	(1,844,000)	(546,562)	(210,954)	(87,037)	(80,583)	(29,504)	(23,050)	(705,146)	(125,023)	(18,256)	(11,802)	(2,950)	(3,135)
390.1 Reading Service Center Alloc. to Electric Div. @ 14.18%	12	9,178	2,720	1,050	433	401	147	115	3,510	622	91	59	15	16
Total Depreciation & Amortization Expense		15,126,334	3,792,853	2,202,477	990,086	913,741	137,206	256,940	5,056,652	1,437,270	191,745	98,718	15,649	32,999
TAXES OTHER THAN INCOME TAXES														
408.10 Capital Stock	15	-	-	-	-	-	-	-	-	-	-	-	-	-
408.10 County and Municipal Taxes	16	160,000	47,423	24,464	10,528	9,728	2,112	2,704	49,072	11,120	1,536	880	176	256
408.10 Payroll Related Tax	13	1,470,343	318,329	172,177	76,605	70,723	25,731	20,291	630,924	124,244	17,644	9,116	1,617	2,941
408.10 Public Utility Assessment	16	501,000	148,496	76,603	32,966	30,461	6,613	8,467	153,657	34,820	4,810	2,756	551	802
408.10 Public Utility Realty Tax	15	155,000	49,275	29,729	13,268	12,245	1,829	3,317	33,620	9,471	1,271	651	109	217
408.10 Miscellaneous Taxes	16	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Taxes Other Than Income		2,286,343	563,523	302,973	133,367	123,157	36,285	34,779	867,273	179,655	25,261	13,403	2,453	4,216
Total Operating Expenses		60,386,054	17,007,289	7,591,685	3,143,886	2,906,907	856,867	827,195	22,280,016	4,552,402	643,269	382,883	83,770	109,895
INCOME TAXES	15	8,507,097	2,704,407	1,631,661	728,207	672,061	100,384	182,052	1,845,189	519,784	69,758	35,730	5,955	11,910
OPERATING INCOME AVAILABLE FOR RETURN	15	33,619,795	10,687,733	6,448,277	2,877,854	2,655,964	396,714	719,464	7,292,134	2,054,169	275,682	141,203	23,534	47,068
TOTAL COST OF SERVICE		102,512,946	30,399,429	15,671,623	6,749,947	6,234,932	1,353,965	1,728,711	31,417,339	7,126,355	988,709	559,816	113,259	168,873
Less: Other Revenues														
Reconnection Charges	6C	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent From Gas Property	12	115,000	34,086	13,156	5,428	5,026	1,840	1,438	43,976	7,797	1,139	736	184	196
Forfeited Discounts/Penalties	20	770,000	-	-	-	-	-	-	667,436	97,944	2,233	2,310	77	-
Other Miscellaneous Revenues	16	31,000	9,188	4,740	2,040	1,885	409	524	9,508	2,155	298	171	34	50
Subtotal		916,000	43,274	17,896	7,468	6,911	2,249	1,962	720,920	107,896	3,670	3,217	295	246
TOTAL COST OF SERVICE RELATED TO TARIFF SALES AND TRANSPORTATION		\$ 101,596,946	\$ 30,356,155	\$ 15,653,727	\$ 6,742,479	\$ 6,228,021	\$ 1,351,716	\$ 1,726,749	\$ 30,696,419	\$ 7,018,459	\$ 985,039	\$ 556,599	\$ 112,964	\$ 168,627

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 1 and 1A. ALLOCATION OF COSTS WHICH VARY DIRECTLY WITH PGC AND CHOICE SALES.

Factors are based on the pro forma average daily PGC sales volumes for each service classification.

Service Classification	Pro Forma Average Daily PGC Volumes (Mcf)	Allocation Factor 1	PGC and Choice Volumes (Mcf)	Allocation Factor 1A
(1)	(2)	(3)		
<u>Volumetric Costs</u>				
Rate R	16,923	0.6529	17,829	0.5919
Rate N	8,998	0.3471	12,292	0.4081
Rate DS		-		
Rate LFD		-		
Rate XD	-	-		
Interruptible	-	-		
Total	<u>25,921</u>	<u>1.0000</u>	<u>30,121</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 2 . ALLOCATION OF COMPRESSOR STATION FUEL.

Factors are based on the pro forma average daily throughput volumes for each service classification.

<u>Service Classification</u> (1)	<u>Pro Forma Average Daily Throughput Volumes (Mcf)</u> (2)	<u>Allocation Factor 2</u> (3)
<u>Volumetric Costs</u>		
Rate R	17,829	0.2482
Rate N	12,292	0.1712
Rate DS	5,348	0.0745
Rate LFD	12,877	0.1793
Rate XD Firm	15,939	0.2220
Interruptible	<u>7,526</u>	<u>0.1048</u>
Total	<u><u>71,811</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTORS 3 and 3A. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS.

Factors are based on the maximum day extra demand throughput for each classification.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3	Allocation Factor 3A
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(5)
<u>Volumetric Costs</u>					
Rate R	17,829	87,287	69,458	0.4699	0.4860
Rate N	12,292	55,249	42,957	0.2907	0.3007
Rate DS	5,348	25,502	20,154	0.1364	0.1411
Rate LFD	12,877	23,187	10,310	0.0698	0.0722
Subtotal	48,346	191,226	142,880	0.9668	1.0000
Rate XD Firm	15,939	20,840	4,901	0.0332	-
Total	64,285	212,066	147,781	1.0000	1.0000

FACTOR 3B. CALCULATION OF MAXIMUM DAY EXTRA DEMAND FACTORS FOR SMALL MAINS ALLOCATION.

Factors are based on the maximum day extra demand throughput for each classification, excluding XD and Interruptible classifications.

