

Morgan Lewis

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June 1, 2018

VIA EFILING

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

Re: UGI Utilities, Inc., Docket Nos. ER06-1445-000 and ER06-1445-001
Errata to Formula Rate Informational Filing: 2018 Transmission Revenue Requirement

Dear Ms. Bose:

On May 15, 2018, in the above-captioned docket, UGI Utilities, Inc. (“UGI Utilities”) filed an annual informational filing of its updated annual transmission revenue requirement, which is recovered through a cost-of-service formula rate under Attachment H-8 of the open access transmission tariff (“Tariff”) of PJM Interconnection, LLC (“PJM”). The updated annual transmission revenue requirement is used in the determination for transmission service charges in the PPL Group Zone of PJM.

Subsequent to the May 15 filing, UGI Utilities discovered that there was an error in the coincident peak value used to determine the network zonal service rate. Specifically, line 172 of UGI Utilities’ updated annual transmission revenue requirement included a “1 CP Peak” value of 7,025 MW. The correct coincident peak value, which UGI Utilities has confirmed with PJM, is 7,401.1 MW. Using the correct coincident peak value results in a lowering of the network zonal transmission service rate (shown on lines 173 and 174) from \$1,107/MW-Year to \$1,051/MW-Year.

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In the enclosed revised Attachment A, the coincident peak value has been corrected. The only two changes are to the coincident peak value and the resulting network zonal transmission service rate. UGI Utilities has provided PJM with a revised Attachment A for posting.¹

Respectfully submitted,

/s/ Joseph W. Lowell

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Enclosures

cc: PJM Interconnection, LLC

¹ The updated annual transmission revenue requirement for UGI Utilities goes into effect on June 1, 2018, the date of this filing. It is UGI Utilities' understanding that the correction to the data will be reflected in bills rendered later this month for service in June.

CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 1st day of June, 2018.

/s/ Arjun P. Ramadevanahalli

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CLEAN VERSION OF ANNUAL UPDATE

ATTACHMENT H-8C

UGI Utilities, Inc.	Estimate
	2017

Formula Rate -- Appendix A

Notes FERC Form 1 Page # or
Instruction

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense		1,124,647
2	Total Wages Expense	p354.21.b	6,038,023
3	Less A&G Wages Expense	Attachment 5	1,242,452
4	Total	Attachment 5	4,795,571
5	Wages & Salary Allocator	(Line 2 - 3)	23.4518%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) p207.104.g	189,114,636
7	Common Plant In Service - Electric	(Line 24)	9,938,973
8	Total Plant In Service	(Sum Lines 6 & 7)	199,053,609
9	Accumulated Depreciation (Total Electric Plant)	p219.19.c	72,902,409
10	Accumulated Intangible Amortization	(Note A) p200.21.c	569,774
11	Accumulated Common Amortization - Electric	(Note A) Attachment 5	0
12	Accumulated Common Plant Depreciation - Electric	(Note A) Attachment 5	1,600,306
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	75,072,489
14	Net Plant	(Line 8 - Line 13)	123,981,120
15	Transmission Gross Plant	(Line 29 - Line 28)	50,671,237
16	Gross Plant Allocator	(Line 15 / Line 8)	25.4561%
17	Transmission Net Plant	(Line 39 - Line 28)	32,987,463
18	Net Plant Allocator	(Line 17 / Line 14)	26.6068%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	46,766,690
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only Attachment 6	0
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	524,463
22	Total Transmission Plant In Service	(Line 19 - Line 20 + Line 21)	47,291,153
23	General & Intangible	p205.5.g & p207.99.g	4,473,937
24	Common Plant (Electric Only)	(Notes A & B) Attachment 5	9,938,973
25	Total General & Common	(Line 23 + Line 24)	14,412,910
26	Wage & Salary Allocation Factor	(Line 5)	23.45178%
27	General & Common Plant Allocated to Transmission	(Line 25 * Line 26)	3,380,085
28	Plant Held for Future Use (Including Land)	(Note C) Attachment 5	0
29	TOTAL Plant In Service	(Line 22 + Line 27 + Line 28)	50,671,237
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note C) Attachment 5	16,627,994
31	Accumulated General Depreciation	Attachment 5	2,331,840
32	Accumulated Intangible Amortization	(Line 10)	569,774
33	Accumulated Common Amortization - Electric	(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	1,600,306
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	4,501,920
36	Wage & Salary Allocation Factor	(Line 5)	23.45178%
37	General & Common Allocated to Transmission	(Line 35 * Line 36)	1,055,781
38	TOTAL Accumulated Depreciation	(Line 30 + Line 37)	17,683,775
39	TOTAL Net Property, Plant & Equipment	(Line 29 - Line 38)	32,987,463

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-3,703,301
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	Attachment 5	0
42	Net Plant Allocation Factor		(Line 18)	26.61%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * Line 42) + Line 40	-3,703,301
Prepayments				
44	Prepayments (Account 165)	(Note A)	Attachment 5	1,052,161
45	Net Plant Allocation Factor		(Line 18)	26.61%
46	Total Prepayments Allocated to Transmission		(Line 44 * Line 45)	279,947
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	Attachment 5	184,234
48	Wage & Salary Allocation Factor		(Line 5)	23.45%
49	Total Transmission Allocated		(Line 47 * Line 48)	43,206
50	Transmission Materials & Supplies		Attachment 5	288,630
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + Line 50)	331,836
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 84)	4,237,410
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * Line 53)	529,676
Network Credits				
55	Outstanding Network Credits	(Note N)	From PJM	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM	0
57	Net Outstanding Credits		(Line 55 - Line 56)	0
58	TOTAL Adjustment to Rate Base		(Lines 43 + 46 + 51 + 54 - 57)	-2,561,842
59	Rate Base		(Line 39 + Line 58)	30,425,621

O&M

Transmission O&M				
60	Transmission O&M		p321.112.b	6,934,662
61	Less extraordinary property loss		Attachment 5	
62	Plus amortized extraordinary property loss		Attachment 5	
63	Less Account 565 and other excluded transmission expenses		Attachment 5	4,801,963
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	0
65	Plus Transmission Lease Payments	(Note A)	Attachment 5	0
66	Transmission O&M		(Lines 60 - 61 + 62 - 63 + 64 + 65)	2,132,699
Allocated General & Common Expenses				
67	Common Plant O&M	(Note A)	Attachment 5	437,000
68	Total A&G		p323.197.b	8,537,630
69	Less Property Insurance Account 924		p323.185b	0
70	Less Regulatory Commission Exp Account 928	(Note E)	Attachment 5	0
71	Less General Advertising Exp Account 930.1		Attachment 5	0
72	Less EPRI Dues	(Note D)	Attachment 5	0
73	General & Common Expenses		(Lines 67 + 68 - Sum (69 to 72))	8,974,630
74	Wage & Salary Allocation Factor		(Line 5)	23.4518%
75	General & Common Expenses Allocated to Transmission		(Line 73 * Line 74)	2,104,711
Directly Assigned A&G				
76	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	0
77	General Advertising Exp Account 930.1	(Note K)	Attachment 5	0
78	Subtotal - Transmission Related		(Line 76 + Line 77)	0
79	Property Insurance Account 924		(Line 69)	0
80	General Advertising Exp Account 930.1	(Note F)	Attachment 5	0
81	Total		(Line 79 + Line 80)	0
82	Net Plant Allocation Factor		(Line 18)	26.61%
83	A&G Directly Assigned to Transmission		(Line 81 * Line 82)	0
84	Total Transmission O&M		(Lines 66 + 75 + 78 + 83)	4,237,410

Depreciation & Amortization Expense

Depreciation Expense				
85	Transmission Depreciation Expense		Attachment 5	748,555
86	General Depreciation		Attachment 5	171,070
87	Intangible Amortization	(Note A)	Attachment 5	0
88	Total		(Line 86 + Line 87)	171,070
89	Wage & Salary Allocation Factor		(Line 5)	23.4518%
90	General Depreciation Allocated to Transmission		(Line 88 * Line 89)	40,119
91	Common Depreciation - Electric Only	(Note A)	Attachment 5	356,947
92	Common Amortization - Electric Only	(Note A)	Attachment 5	266,046
93	Total		(Line 91 + Line 92)	622,993
94	Wage & Salary Allocation Factor		(Line 5)	23.4518%
95	Common Depreciation - Electric Only Allocated to Transmission		(Line 93 * Line 94)	146,103
96	Total Transmission Depreciation & Amortization		(Line 85 + Line 90 + Line 95)	934,777

Taxes Other than Income

97	Taxes Other than Income		Attachment 2	35,944
98	Total Taxes Other than Income		(Line 97)	35,944

Return / Capitalization Calculations

Long Term Interest				
99	Long Term Interest		p117.62.c through 67.c	39,972,506
100	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
101	Long Term Interest		(Line 99 - Line 100)	39,972,506
102	Preferred Dividends	enter positive	p118.29.c	0
Common Stock				
103	Proprietary Capital		p112.16.c	1,042,020,490
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-201,105,117
106	Common Stock		(Sum Lines 103 to 105)	840,915,373
Capitalization				
107	Long Term Debt		p112.18.c through 21.c	860,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	0
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
110	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	0
111	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	860,000,000
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	840,915,373
115	Total Capitalization		(Sum Lines 112 to 114)	1,700,915,373
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	50.6%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	49.4%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0465
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	0.0000
121	Common Cost	Common Stock	(Note J) Fixed	0.1130
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)	0.0235
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0559
125	Total Return (R)		(Sum Lines 122 to 124)	0.0794
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)	2,414,779

Composite Income Taxes

Income Tax Rates			
127	FIT=Federal Income Tax Rate		FIT for Year 21.00%
128	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year 9.99%
129	p	(percent of federal income tax deductible for state purposes)	0.00%
130	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	28.89%
131	T/(1-T)		40.63%
ITC Adjustment			
132	Amortized Investment Tax Credit	(Note I) enter negative	p266.6.f 0
133	1/(1-T)		1 / (1-T) 140.63%
134	Net Plant Allocation Factor		(Line 18) 26.6068%
135	ITC Adjustment Allocated to Transmission		(Line 132 * Line 133 * Line 134) 0
136	Income Tax Component =		$CIT = (T/(1-T)) * Investment\ Return * (1 - (WCLTI[Line\ 131 * 126 * (1 - (122 / 125))])$ 690,635
137	Total Income Taxes		(Line 135 + Line 136) 690,635