Service Classification	Pro Forma Average Daily Throughput Volumes (Mcf)	Peak Day Capacity (Mcf)	Extra Capacity (Mcf)	Allocation Factor 3B
(1)	(2)	(3)	(4)=(3)-(2)	(5)
<u>Volumetric Costs</u>				
Rate R	17,829	87,287	69,458	0.4860
Rate N	12,292	55,249	42,957	0.3007
Rate DS	5,348	25,502	20,154	0.1411
Rate LFD	12,877	23,187	10,310	0.0722
Total	48,346	191,226	142,880	1.0000

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND LARGE DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 4 (7)=(4)+(6)
	MCF/Day (2)	Allocation Factor (3)	Weighted Factor* (4)=(3)x 0.2848	Allocation Factor 3A (5)	Weighted Factor* (6)=(5)x 0.7152	
(1)	(2)	(3)	(4)=(3)x 0.2848	(5)	(6)=(5)x 0.7152	(7)=(4)+(6)
<u>Volumetric Costs</u>						
Rate R	17,829	0.3274	0.0932	0.4860	0.3476	0.4408
Rate N	12,292	0.2257	0.0643	0.3007	0.2151	0.2794
Rate DS	5,348	0.0982	0.0280	0.1411	0.1009	0.1289
Rate LFD	12,877	0.2364	0.0673	0.0722	0.0516	0.1189
Rate XD Firm Interruptible	6,118	0.1123	0.0320	-	-	0.0320
Total	54,464	1.0000	0.2848	1.0000	0.7152	1.0000

* The weighting of the factors is based on the percentage of average daily throughput excluding XD 54,464 mcf divided by peak day demand of 191,226 mcf excluding XD - 54,464 / 191,226 = 28.48%

** Excludes XD-I volumes for customers who are 100% interruptible.

FACTOR 4A. ALLOCATION OF COSTS ASSOCIATED WITH LOAD DISPATCHING AND M&R STATION EQUIPMENT.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification	Throughput (2)	Average Daily Throughput		Maximum Day Extra Demand		Allocation Factor (7)=(4)+(6)
		Allocation Factor 2 (3)	Weighted Factor (4)=(3)x 0.3386	Allocation Factor 3 (5)	Weighted Factor (6)=(5)x 0.6614	
(1)	(2)	(3)	(4)=(3)x 0.3386	(5)	(6)=(5)x 0.6614	(7)=(4)+(6)
<u>Volumetric</u>						
Rate R	17,829	0.2482	0.0840	0.4699	0.3107	0.3947
Rate N	12,292	0.1712	0.0580	0.2907	0.1923	0.2503
Rate DS	5,348	0.0745	0.0252	0.1364	0.0902	0.1154
Rate LFD	12,877	0.1793	0.0607	0.0698	0.0462	0.1069
Rate XD-Firm	15,939	0.2220	0.0752	0.0332	0.0220	0.0972
Interruptible	7,526	0.1048	0.0355	-	-	0.0355
Total	71,811	1.0000	0.3386	1.0000	0.6614	1.0000

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH SMALL DISTRIBUTION MAINS.

Factors are based on the weighting of the factors derived from average daily throughput volumes and from maximum day extra capacity demand for each service classification, as follows:

Service Classification (1)	Average Daily Throughput			Maximum Day Extra Demand		Allocation Factor 5 (7)
	Volumes (Mcf) (2)	Allocation Factor (3)	Weighted Factor (4)=(3)x 0.2848	Allocation Factor 3B (5)	Weighted Factor (6)=(5)x 0.7152	
<u>Volumetric Costs</u>						
Rate R	17,829	0.3274	0.0932	0.4860	0.3476	0.4408
Rate N	12,292	0.2257	0.0643	0.3007	0.2151	0.2794
Rate DS	5,348	0.0982	0.0280	0.1411	0.1009	0.1289
Rate LFD	12,877	0.2364	0.0673	0.0722	0.0516	0.1189
Rate XD - Firm Interruptible	6,118	0.1123	0.0320	-	-	0.0320
Total	54,464	1.0000	0.2848	1.0000	0.7152	1.0000

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH ACCOUNTS 381 and 385.

Factors are based on the cost of meters by class included in Accounts 381 and 385, Meters and M&R Equipment.

<u>Service Classification</u> (1)	<u>Cost of Meters and M&R Equip.</u>	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 7,482,142	0.3557
Rate N	9,870,223	0.4693
Rate DS	2,078,941	0.0988
Rate LFD	1,066,641	0.0507
Rate XD-Firm	152,520	0.0073
Interruptible	<u>382,699</u>	<u>0.0182</u>
Total	<u>\$ 21,033,166</u>	<u>1.0000</u>

FACTOR 6A. ALLOCATION OF COSTS ASSOCIATED WITH HOUSE REGULATORS

Factors are based on the number of weighted house regulators for customers served.

<u>Service Classification</u> (1)	<u>Number of Regulators</u> (2)	<u>Factor</u> (3)	<u>Weighted Regulators</u> (4)	<u>Allocation Factor</u> (5)
<u>Customer</u>				
Rate R	71,534	1.00	71,534	0.8581
Rate N	<u>10,854</u>	1.09	<u>11,831</u>	<u>0.1419</u>
Total	<u>82,388</u>		<u>83,365</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 6B. ALLOCATION OF COSTS ASSOCIATED WITH INDUSTRIAL MEASURING AND REGULATING EQUIPMENT.

Factors are based on the cost of Meters and M&R equipment by class included in Accounts 381 and 385.

<u>Service Classification</u> (1)	<u>Cost of Meters & M&R Equipment</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate DS	\$ 2,078,941	0.5648
Rate LFD	1,066,641	0.2898
Rate XD - Firm	152,520	0.0414
Interruptible	<u>382,699</u>	<u>0.1040</u>
Total	<u>\$ 3,680,801</u>	<u>1.0000</u>

FACTOR 6C. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the cost of services by class included in Account 380, Service Lines.