REVENUE REQUIREMENT

Summary			
138	Net Property, Plant & Equipment		(Line 39) 32,987,463
139	Adjustment to Rate Base		(Line 58) -2,561,842
140	Rate Base		(Line 59) 30,425,621
141	O&M		(Line 84) 4,237,410
142	Depreciation & Amortization		(Line 96) 934,777
143	Taxes Other than Income		(Line 98) 35,944
144	Investment Return		(Line 126) 2,414,779
145	Income Taxes		(Line 137) 690,635
146	Gross Revenue Requirement		(Sum Lines 141 to 145) 8,313,545
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
147	Transmission Plant In Service		(Line 19) 46,766,690
148	Excluded Transmission Facilities	(Note M)	Attachment 5 7,320,415
149	Included Transmission Facilities		(Line 147 - Line 148) 39,446,275
150	Inclusion Ratio		(Line 149 / Line 147) 84.35%
151	Gross Revenue Requirement		(Line 146) 8,313,545
152	Adjusted Gross Revenue Requirement		(Line 150 x Line 151) 7,012,222
Revenue Credits & Interest on Network Credits			
153	Revenue Credits		Attachment 3 45,294
154	Interest on Network Credits	(Note N)	PJM Data 0
155	Net Revenue Requirement		(Line 152 - Line 153 + Line 154) 6,966,928
Net Plant Carrying Charge without ROE Increment			
156	Gross Revenue Requirement		(Line 146) 8,313,545
157	Net Transmission Plant		(Line 19 - Line 30) 30,138,696
158	Net Plant Carrying Charge		(Line 156 / Line 157) 27.5843%
159	Net Plant Carrying Charge without Depreciation		(Line 156 - Line 85) / Line 157 25.1006%
160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Lines 156 - 85 - 126 - 137) / Line 157 14.7968%
Net Plant Carrying Charge with 100 Basis Point ROE Increment			
161	Gross Revenue Requirement Less Return and Taxes		(Line 146 - Line 144 - Line 145) 5,208,131
162	Increased Return and Taxes		Attachment 4 3,316,954
163	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 161 + Line 162) 8,525,085
164	Net Transmission Plant		(Line 19 - Line 30) 30,138,696
165	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 163 / Line 164) 28.2862%
166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 162 - Line 85) / Line 164 25.8025%
167	Net Revenue Requirement		(Line 155) 6,966,928
168	Reconciliation Amount ¹		Attachment 6 811,694
169	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 7 -
170	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5 -
171	Net Zonal Revenue Requirement		(Sum Lines 167 to 170) 7,778,621
Network Zonal Service Rate			
172	1 CP Peak	(Note L)	7401.1 7,401
173	Rate (\$/MW-Year)	(Note L)	(Line 171 / Line 172) 1,051
174	Network Service Rate (\$/MW/Year)	(Note L)	(Line 173) 1,051

Notes

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

¹The reconciliation amount of \$811,694 represents the true-up of the prior years forecast plus interest as calculated in Step 9 of "Attachment 6 - Estimate and Reconciliation Worksheet".

END

UGI Utilities, Inc.

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
1 ADIT- 282	(1,087,133)	(12,865,552)	0	
2 ADIT-283	0	0	(62,495)	
3 ADIT-190	0	0	2,872,076	
4 Subtotal	(1,087,133)	(12,865,552)	2,809,581	
5 Wages & Salary Allocator			23.4518%	
6 Gross Plant Allocator		25.4561%		
7 ADIT	(1,087,133)	(3,275,065)	658,897	(3,703,301)
8				
9				
10				
11				
12 ADIT-190	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
13				
14				
15				
16 RESERVE FOR BAD DEBT - FIT	190,470			
17 RESERVE FOR BAD DEBT - STATE	100,666			
18 FIXED TRANSMISSION RIGHTS (FTR) - FIT				
19 FIXED TRANSMISSION RIGHTS (FTR) - STATE				
20 FV DERIVATIVES - GAS FUTURES - FIT				
21 FV DERIVATIVES - GAS FUTURES - STATE				
22 INJURIES & DAMAGES - FIT				
23 INJURIES & DAMAGES - STATE				
24 SFAS 112 WORKERS COMPENSATION/LTD CURRENT - FIT				37,317
25 SFAS 112 WORKERS COMPENSATION/LTD CURRENT - STATE				19,722
26 SFAS 112 LTD/STD (NON CURRENT) - FIT				31,814
27 SFAS 112 LTD/STD (NON CURRENT) - STATE				16,814
28 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				1,564,626
29 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				826,925
30 SFAS 106 POST RETIREMENT BENEFIT (CURRENT) - FIT				
31 SFAS 106 POST RETIREMENT BENEFIT (CURRENT) - STATE				
32 PREPAID RETIREMENT INCOME COSTS (PRE-SFAS 158) - FIT				
33 PREPAID RETIREMENT INCOME COSTS (PRE-SFAS 158) - STATE				
34 EXEC RETIREMENT PLAN - FIT				
35 EXEC RETIREMENT PLAN - STATE				
36 ANNUAL BONUS PLAN (EXEMPT) - FIT				28,420
37 ANNUAL BONUS PLAN (EXEMPT) - STATE				15,021
38 ANNUAL BONUS PLAN (EXECUTIVE) - FIT				11,841
39 ANNUAL BONUS PLAN (EXECUTIVE) - STATE				6,258
40 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				
41 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				
42 AOCI - OPEB - FIT				
43 AOCI - OPEB - STATE				
44 RESTRICTED STOCK AWARDS - FIT				63,192
45 RESTRICTED STOCK AWARDS - STATE				33,398
46 VACATION ACCRUAL - FIT				50,186
47 VACATION ACCRUAL - STATE				26,524
48 TAX CUSHION - FIT				
49 TAX CUSHION - STATE				
50 VEBA - FIT				
51 VEBA - STATE				
52 FAS 143 ASSET RETIREMENT OBLIG - FIT				
53 FAS 143 ASSET RETIREMENT OBLIG - STATE				
54 CIAC RECEIPTS - NET REFUNDS - FIT	356,059			
55 CIAC RECEIPTS - NET REFUNDS - STATE	191,554			
56 IRPA - FIT	735,351			
57 IRPA - STATE	388,642			
58 FAS 158 - FIT				
59 FAS 158 - STATE				
60 MARK TO MARKET ENERGY PURCHASES- ST - FIT	12,467			
61 MARK TO MARKET ENERGY PURCHASES- ST - STATE	6,589			
62 NET OPERATING LOSS - FIT				
63 NET OPERATING LOSS - STATE				
64 UNDER/OVER RECOVERED BILLED ENERGY COSTS - FIT	(528,693)			
65 UNDER/OVER RECOVERED BILLED ENERGY COSTS - STATE	(279,421)			
66 UNDER/OVER RECOVERED UNBILLED ENERGY COSTS - FIT	573,639			
67 UNDER/OVER RECOVERED UNBILLED ENERGY COSTS - STATE	303,176			
68 DERIVATIVE INSTRUMENT ASSETS - NATURAL GAS OPTIONS - FIT	(5,484)			
69 DERIVATIVE INSTRUMENT ASSETS - NATURAL GAS OPTIONS - STATE	(2,596)			
70 OCI ALLOCATION ADJUSTMENT - FIT	15,116,803			
71 LOSS ON REACQUIRED DEBT - FIT	(108)			
72 LOSS ON REACQUIRED DEBT - STATE	(57)			
73 REG LIABILITY - WEATHERIZATION - FEDERAL				
74 REG LIABILITY - WEATHERIZATION - STATE				
75 TAX CAPITALIZED PENSION - FEDERAL				
76 TAX CAPITALIZED PENSION - STATE				
77 AOCI - IRPA - FIT	284,863			
78 AOCI - IRPA - STATE	150,553			
79 AOCI - PENSION - FIT				
80 AOCI - PENSION - STATE				
81 FAS 146 - FIT				
82 FAS 146 - SIT				
83 T&D AMORTIZATION - FIT	192,117			
84 T&D AMORTIZATION - SIT	101,536			
85 OTHER REGULATORY ASSETS - FIT				
86 OTHER REGULATORY ASSETS - SIT				
87 INVENTORY RESERVE - FIT	2,911			
88 INVENTORY RESERVE - SIT	1,539			
89 SFAS 158 PENSION - FIT	2,505,309			
90 SFAS 158 PENSION - SIT	1,324,087			
91 EXECUTIVE RETIREMENT PLAN - FIT				91,604
92 EXECUTIVE RETIREMENT PLAN - SIT				48,414
93 OTHER MISC ADIT - FIT				
94 OTHER MISC ADIT - STATE				
95 Subtotal - p234	21,721,670	-	-	2,872,076
96 Less FASB 109 Above				
97 Less FASB 106 Above				2,391,551
98 Total	21,721,670	-	-	480,525
99				

- Instructions for Account 190:
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A
 - ADIT items related only to Transmission are directly assigned to Column B
 - ADIT items related Plant and not in Columns A & B are directly assigned to Column C
 - ADIT items related to labor and not in Columns A & B are directly assigned to Column D

105

106 5. Since deferred income taxes arise when items are included in taxable income in different periods than they are included in rates - therefore, if the item giving rise to the ADIT is not included in the
107 formula, the associated ADIT amount shall be excluded

UGI Utilities, Inc.

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Source: Ferc Form 1 Pages 262-263	Allocator	Allocated Amount
Plant Related		Gross Plant Allocator	
1	Real property (State, Municipal or Local)	24,314	
2	Personal property		
3	Capital Stock Tax	4,643	
4	Gross Premium (Insurance) Tax	7,239	
5	PURTA	45,804	
6	Corp License		
7			
8			
9	Total Plant Related	82,000	25.4561% 20,874
10			
11			
12	Labor Related	Wages & Salary Allocator	
13			
14			
15	Federal FICA & Unemployment	41,541	
16	State Unemployment	20,699	
17	Healthcare Tax Premium - PCORI	850	
18	Payroll Tax Adjustment	1,168	
19			
20	Total Labor Related	64,258	23.4518% 15,070
21			
22			
23	Other Included	Gross Plant Allocator	
24			
25	Miscellaneous		
26			
27			
28			
29	Total Other Included	0	25.4561% 0
30			
31	Total Included	Sum lines 9+20+29 146,258	35,944
32			
33			
34	Currently Excluded		
35			
36	Gross Receipts Tax (GRT)	4,634,161	
37	Utility Regulatory Assessment	318,570	
38			
39			
40			
41	Total Excluded	4,952,731	
42			
43	Grand Total = Included + Excluded (line 31 + 41)	5,098,989	
44			
45	Total "Taxes Other Than Income Taxes" Acct. 408.1 (p115.14.g)	5,098,989	
46			
47	Difference	-	

UGI Utilities, Inc.

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related (Note 3)	29,202
2	Total Rent Revenues (Line 1)	29,202
 Account 456 - Other Electric Revenues (Note 1)		
3	Schedule 1A	
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	30,693
5	Point to Point Service revenues received by the Transmission Owner for which the load is not included in the divisor	
6	PJM Transitional Revenue Neutrality (Note 1)	
7	PJM Transitional Market Expansion (Note 1)	
8	Professional Services (Note 3)	
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)	
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	
11	Gross Revenue Credits (Sum Lines 2 through 10)	59,895
12	Line 17g	14,601
13	Total Revenue Credits (Line 11 - Line 12)	45,294
 Revenue Adjustment to determine Revenue Credit		
14	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or the associated load will be included in the peak on line 173 of Appendix A.	
15	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.	
16	Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).	
17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.	29,202
17b	Costs associated with revenues in line 17a	
17c	Net Revenues (17a - 17b)	29,202
17d	50% Share of Net Revenues (17c / 2)	14,601
17e	Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	
17f	Net Revenue Credit (17d + 17e)	14,601
17g	Line 17a less line 17f	14,601
18	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example, revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.	
19	Amount offset in line 4 above	
20	Total Account 454 and 456 (Lines 11+ 18 + 19)	59,895

UGI Utilities, Inc.