<u>Service Classification</u> (1)	<u>Cost of Service Lines</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 86,991,873	0.8506
Rate N	14,414,716	0.1409
Rate DS	582,881	0.0057
Rate LFD	215,572	0.0021
Rate XD - Firm	23,775	0.0002
Interruptible	<u>48,959</u>	<u>0.0005</u>
Total	<u>\$ 102,277,776</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH CUSTOMER ACCOUNTING.
AND METER READING

Factors are based on the number of customers for each classification, as follows.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor 7</u> (3)
<u>Customer Costs</u>		
Rate R	71,534	0.8639
Rate N	10,854	0.1311
Rate DS	284	0.0034
Rate LFD	90	0.0011
Rate XD Firm	8	0.0001
Interruptible	<u>35</u>	<u>0.0004</u>
Total	<u><u>82,805</u></u>	<u><u>1.0000</u></u>

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH SALES EXPENSES.

Factors are based on the number of Rate R and Rate N customers.

<u>Service Classification</u> (1)	<u>Number of Customers</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	71,534	0.8683
Rate N	<u>10,854</u>	<u>0.1317</u>
Total	<u><u>82,388</u></u>	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 9 (DA). ALLOCATION OF CUSTOMER ASSISTANCE EXPENSES.

These costs are directly assigned to the Residential Classification.

<u>Service Classification</u> (1)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u> Rate R	<u><u>1.0000</u></u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 10. ALLOCATION OF DISTRIBUTION OPERATION OTHER EXPENSES AND RENT.

Factors are based on distribution operation expenses other than those being allocated.

<u>Service Classification</u> (1)	<u>Operation Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 1,663,428	0.2367
Rate N	1,054,591	0.1501
Rate DS	486,510	0.0692
Rate LFD	449,236	0.0639
Rate XD Firm	162,684	0.0231
Interruptible	128,959	0.0183
<u>Customer Costs</u>		
Rate R	2,314,231	0.3295
Rate N	618,748	0.0880
Rate DS	86,662	0.0123
Rate LFD	42,424	0.0060
Rate XD Firm	5,845	0.0008
Interruptible	14,598	0.0021
Total	<u>\$ 7,027,916</u>	<u>1.0000</u>

FACTOR 11. ALLOCATION OF DISTRIBUTION MAINTENANCE OTHER EXPENSES.

Factors are based on distribution maintenance expenses other than those being allocated.

<u>Service Classification</u> (1)	<u>Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 1,066,370	0.3540
Rate N	676,068	0.2244
Rate DS	311,881	0.1035
Rate LFD	288,015	0.0956
Rate XD Firm	109,166	0.0362
Interruptible	83,079	0.0276
<u>Customer Costs</u>		
Rate R	271,937	0.0902
Rate N	82,504	0.0274
Rate DS	70,107	0.0233
Rate LFD	35,740	0.0119
Rate XD Firm	5,082	0.0017
Interruptible	12,755	0.0042
Total	<u>\$ 3,012,704</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 12. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES.

Factors are based on the allocation of operation and maintenance expenses.

<u>Service Classification</u> (1)	<u>Operation & Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
<u>Volumetric Costs</u>		
Rate R	\$ 6,804,324	0.2964
Rate N	2,626,970	0.1144
Rate DS	1,082,490	0.0472
Rate LFD	1,002,187	0.0437
Rate XD Firm	368,024	0.0160
Interruptible	287,184	0.0125
<u>Customer Costs</u>		
Rate R	8,778,064	0.3824
Rate N	1,555,217	0.0678
Rate DS	226,181	0.0099
Rate LFD	147,749	0.0064
Rate XD Firm	36,760	0.0016
Interruptible	38,575	0.0017
Total	<u>\$ 22,953,725</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 13. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of total operation and maintenance direct labor expense to service classifications as shown on the following page.

Service Classification (1)	Total Labor Expense (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 3,609,453	0.2165
Rate N	1,952,095	0.1171
Rate DS	868,218	0.0521
Rate LFD	802,247	0.0481
Rate XD Firm	291,668	0.0175
Interruptible	230,061	0.0138
<u>Customer Costs</u>		
Rate R	7,153,810	0.4291
Rate N	1,407,935	0.0845
Rate DS	199,227	0.0120
Rate LFD	104,174	0.0062
Rate XD Firm	17,566	0.0011
Interruptible	34,130	0.0020
Total	<u>\$ 16,670,584</u>	<u>1.0000</u>

FACTOR 14. ALLOCATION OF ORGANIZATION, FRANCHISES AND CONSENTS, MISCELLANEOUS INTANGIBLE PLANT AND OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation excluding the items being allocated, as follows:

Service Classification (1)	Original Cost Less Depreciation (2)	Allocation Factor (3)
<u>Volumetric Costs</u>		
Rate R	\$ 150,684,764	0.3179
Rate N	90,930,199	0.1918
Rate DS	40,598,983	0.0856
Rate LFD	37,459,982	0.0790
Rate XD Firm	5,588,059	0.0118
Interruptible	10,130,472	0.0214
<u>Customer Costs</u>		
Rate R	102,805,813	0.2169
Rate N	28,968,129	0.0611
Rate DS	3,888,217	0.0082
Rate LFD	2,009,943	0.0042
Rate XD Firm	323,117	0.0007
Interruptible	666,007	0.0014
Total	<u>\$ 474,053,685</u>	<u>1.0000</u>