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point Increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 126 + Line 138)	3,316,954
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + Line 58)	30,425,621
	Long Term Interest			
99	Long Term Interest		p117.62.c through 67.c	39,972,506
100	Less LTD Interest on Securitization Bonds		Attachment 8	0
101	Long Term Interest		(Line 99 - Line 100)	39,972,506
102	Preferred Dividends	enter positive	p118.29.c	0
	Common Stock			
103	Proprietary Capital		p112.16.c	1,042,020,490
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-201,105,117
106	Common Stock		(Sum Lines 103 to 105)	840,915,373
	Capitalization			
107	Long Term Debt		p112.18.c through 21.c	860,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	0
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	860,000,000
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	840,915,373
115	Total Capitalization		(Sum Lines 112 to 114)	1,700,915,373
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	50.6%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	49.4%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0465
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	0.0000
121	Common Cost	(Note J) Common Stock	Fixed plus 100 Basis Pts	0.1230
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)	0.0235
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0608
125	Total Return (R)		(Sum Lines 122 to 124)	0.0843
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)	2,565,201

Composite Income Taxes

	Income Tax Rates		
127	FIT=Federal Income Tax Rate		21.00%
128	SIT=State Income Tax Rate or Composite		9.99%
129	p = percent of federal income tax deductible for state purposes		0.00%
130	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	28.89%
131	T/ (1-T)		40.63%
	ITC Adjustment		
132	Amortized Investment Tax Credit	enter negative	0
133	1/(1-T)		140.63%
134	Net Plant Allocation Factor		26.6068%
135	ITC Adjustment Allocated to Transmission	(Note I)	0
137	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	751,753
138	Total Income Taxes		751,753

Cost Support

UGI Utilities, Inc.

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
2	Total Wage Expense		p354.28.b		6,038,023		
3	Administrative and General Wage Expense		p354.27.b		1,242,452		
10	Accumulated Intangible Amortization	(Note A)		0	0	0	
11	Accumulated Common Amortization - Electric	(Note A)	p356	0	0	0	
	Accumulated General Depreciation - Electric	(Note A)	p219.28.c		2,331,840		
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	27,029,565	1,600,306	25,429,259	
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	116,753,891	9,938,973	106,814,918	
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p267.8.h	2,870,224	0	0	See Note I
Prepayments							
44	Prepayments (Account 165)	(Note A)	p111.57(c)	10,422,055	1,052,161	9,369,894	Analysis of Company Records
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.16.c	784,009	184,234	599,775	Analysis of Company Records
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.4.c	0	0	0	
67	Common Plant O&M	(Note A)	p356	4,423,074	437,000	3,986,074	
Depreciation Expense							
85	Depreciation		p336.7.b&c	748,555	748,555		
86	General Depreciation		p336.10.b&c		171,070		
87	Intangible Amortization	(Note A)	p336.1.d&e		0		
91	Common Depreciation - Electric Only	(Note A)	p336.11.b	356,947	356,947		
92	Common Amortization - Electric Only	(Note A)	p336.11.d	266,046	266,046		

Transmission / Non-transmission Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Transmission Related	Non-transmission Related	Details
15	Transmission Gross Plant		p207.58.g	46,766,690	39,446,275	7,320,415	Direct assignment to Transmission based upon plant records.
28	Plant Held for Future Use (Including Land)	(Note C)	p214	0	0	0	Specific identification based on plant records: The following plant investments are included:
30	Transmission Accumulated Depreciation	0	p219.25.c	16,627,994	16,627,994	0	Direct assignment to Transmission based upon plant records.
50	Materials and Supplies		p227.8.c	5,983,679	288,630	5,695,049	Direct assignment to Transmission based upon plant records.
83	Transmission Depreciation Expense		p336.7.b&c	748,555	748,555	0	Direct assignment to Transmission based upon plant records.

Excluded Transmission O&M Expenses

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded TOM	Details
	Acct 565		p321.96.b	4,620,088	
	Portions of Acct 561		Company Records	181,875	Acct 561 expenses not recovered in OATT: 561002 (Scheduling and Dispatch), 561005 (RTO Scheduling and Dispatch), 561007 (Market Expansion) and 561008 (NERC & RFC Reliability)
	Other Excluded Expenses		Company Records		Description -- other expenses not recovered in OATT
63	Less Account 565 and other excluded expenses		Total	4,801,963	

Cost Support

CWIP & Expensed Lease Worksheet

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104.g	189,114,636	0	0	See Form 1
7	Common Plant In Service - Electric	0	(Line 24)	9,938,973	0	0	See Line 7
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	46,766,690			See Line 15
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5	9,938,973	0	0	See Line 24
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5	16,627,994	0	0	See Form 1

EPRI Dues Cost Support

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

Regulatory Expense Related to Transmission Cost Support

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

Safety Related Advertising Cost Support

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

MultiState Workpaper

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

Education and Out Reach Cost Support

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

Cost Support

Excluded Plant Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
148	Excluded Transmission Facilities	(Note M)	Attachment 5	7,320,415	
				Enter \$	None
<i>Add more lines if necessary</i>					

Outstanding Network Credits Cost Support

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

Interest on Outstanding Network Credits Cost Support

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

PJM Load Cost Support

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

Statements BG/BH (Present and Proposed Revenues)

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

UGI Utilities, Inc.

Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

Exec Summary

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

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)
- 7 April Year 3 TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2007)
- 8 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds in Reconciliation

(adjusted to include any Reconciliation amount from prior year)
- 9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2007 - May 31, 2008)

Detailed Example

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

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

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

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

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

\$	3,418,932	Input to Formula Line 21
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- 4 May Year 2 Post results of Step 3 on PJM web site

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

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

\$	4,461,409
----	-----------

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

\$	5,374,771	Rev Req based on Prior Year data	Must run Appendix A to get this number (without any Cap Adds in line 21 of Appendix A)
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- 7 April Year 3 TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2007)

	Est. In Service Date	Weighting	Amount	One 12th
Jan	-	11.5	-	-
Feb	-	10.5	-	-
Mar	31,100	9.5	295,450	24,621
Apr	129,500	8.5	1,100,750	91,729
May	260,100	7.5	1,950,750	162,563
Jun	-	6.5	-	-
Jul	375,000	5.5	2,062,500	171,875
Aug	-	4.5	-	-
Sep	240,000	3.5	840,000	70,000
Oct	-	2.5	-	-
Nov	29,400	1.5	44,100	3,675
Dec	-	0.5	-	-
Total	1,065,100		6,293,550	524,463
New Transmission Plant Additions for Year 3 (weighted by months in service)				524,463

<2018 Cap Ads Estimates

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

Remove all Cap Adds placed in service in Year 2 **<Actuals for Year 2017**
For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 2,481,807 Input to Formula Line 20

	Actual In Service Date	Weighting	Amount	One 12th
Jan	-	11.5	-	-
Feb	273,620	10.5	2,873,010	239,418
Mar	70,451	9.5	669,285	55,774
Apr	24,153	8.5	205,301	17,108
May	329,582	7.5	2,471,865	205,989
Jun	-	6.5	-	-
Jul	279,255	5.5	1,535,903	127,992
Aug	-	4.5	-	-
Sep	1,504,746	3.5	5,266,611	438,884
Oct	-	2.5	-	-
Nov	-	1.5	-	-
Dec	-	0.5	-	-
Total	2,481,807		13,021,974	1,085,164

New Transmission Plant Additions for Year 2 (weighted by months in service) 1,085,164 Input to Formula Line 21

6,810,159 Result of Formula for Reconciliation Must run Appendix A with cap adds in line 21 and line 20

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

The Reconciliation in Step 8 6,810,159 - The forecast in Prior Year **6,033,911** = 776,248

Interest on Amount of Refunds or Surcharges

Month	Yr	1/12 of Step 9	Interest Rate for March of Current Year	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	64,687	0.3600%	11.5	2,678	67,365
Jul	Year 1	64,687	0.3600%	10.5	2,445	67,133
Aug	Year 1	64,687	0.3600%	9.5	2,212	66,900
Sep	Year 1	64,687	0.3600%	8.5	1,979	66,667
Oct	Year 1	64,687	0.3600%	7.5	1,747	66,434
Nov	Year 1	64,687	0.3600%	6.5	1,514	66,201
Dec	Year 1	64,687	0.3600%	5.5	1,281	65,968
Jan	Year 2	64,687	0.3600%	4.5	1,048	65,735
Feb	Year 2	64,687	0.3600%	3.5	815	65,502
Mar	Year 2	64,687	0.3600%	2.5	582	65,270
Apr	Year 2	64,687	0.3600%	1.5	349	65,037
May	Year 2	64,687	0.3600%	0.5	116	64,804
Total		776,248				793,015

		Balance	Interest	Amortization over Rate Year	Balance
Jun	Year 2	793,015	0.3600%	67,641	728,229
Jul	Year 2	728,229	0.3600%	67,641	663,209
Aug	Year 2	663,209	0.3600%	67,641	597,956
Sep	Year 2	597,956	0.3600%	67,641	532,467
Oct	Year 2	532,467	0.3600%	67,641	466,743
Nov	Year 2	466,743	0.3600%	67,641	400,782
Dec	Year 2	400,782	0.3600%	67,641	334,584
Jan	Year 3	334,584	0.3600%	67,641	268,147
Feb	Year 3	268,147	0.3600%	67,641	201,471
Mar	Year 3	201,471	0.3600%	67,641	134,555
Apr	Year 3	134,555	0.3600%	67,641	67,399
May	Year 3	67,399	0.3600%	67,641	0
Total with interest				811,694	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest 811,694
Rev Req based on Year 3 data with estimated Cap Adds for Year 4 \$ 6,966,928
Revenue Requirement for Year 3 7,778,621

10 May Year 4 Post results of Sept 9 on PJM web site
\$ 7,778,621 Post results of Step 3 on PJM web site

11 June Year 4 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2017 - May 31, 2018)
\$ 7,778,621

UGI Utilities, Inc.

Attachment 7 - Transmission Enhancement Charge Worksheet

Fixed Charge Rate (FCR) if not a CIAC

Formula Line				
A	159	Net Plant Carrying Charge without Depreciation	25.1006%	23.7372%
B	166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	25.8025%	24.4652%
C		Line B less Line A	0.7019%	0.7280%

FCR if a CIAC

D	160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	14.7968%	13.6791%
---	-----	--	----------	----------

The FCR resulting from Formula in a given year is used for that year only.
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

Details		Project A				Project B					
Schedule 12	(Yes or No)										
Life											
CIAC	(Yes or No)										
Increased ROE (Basis Points)											
FCR @ 11.3 ROE		0.251005891									
	(FCR @ 11.3 ROE + FCR @ 11.3 ROE x Increased ROE/100 bp)	0.251005891									
FCR for This Project Investment		may be weighted average of small projects									
Annual Depreciation Exp In Service Month (1-12)											
Invest Yr	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
FCR @ 11.3 ROE 2006	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2006	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2007	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2007	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2008	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2008	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2009	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2009	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2010	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2010	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2011	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2011	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2012	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2012	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2013	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2013	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2014	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2014	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2015	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2015	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2016	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2016	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2017	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2017	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2018	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2018	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2019	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2019	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2020	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2020	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2021	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2021	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2022	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2022	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2023	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2023	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2024	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2024	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE 2025	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE 2025	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
....	\$ -	\$ -	\$ -
....	\$ -	\$ -	\$ -

UGI Utilities, Inc.