UGI UTILITIES INC. - GAS DIVISION (CENTRAL)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
DIRECT LABOR EXPENSE														
725 - 736 Total Gas Fuels Expenses	1	43,377	28,321	15,056	-	-	-	-	-	-	-	-	-	-
750-760 Total Production & Gathering Operation Expenses	1	0	-	-	-	-	-	-	-	-	-	-	-	-
761 - 769 Total Gas Raw Materials Expenses	1	-	-	-	-	-	-	-	-	-	-	-	-	-
813 Other Gas Supply Expenses	1	-	-	-	-	-	-	-	-	-	-	-	-	-
840 Storage	1A	-	-	-	-	-	-	-	-	-	-	-	-	-
850 - 860 Total Transmission Operation Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-	-
861 - 867 Total Transmission Maintenance Expenses	4	-	-	-	-	-	-	-	-	-	-	-	-	-
870 Operation Supervision and Engineering	10	1,267,009	299,901	190,178	87,677	80,962	29,268	23,186	417,479	111,497	15,584	7,602	1,014	2,661
871 Distribution Load Dispatching	4A	-	-	-	-	-	-	-	-	-	-	-	-	-
874 Mains And Services Expenses														
Mains - Small	5	550,496	242,659	153,809	70,959	65,454	-	17,616	-	-	-	-	-	-
Mains - Large	17	1,196,001	514,280	326,030	150,457	138,736	29,182	37,315	-	-	-	-	-	-
Services	6C	1,579,401	-	-	-	-	-	-	1,343,438	222,538	9,003	3,317	316	790
875 M & R Station Expenses -General	4A	576,005	227,349	144,174	66,471	61,575	55,988	20,448	-	-	-	-	-	-
876 Measuring and Regulating Station Expenses-Industrial	6B	14,123	-	-	-	-	-	-	-	-	7,977	4,093	585	1,469
877 Measuring and Regulating Station Expenses-City Gate	4A	-	-	-	-	-	-	-	-	-	-	-	-	-
878 Meter And House Regulator Expenses	6	306,665	-	-	-	-	-	-	109,081	143,918	30,299	15,548	2,239	5,581
879 Customer Installation Expenses	6	164,429	-	-	-	-	-	-	58,487	77,167	16,246	8,337	1,200	2,993
880 Other Expenses	10	680,916	161,173	102,205	47,119	43,511	15,729	12,461	224,362	59,921	8,375	4,085	545	1,430
881 Rent	10	3,026	716	454	209	193	70	55	997	266	37	18	2	6
885 Supervision - Engineering and Labor	11	472,102	167,124	105,940	48,863	45,133	17,090	13,030	42,584	12,936	11,000	5,618	803	1,983
886 Structures & Improvements	18	11,096	4,809	3,048	1,406	1,297	186	350	-	-	-	-	-	-
887 Mains - Small	5	242,288	106,801	67,695	31,231	28,808	-	7,753	-	-	-	-	-	-
Mains - Large	17	526,391	226,348	143,494	66,220	61,061	12,844	16,423	-	-	-	-	-	-
889 M & R Equip - General	4A	437,804	172,801	109,582	50,523	46,801	42,555	15,542	-	-	-	-	-	-
890 M & R Equip - Ind	6B	60,526	-	-	-	-	-	-	-	-	34,185	17,540	2,506	6,295
891 M & R Equip - CG Check Station	4A	81,710	32,251	20,452	9,429	8,735	7,942	2,901	-	-	-	-	-	-
892 Services	6C	62,543	-	-	-	-	-	-	53,199	8,812	356	131	13	31
893 Meters & House Regulators	6	52,456	-	-	-	-	-	-	18,659	24,618	5,183	2,660	383	955
895 Other Equipment	11	227,981	80,705	51,159	23,596	21,795	8,253	6,292	20,564	6,247	5,312	2,713	388	958
894 Other Equipment	11	-	-	-	-	-	-	-	-	-	-	-	-	-
901 Supervision	7	-	-	-	-	-	-	-	-	-	-	-	-	-
902 Meter Reading Expenses	7	929,073	-	-	-	-	-	-	802,626	121,801	3,159	1,022	93	372
903 Customer Records & Coll Expenses	7	2,014,504	-	-	-	-	-	-	1,740,330	264,101	6,849	2,216	201	806
905 Miscellaneous Cust Accts Expenses	7	173,508	-	-	-	-	-	-	149,894	22,747	590	191	17	69
907 Supervision	7	44,386	-	-	-	-	-	-	38,345	5,819	151	49	4	18
908 Customer Assistance Expenses	9	280,437	-	-	-	-	-	-	280,437	-	-	-	-	-
910 Miscellaneous Customer Service & Info. Exp.	7	7,061	-	-	-	-	-	-	6,100	926	24	8	1	3
911 Supervision	8	54,473	-	-	-	-	-	-	47,299	7,174	-	-	-	-
912 Demonstrating And Selling Expenses	8	75,657	-	-	-	-	-	-	65,693	9,964	-	-	-	-
920 Administrative & General Salaries	12	3,898,877	1,155,627	446,032	184,027	170,381	62,382	48,736	1,490,931	264,344	38,599	24,953	6,238	6,628
921 Office Supplies And Expenses	12	52,456	15,548	6,001	2,476	2,292	839	656	20,059	3,557	519	336	84	89
922 Administrative Expenses Transferred-Credit	12	-	-	-	-	-	-	-	-	-	-	-	-	-
923 Outside Service Employed	12	8,070	2,392	923	381	353	129	101	3,086	547	80	52	13	14
924 Property Insurance	12	-	-	-	-	-	-	-	-	-	-	-	-	-
925 Injuries and Damages	12	128,113	37,973	14,656	6,047	5,599	2,050	1,601	48,990	8,686	1,268	820	205	218
927 Franchise Requirements	12	-	-	-	-	-	-	-	-	-	-	-	-	-
928 Regulatory Commission Expenses	12	-	-	-	-	-	-	-	-	-	-	-	-	-
929 Duplicate Charges-Credit	12	-	-	-	-	-	-	-	-	-	-	-	-	-
930 Miscellaneous General Expenses	12	-	-	-	-	-	-	-	-	-	-	-	-	-
930 Miscellaneous Intercompany Charges	12	276,402	81,926	31,620	13,046	12,079	4,422	3,455	105,696	18,740	2,736	1,769	442	470
932 Maintenance of General Plant	12	171,218	50,749	19,587	8,081	7,482	2,739	2,140	65,474	11,609	1,695	1,096	274	291
Total Direct Labor Expense		16,670,580	3,609,453	1,952,095	868,218	802,247	291,668	230,061	7,153,810	1,407,935	199,227	104,174	17,566	34,130

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 15. ALLOCATION OF RETURN AND TAXES.

Factors are based on the result of allocating the original cost measure of value, as presented on the following pages.