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

Long Term Interest
100 **Less LTD Interest on Securitization Bonds** 0

Capitalization
111 **Less LTD on Securitization Bonds** 0

Calculation of the above Securitization Adjustments



REDLINED VERSION OF ANNUAL UPDATE

ATTACHMENT H-8C

UGI Utilities, Inc.	FERC Form 1 Page #	or	Estimate
Formula Rate -- Appendix A	Notes	Instruction	2017

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	1,124,647
2	Total Wages Expense	Attachment 5	6,038,023
3	Less A&G Wages Expense	Attachment 5	1,242,452
4	Total	(Line 2 - 3)	4,795,571
5	Wages & Salary Allocator	(Line 1 / 4)	23.4518%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) p207.104.g	189,114,636
7	Common Plant In Service - Electric	(Line 24)	9,938,973
8	Total Plant In Service	(Sum Lines 6 & 7)	199,053,609
9	Accumulated Depreciation (Total Electric Plant)	p219.19.c	72,902,409
10	Accumulated Intangible Amortization	(Note A) p200.21.c	569,774
11	Accumulated Common Amortization - Electric	(Note A) Attachment 5	0
12	Accumulated Common Plant Depreciation - Electric	(Note A) Attachment 5	1,600,306
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	75,072,489
14	Net Plant	(Line 8 - Line 13)	123,981,120
15	Transmission Gross Plant	(Line 29 - Line 28)	50,671,237
16	Gross Plant Allocator	(Line 15 / Line 8)	25.4561%
17	Transmission Net Plant	(Line 39 - Line 28)	32,987,463
18	Net Plant Allocator	(Line 17 / Line 14)	26.6068%

Plant Calculations

Plant In Service			
19	Transmission Plant In Service	(Note B) p207.58.g	46,766,690
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only Attachment 6	0
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	Attachment 6	524,463
22	Total Transmission Plant In Service	(Line 19 - Line 20 + Line 21)	47,291,153
23	General & Intangible	p205.5.g & p207.99.g	4,473,937
24	Common Plant (Electric Only)	(Notes A & B) Attachment 5	9,938,973
25	Total General & Common	(Line 23 + Line 24)	14,412,910
26	Wage & Salary Allocation Factor	(Line 5)	23.45178%
27	General & Common Plant Allocated to Transmission	(Line 25 * Line 26)	3,380,085
28	Plant Held for Future Use (Including Land)	(Note C) Attachment 5	0
29	TOTAL Plant In Service	(Line 22 + Line 27 + Line 28)	50,671,237
Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note C) Attachment 5	16,627,994
31	Accumulated General Depreciation	Attachment 5	2,331,840
32	Accumulated Intangible Amortization	(Line 10)	569,774
33	Accumulated Common Amortization - Electric	(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	1,600,306
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	4,501,920
36	Wage & Salary Allocation Factor	(Line 5)	23.45178%
37	General & Common Allocated to Transmission	(Line 35 * Line 36)	1,055,781
38	TOTAL Accumulated Depreciation	(Line 30 + Line 37)	17,683,775
39	TOTAL Net Property, Plant & Equipment	(Line 29 - Line 38)	32,987,463

Adjustment To Rate Base

Accumulated Deferred Income Taxes				
40	ADIT net of FASB 106 and 109		Attachment 1	-3,703,301
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	Attachment 5	0
42	Net Plant Allocation Factor		(Line 18)	26.61%
43	Accumulated Deferred Income Taxes Allocated To Transmission		(Line 41 * Line 42) + Line 40	-3,703,301
Prepayments				
44	Prepayments (Account 165)	(Note A)	Attachment 5	1,052,161
45	Net Plant Allocation Factor		(Line 18)	26.61%
46	Total Prepayments Allocated to Transmission		(Line 44 * Line 45)	279,947
Materials and Supplies				
47	Undistributed Stores Exp	(Note A)	Attachment 5	184,234
48	Wage & Salary Allocation Factor		(Line 5)	23.45%
49	Total Transmission Allocated		(Line 47 * Line 48)	43,206
50	Transmission Materials & Supplies		Attachment 5	288,630
51	Total Materials & Supplies Allocated to Transmission		(Line 49 + Line 50)	331,836
Cash Working Capital				
52	Operation & Maintenance Expense		(Line 84)	4,237,410
53	1/8th Rule		x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission		(Line 52 * Line 53)	529,676
Network Credits				
55	Outstanding Network Credits	(Note N)	From PJM	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM	0
57	Net Outstanding Credits		(Line 55 - Line 56)	0
58	TOTAL Adjustment to Rate Base		(Lines 43 + 46 + 51 + 54 - 57)	-2,561,842
59	Rate Base		(Line 39 + Line 58)	30,425,621