Service Classification <u>(1)</u>	Original Cost Less Depreciation <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 128,594,648	0.3179
Rate N	77,602,473	0.1918
Rate DS	34,650,842	0.0856
Rate LFD	31,970,460	0.0790
Rate XD Firm	4,768,105	0.0118
Interruptible	8,643,437	0.0214
<u>Customer Costs</u>		
Rate R	87,733,947	0.2169
Rate N	24,722,436	0.0611
Rate DS	3,318,419	0.0082
Rate LFD	1,718,095	0.0042
Rate XD Firm	274,475	0.0007
Interruptible	568,724	0.0014
Total	<u>\$ 404,566,061</u>	<u>1.0000</u>

FACTOR 16. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER REVENUES.

Factors are based on the allocated cost of service excluding those items being allocated.

Service Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
<u>Volumetric Costs</u>		
Rate R	\$ 30,139,784	0.2964
Rate N	15,537,682	0.1529
Rate DS	6,692,306	0.0658
Rate LFD	6,181,671	0.0608
Rate XD Firm	1,342,402	0.0132
Interruptible	1,713,906	0.0169
<u>Customer Costs</u>		
Rate R	31,148,669	0.3067
Rate N	7,065,472	0.0695
Rate DS	980,299	0.0096
Rate LFD	554,997	0.0055
Rate XD Firm	112,295	0.0011
Interruptible	167,471	0.0016
Total	<u>\$ 101,636,954</u>	<u>1.0000</u>

UGI UTILITIES INC. - GAS DIVISION (CENTRAL)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs					
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)
RATE BASE														
PRODUCTION PLANT														
305	Manufactured Gas Plant Site Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-
325.1	Producing Lands	1	13,029	8,507	4,522	-	-	-	-	-	-	-	-	-
325.2	Production Leaseholds	1	1,064	695	369	-	-	-	-	-	-	-	-	-
325.4	Rights-Of-Way	1	618	403	215	-	-	-	-	-	-	-	-	-
325.5	Other Lands	1	1,134	740	394	-	-	-	-	-	-	-	-	-
328	Field Measuring and Regulating Station Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-
329	Other Structures	1	2	1	1	-	-	-	-	-	-	-	-	-
330	Producing Gas Wells - Well Construction	1	19,811	12,935	6,876	-	-	-	-	-	-	-	-	-
331	Product Gas Wells - Well Equipment	1	(49,940)	(32,606)	(17,334)	-	-	-	-	-	-	-	-	-
332	Field Lines	1	26,937	17,587	9,350	-	-	-	-	-	-	-	-	-
334	Field Measuring and Regulating Station Equipment	1	11,603	7,576	4,027	-	-	-	-	-	-	-	-	-
335	Drilling and Cleaning Equipment	1	158	103	55	-	-	-	-	-	-	-	-	-
337	Other Equipment	1	-	-	-	-	-	-	-	-	-	-	-	-
	Total Production Plant		24,416	15,941	8,475	-	-	-	-	-	-	-	-	-
STORAGE PLANT														
352.01	Well Construction	1	262,934	171,670	91,264	-	-	-	-	-	-	-	-	-
TRANSMISSION PLANT														
365	Land	4	47,323	20,860	13,222	6,100	5,627	-	1,514	-	-	-	-	-
365.2	Rights-Of-Way	4	355,377	156,650	99,292	45,808	42,254	-	11,372	-	-	-	-	-
366	Structures and Improvements	4	11,469	5,056	3,204	1,478	1,364	-	367	-	-	-	-	-
367	Mains	4	17,551,844	7,736,853	4,903,985	2,262,433	2,086,914	-	561,659	-	-	-	-	-
369	Measuring and Regulating Station Equipment	4	2,376,561	1,047,588	664,011	306,339	282,573	-	76,050	-	-	-	-	-
370	Communication Equipment	4	1,598,176	704,476	446,530	206,005	190,023	-	51,142	-	-	-	-	-
371	Other Equipment	4	13,687	6,033	3,824	1,764	1,627	-	438	-	-	-	-	-
371.1	Testing Equipment	4	69,231	30,517	19,343	8,924	8,232	-	2,215	-	-	-	-	-
	Total Transmission Plant		22,023,668	9,708,033	6,153,411	2,838,851	2,618,614	-	704,757	-	-	-	-	-
DISTRIBUTION PLANT														
374	Land	18	340,301	147,486	93,481	43,116	39,781	5,717	10,719	-	-	-	-	-
374	Land Rights of Way	18	-	-	-	-	-	-	-	-	-	-	-	-
374	Rights of Way	4	1,954,173	861,399	545,996	251,893	232,351	-	62,534	-	-	-	-	-
375	Structures And Improvements	18	277,499	120,268	76,229	35,159	32,440	4,662	8,741	-	-	-	-	-
376	Mains - Small	5	77,874,904	34,327,258	21,758,248	10,038,075	9,259,326	-	2,491,997	-	-	-	-	-
	Mains - Large	4	169,190,147	74,579,017	47,271,727	21,808,610	20,116,708	-	5,414,085	-	-	-	-	-
	Mains - Direct Assign	DA	4,227,974	-	-	-	-	4,226,432	1,542	-	-	-	-	-
378	Measuring & Regulating Equipment - General	18	20,676,176	8,961,055	5,679,746	2,619,671	2,417,045	347,360	651,300	-	-	-	-	-
379	Measuring & Regulating Equipment - SCADA	18	-	-	-	-	-	-	-	-	-	-	-	-
379	Measuring & Regulating Equipment - City Gate	18	17,398	7,540	4,779	2,204	2,034	292	548	-	-	-	-	-
380	Services	6C	73,642,347	-	-	-	-	-	-	62,640,180	10,376,207	419,761	154,649	14,728
381	Meters	6	7,463,474	-	-	-	-	-	-	2,654,758	3,502,608	737,391	378,398	54,483
382	Meter Installations	6	11,742,800	-	-	-	-	-	-	4,176,914	5,510,896	1,160,189	595,360	85,722
383	House Regulators	6A	593,551	-	-	-	-	-	-	509,326	84,225	-	-	-
384	House Regulator Installations	6A	706,461	-	-	-	-	-	-	606,214	100,247	-	-	-
385	Industrial Measuring & Regulating Equipment	6	9,326,812	-	-	-	-	-	-	3,317,547	4,377,073	921,489	472,869	68,086
386	Other Property on Customer Premises	6C	-	-	-	-	-	-	-	-	-	-	-	-
387	Other Equipment	10	756,787	179,131	113,594	52,370	48,359	17,482	13,849	249,361	66,597	9,308	4,541	605
387	Other Equipment - Graphic Data Base	10	-	-	-	-	-	-	-	-	-	-	-	-
	Total Distribution Plant		378,790,804	119,183,154	75,543,800	34,851,098	32,148,044	4,601,945	8,655,315	74,154,300	24,017,853	3,248,138	1,605,817	223,624
GENERAL PLANT														
389	Land and Land Rights	12	1,005,242	297,954	115,000	47,447	43,929	16,084	12,566	384,405	68,155	9,952	6,434	1,608
390	Structures And Improvements	12	18,926,796	5,609,902	2,165,225	893,345	827,101	302,829	236,585	7,237,607	1,283,237	187,375	121,131	30,283
391	Office Furniture And Equipment	12	508,322	150,667	58,152	23,993	22,214	8,133	6,354	194,382	34,464	5,032	3,253	813
392	Transportation Equipment	12	5,179,075	1,535,078	592,486	244,452	226,326	82,865	64,738	1,980,478	351,141	51,273	33,146	8,287
393	Stores Equipment	12	12,822	3,800	1,467	605	560	205	160	4,903	869	127	82	21
394	Tools, Shop And Garage Equipment	12	4,164,805	1,234,448	476,454	196,579	182,002	66,637	52,060	1,592,621	282,374	41,232	26,655	6,664
393	Laboratory Equipment	12	363,201	107,653	41,550	17,143	15,872	5,811	4,540	138,888	24,625	3,596	2,324	581
396	Power Operated Equipment	12	1,058,035	313,602	121,039	49,939	46,236	16,929	13,225	404,593	71,735	10,475	6,771	1,693
397	Communication Equipment	12	28,115	8,333	3,216	1,327	1,229	450	351	10,751	1,906	278	180	45
398	Miscellaneous Equipment	12	1,217,631	360,906	139,297	57,472	53,210	19,482	15,220	465,622	82,555	12,055	7,793	1,948
399	Other Tangible Property	12	-	-	-	-	-	-	-	-	-	-	-	-
	Total General Plant		32,464,044	9,622,343	3,713,886	1,532,302	1,418,679	519,425	405,799	12,414,250	2,201,061	321,395	207,769	51,943
	Total Plant		433,565,866	138,701,141	85,510,836	39,222,251	36,185,337	5,121,370	9,765,871	86,568,550	26,218,914	3,569,533	1,813,586	275,567

UGI UTILITIES INC. - GAS DIVISION (CENTRAL)

COST OF SERVICE AS OF SEPTEMBER 30, 2020, AT PROPOSED REVENUE LEVEL ALLOCATED TO RATE R, RATE N, RATE DS, RATE LFD, RATE XD, AND INTERRUPTIBLE SERVICE CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Volumetric Costs						Customer Costs						
			Rate R (4)	Rate N (5)	Rate DS (6)	Rate LFD (7)	Rate XD Firm (8)	Interruptible (9)	Rate R (10)	Rate N (11)	Rate DS (12)	Rate LFD (13)	Rate XD Firm (14)	Interruptible (15)	
COMMON PLANT ALLOCATED @ 5.44%															
301	Organization	14	7,560	2,403	1,450	647	597	89	162	1,640	462	62	32	5	11
389.1	Land and Land Rights	12	377,923	112,016	43,234	17,838	16,515	6,047	4,724	144,518	25,623	3,741	2,419	605	642
390.2	Structures and Improvements	12	1,609,259	476,984	184,099	75,957	70,325	25,748	20,116	615,380	109,108	15,932	10,299	2,575	2,736
391	Office Furniture and Equipment	12	183,497	54,388	20,992	8,661	8,019	2,936	2,294	70,169	12,441	1,817	1,174	294	312
392.1	Transportation Equipment	12	95	28	11	4	4	2	1	36	6	1	1	-	-
	Total Common Plant		<u>2,178,333</u>	<u>645,819</u>	<u>249,786</u>	<u>103,107</u>	<u>95,460</u>	<u>34,822</u>	<u>27,297</u>	<u>831,743</u>	<u>147,640</u>	<u>21,553</u>	<u>13,925</u>	<u>3,479</u>	<u>3,701</u>
INFORMATION SERVICES (IS) ALLOCATED @ 14.75%															
391	Office Furniture and Equipment	12	419,770	124,420	48,022	19,813	18,344	6,716	5,247	160,520	28,460	4,156	2,687	672	714
391.1	Office Furniture and Equip. - CIS	7	8,800,015	-	-	-	-	-	-	7,602,333	1,153,682	29,920	9,680	880	3,520
391.2	Office Furniture and Equip. - System Development Costs	12	13,512,268	4,005,036	1,545,803	637,779	590,486	216,196	168,903	5,167,091	916,132	133,771	86,479	21,620	22,971
	Total Information Services		<u>22,732,052</u>	<u>4,129,456</u>	<u>1,593,825</u>	<u>657,592</u>	<u>608,830</u>	<u>222,912</u>	<u>174,150</u>	<u>12,929,944</u>	<u>2,098,274</u>	<u>167,847</u>	<u>98,846</u>	<u>23,172</u>	<u>27,205</u>
INTANGIBLE PLANT															
301	Organization	14	80,239	25,508	15,390	6,868	6,339	947	1,717	17,404	4,903	658	337	56	112
302	Franchises And Consents	14	155,919	49,567	29,905	13,347	12,318	1,840	3,337	33,819	9,527	1,279	655	109	218
303	Miscellaneous Intangible Plant	14	289,868	92,149	55,597	24,813	22,900	3,420	6,203	62,872	17,711	2,377	1,217	203	406
304	Land and Land Rights	14	-	-	-	-	-	-	-	-	-	-	-	-	-
305	Manufactured Gas Plant Remediation	1	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Nondepreciable Plant		<u>526,026</u>	<u>167,224</u>	<u>100,892</u>	<u>45,028</u>	<u>41,557</u>	<u>6,207</u>	<u>11,257</u>	<u>114,095</u>	<u>32,141</u>	<u>4,314</u>	<u>2,209</u>	<u>368</u>	<u>736</u>
	Total Utility Plant in Service		<u>459,002,277</u>	<u>143,643,640</u>	<u>87,455,339</u>	<u>40,027,978</u>	<u>36,931,184</u>	<u>5,385,311</u>	<u>9,978,575</u>	<u>100,444,332</u>	<u>28,496,969</u>	<u>3,763,247</u>	<u>1,928,566</u>	<u>302,586</u>	<u>644,543</u>
OTHER RATE BASE ELEMENTS															
1A	Gas Storage Inventory	1A	3,295,000	1,950,311	1,344,690	-	-	-	-	-	-	-	-	-	-
12	Cash Working Capital	12	9,988,256	2,960,519	1,142,657	471,446	436,487	159,812	124,853	3,819,509	677,204	98,884	63,925	15,981	16,980
1	Cash Working Capital - Purchased Gas Related	1	2,125,744	1,387,898	737,846	-	-	-	-	-	-	-	-	-	-
12	Materials & Supplies	12	3,077,000	912,023	352,009	145,234	134,465	49,232	38,463	1,176,645	208,621	30,462	19,693	4,923	5,231
14	Deferred Taxes	14	(70,021,212)	(22,259,743)	(13,430,068)	(5,993,816)	(5,531,676)	(826,250)	(1,498,454)	(15,187,601)	(4,278,296)	(574,174)	(294,089)	(49,015)	(98,030)
8	Customer Deposits	8	(2,901,000)	-	-	-	-	-	-	(2,518,938)	(382,062)	-	-	-	-
14	Investment Tax Credit	14	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Other Rate Base Elements		<u>(54,436,212)</u>	<u>(15,048,992)</u>	<u>(9,852,866)</u>	<u>(5,377,136)</u>	<u>(4,960,724)</u>	<u>(617,206)</u>	<u>(1,335,138)</u>	<u>(12,710,385)</u>	<u>(3,774,533)</u>	<u>(444,828)</u>	<u>(210,471)</u>	<u>(28,111)</u>	<u>(75,819)</u>
	Total Measure of Value		<u>\$ 404,566,065</u>	<u>\$ 128,594,648</u>	<u>\$ 77,602,473</u>	<u>\$ 34,650,842</u>	<u>\$ 31,970,460</u>	<u>\$ 4,768,105</u>	<u>\$ 8,643,437</u>	<u>\$ 87,733,947</u>	<u>\$ 24,722,436</u>	<u>\$ 3,318,419</u>	<u>\$ 1,718,095</u>	<u>\$ 274,475</u>	<u>\$ 568,724</u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 17. ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
ASSOCIATED WITH LARGE MAINS.

Factors are based on the allocation of rate base for large and directly assigned mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 74,579,017	0.4300
Rate N	47,271,727	0.2726
Rate DS	21,808,610	0.1258
Rate LFD	20,116,708	0.1160
Rate XD Firm	4,226,432	0.0244
Interruptible	5,415,627	0.0312
Total	<u>\$ 173,418,121</u>	<u>1.0000</u>

FACTOR 18. ALLOCATION OF RATE BASE ASSOCIATED M&R STATION EQUIPMENT

Factors are based on the composite allocation of all mains.

Service Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
<u>Volumetric Costs</u>		
Rate R	\$ 108,906,275	0.4334
Rate N	69,029,975	0.2747
Rate DS	31,846,685	0.1267
Rate LFD	29,376,034	0.1169
Rate XD Firm	4,226,432	0.0168
Interruptible	7,907,624	0.0315
Total	<u>\$ 251,293,025</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

FACTORS FOR ALLOCATING COST OF SERVICE TO SERVICE CLASSIFICATIONS

FACTOR 19. ALLOCATION OF UNCOLLECTIBLE ACCOUNTS

Factors are based on history of net write-offs by class.

<u>Service Classification</u> (1)	<u>3-Yr. Average of Net Write-offs</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 1,402,965	0.9371
Rate N	43,825	0.0293
Rate DS	644	0.0004
Rate LFD	31,588	0.0211
Rate XD Firm	18,061	0.0121
Interruptible	-	-
Total	<u>\$ 1,497,084</u>	<u>1.0000</u>

FACTOR 20. ALLOCATION OF PENALTY REVENUE

Factors are based on an analysis of penalty revenue, by class.

<u>Service Classification</u> (1)	<u>Penalty Revenue</u> (2)	<u>Allocation Factor</u> (3)
<u>Customer Costs</u>		
Rate R	\$ 667,436	0.8668
Rate N	97,944	0.1272
Rate DS	2,233	0.0029
Rate LFD	2,310	0.0030
Rate XD Firm	77	0.0001
Interruptible	-	-
Total	<u>\$ 770,000</u>	<u>1.0000</u>

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Fully Allocated Customer Costs							
Customer Costs	39,538,107	\$ 30,696,419	\$ 7,018,459	\$ 985,039	\$ 556,599	\$ 112,964	\$ 168,627
Number of bills	993,660	858,408	130,248	3,408	1,080	96	420
Customer Cost per bill		\$ 35.76	\$ 53.89	\$ 289.04	\$ 515.37	\$ 1,176.71	\$ 401.49
Direct Customer Costs							
<u>O & M Expenses:</u>							
874 Mains And Services Expenses							
Mains	-	-	-	-	-	-	-
Services	2,480,831	2,110,195	349,549	14,141	5,210	496	1,240
876 M & R Station Expenses - Industrial	28,058	-	-	15,847	8,131	1,162	2,918
878 Meter and House Regulator Expenses	383,309	136,343	179,887	37,871	19,434	2,798	6,976
879 Customer Installations Expenses	190,310	67,693	89,312	18,803	9,649	1,389	3,464
890 M & R Equip - Industrial	105,318	-	-	59,484	30,521	4,360	10,953
892 Services	281,531	239,470	39,668	1,605	591	56	141
893 Meters & House Regulators	91,276	32,467	42,836	9,018	4,628	666	1,661
901 Supervision	45,788	39,556	6,003	156	50	5	18
902 Meter Reading Expenses	1,117,203	965,152	146,465	3,798	1,229	112	447
903 Customer Records & Coll Expenses	3,438,278	2,970,329	450,758	11,690	3,782	344	1,375
903.1 Universal Service Program	-	-	-	-	-	-	-
904 Uncollectible Accounts	1,191,369	1,113,379	17,816	716	37,788	21,670	-
905 Miscellaneous Cust Accts Expenses	222,282	192,029	29,141	756	245	22	89
907 Supervision	44,386	38,345	5,819	151	49	4	18
908 Customer Assistance Expenses	318,262	318,262	-	-	-	-	-
910 Miscellaneous Customer Service Exp.	-	-	-	-	-	-	-
911 Supervision	54,473	47,299	7,174	-	-	-	-
912 Demonstrating and Selling Expenses	258,811	224,726	34,085	-	-	-	-
912.1 Energy Efficiency and Conservation	-	-	-	-	-	-	-
913 Advertising Expenses	68,683	59,637	9,046	-	-	-	-
916 Miscellaneous	19,908	17,286	2,622	-	-	-	-
926 Employee Pensions and Benefits	2,122,685 *	1,702,830	335,328	47,621	24,604	4,365	7,937
408 Payroll Taxes	786,486 *	630,924	124,244	17,644	9,116	1,617	2,941
Subtotal O & M Expenses	13,249,247	10,905,922	1,869,753	239,301	155,027	39,066	40,178

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

CALCULATION OF CUSTOMER COSTS PER BILL BY SERVICE CLASSIFICATION

	Cost of Service (1)	Rate R (2)	Rate N (3)	Rate DS (4)	Rate LFD (5)	Rate XD Firm (6)	Interruptible (7)
Depreciation Expense							
380 Services	3,298,848	2,806,000	464,808	18,803	6,928	660	1,649
381 Meters	394,339	140,266	185,063	38,961	19,993	2,879	7,177
382 Meter Installations	689,224	245,157	323,453	68,095	34,944	5,031	12,544
383 House Regulators	24,909	21,374	3,535	-	-	-	-
384 House Regulator Installations	30,377	26,067	4,310	-	-	-	-
385 Industrial M & R Equipment	366,771	130,461	172,126	36,237	18,595	2,677	6,675
390 Structures and Improvements	330,044 *	268,644	47,631	6,955	4,496	1,124	1,194
391 Office Furniture And Equipment	1,607,523 *	1,345,864	222,094	20,638	12,521	2,999	3,407
Subtotal Depreciation	6,742,035	4,983,833	1,423,020	189,689	97,477	15,370	32,646
Rate Base							
380 Services	73,642,346	62,640,180	10,376,207	419,761	154,649	14,728	36,821
381 Meters	7,463,473	2,654,758	3,502,608	737,391	378,398	54,483	135,835
382 Meter Installations	11,742,800	4,176,914	5,510,896	1,160,189	595,360	85,722	213,719
383 House Regulators	593,551	509,326	84,225	-	-	-	-
384 House Regulator Installations	706,461	606,214	100,247	-	-	-	-
385 Industrial M & R Equipment	9,326,812	3,317,547	4,377,073	921,489	472,869	68,086	169,748
390 Structures And Improvements	8,891,809 *	7,237,607	1,283,237	187,375	121,131	30,283	32,176
391 Office Furniture and Equipment	15,670,303 *	13,194,495	2,145,179	174,696	103,273	24,279	28,381
Deferred Taxes	(20,481,205) *	(15,187,601)	(4,278,296)	(574,174)	(294,089)	(49,015)	(98,030)
Customer Deposits	(2,901,000)	(2,518,938)	(382,062)	-	-	-	-
Subtotal Rate Base	104,655,350	76,630,502	22,719,314	3,026,727	1,531,591	228,566	518,650
Taxes and Return @ 10.4%	10,897,613	7,979,426	2,365,730	315,169	159,482	23,800	54,006
Total Direct Customer Costs	<u>\$ 30,888,896</u>	<u>\$ 23,869,181</u>	<u>\$ 5,658,503</u>	<u>\$ 744,159</u>	<u>\$ 411,986</u>	<u>\$ 78,236</u>	<u>\$ 126,830</u>
Number of bills	993,660	858,408	130,248	3,408	1,080	96	420
Direct Costs per bill		\$ 27.81	\$ 43.44	\$ 218.36	\$ 381.47	\$ 814.96	\$ 301.98

* Customer cost portion of account.

UGI UTILITIES, INC. - GAS DIVISION (CENTRAL)

CALCULATION OF COSTS RELATED TO LFD AND XD DEMAND CHARGES

<u>Capital Costs</u>	<u>Rate LFD</u>	<u>Rate XD Firm</u>
Depreciation	\$ 913,741	\$ 137,206
Taxes Other Than Income	123,157	36,285
Income Taxes	672,061	100,384
Income Available for Return	<u>2,655,964</u>	<u>396,714</u>
Total	<u>\$ 4,364,923</u>	<u>\$ 670,589</u>
Cost Per Month	\$ 363,744	\$ 55,882
Demand Volume Units per Month	26,746	494,708
Demand Costs per MCF	\$ 13.60	\$ 0.11