O&M

Transmission O&M				
60	Transmission O&M		p321.112.b	6,934,662
61	Less extraordinary property loss		Attachment 5	
62	Plus amortized extraordinary property loss		Attachment 5	
63	Less Account 565 and other excluded transmission expenses		Attachment 5	4,801,963
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	0
65	Plus Transmission Lease Payments	(Note A)	Attachment 5	0
66	Transmission O&M		(Lines 60 - 61 + 62 - 63 + 64 + 65)	2,132,699
Allocated General & Common Expenses				
67	Common Plant O&M	(Note A)	Attachment 5	437,000
68	Total A&G		p323.197.b	8,537,630
69	Less Property Insurance Account 924		p323.185b	0
70	Less Regulatory Commission Exp Account 928	(Note E)	Attachment 5	0
71	Less General Advertising Exp Account 930.1		Attachment 5	0
72	Less EPRI Dues	(Note D)	Attachment 5	0
73	General & Common Expenses		(Lines 67 + 68 - Sum (69 to 72))	8,974,630
74	Wage & Salary Allocation Factor		(Line 5)	23.4518%
75	General & Common Expenses Allocated to Transmission		(Line 73 * Line 74)	2,104,711
Directly Assigned A&G				
76	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	0
77	General Advertising Exp Account 930.1	(Note K)	Attachment 5	0
78	Subtotal - Transmission Related		(Line 76 + Line 77)	0
79	Property Insurance Account 924		(Line 69)	0
80	General Advertising Exp Account 930.1	(Note F)	Attachment 5	0
81	Total		(Line 79 + Line 80)	0
82	Net Plant Allocation Factor		(Line 18)	26.61%
83	A&G Directly Assigned to Transmission		(Line 81 * Line 82)	0
84	Total Transmission O&M		(Lines 66 + 75 + 78 + 83)	4,237,410

Depreciation & Amortization Expense

Depreciation Expense				
85	Transmission Depreciation Expense		Attachment 5	748,555
86	General Depreciation		Attachment 5	171,070
87	Intangible Amortization	(Note A)	Attachment 5	0
88	Total		(Line 86 + Line 87)	171,070
89	Wage & Salary Allocation Factor		(Line 5)	23.4518%
90	General Depreciation Allocated to Transmission		(Line 88 * Line 89)	40,119
91	Common Depreciation - Electric Only	(Note A)	Attachment 5	356,947
92	Common Amortization - Electric Only	(Note A)	Attachment 5	266,046
93	Total		(Line 91 + Line 92)	622,993
94	Wage & Salary Allocation Factor		(Line 5)	23.4518%
95	Common Depreciation - Electric Only Allocated to Transmission		(Line 93 * Line 94)	146,103
96	Total Transmission Depreciation & Amortization		(Line 85 + Line 90 + Line 95)	934,777

Taxes Other than Income

97	Taxes Other than Income		Attachment 2	35,944
98	Total Taxes Other than Income		(Line 97)	35,944

Return / Capitalization Calculations

Long Term Interest				
99	Long Term Interest		p117.62.c through 67.c	39,972,506
100	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
101	Long Term Interest		(Line 99 - Line 100)	39,972,506
102	Preferred Dividends	enter positive	p118.29.c	0
Common Stock				
103	Proprietary Capital		p112.16.c	1,042,020,490
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-201,105,117
106	Common Stock		(Sum Lines 103 to 105)	840,915,373
Capitalization				
107	Long Term Debt		p112.18.c through 21.c	860,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	0
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
110	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	0
111	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	860,000,000
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	840,915,373
115	Total Capitalization		(Sum Lines 112 to 114)	1,700,915,373
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	50.6%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	49.4%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0465
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	0.0000
121	Common Cost	Common Stock	(Note J) Fixed	0.1130
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)	0.0235
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0559
125	Total Return (R)		(Sum Lines 122 to 124)	0.0794
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)	2,414,779

Composite Income Taxes

Income Tax Rates			
127	FIT=Federal Income Tax Rate	FIT for Year	21.00%
128	SIT=State Income Tax Rate or Composite	(Note I) SIT for Year	9.99%
129	p	(percent of federal income tax deductible for state purposes)	0.00%
130	T	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	28.89%
131	T/(1-T)		40.63%
ITC Adjustment			
132	Amortized Investment Tax Credit	(Note I) enter negative p266.6.f	0
133	1/(1-T)	1 / (1-T)	140.63%
134	Net Plant Allocation Factor	(Line 18)	26.6068%
135	ITC Adjustment Allocated to Transmission	(Line 132 * Line 133 * Line 134)	0
136	Income Tax Component =	$CIT = (T/1-T) * \text{Investment Return} * (1 - (WCLTI[Line 131 * 126 * (1 - (122 / 125))])$	690,635
137	Total Income Taxes	(Line 135 + Line 136)	690,635

REVENUE REQUIREMENT

Summary			
138	Net Property, Plant & Equipment	(Line 39)	32,987,463
139	Adjustment to Rate Base	(Line 58)	-2,561,842
140	Rate Base	(Line 59)	30,425,621
141	O&M	(Line 84)	4,237,410
142	Depreciation & Amortization	(Line 96)	934,777
143	Taxes Other than Income	(Line 98)	35,944
144	Investment Return	(Line 126)	2,414,779
145	Income Taxes	(Line 137)	690,635
146	Gross Revenue Requirement	(Sum Lines 141 to 145)	8,313,545
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
147	Transmission Plant In Service	(Line 19)	46,766,690
148	Excluded Transmission Facilities	(Note M) Attachment 5	7,320,415
149	Included Transmission Facilities	(Line 147 - Line 148)	39,446,275
150	Inclusion Ratio	(Line 149 / Line 147)	84.35%
151	Gross Revenue Requirement	(Line 146)	8,313,545
152	Adjusted Gross Revenue Requirement	(Line 150 x Line 151)	7,012,222
Revenue Credits & Interest on Network Credits			
153	Revenue Credits	Attachment 3	45,294
154	Interest on Network Credits	(Note N) PJM Data	0
155	Net Revenue Requirement	(Line 152 - Line 153 + Line 154)	6,966,928
Net Plant Carrying Charge without ROE Increment			
156	Gross Revenue Requirement	(Line 146)	8,313,545
157	Net Transmission Plant	(Line 19 - Line 30)	30,138,696
158	Net Plant Carrying Charge	(Line 156 / Line 157)	27.5843%
159	Net Plant Carrying Charge without Depreciation	(Line 156 - Line 85) / Line 157	25.1006%
160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Lines 156 - 85 - 126 - 137) / Line 157	14.7968%
Net Plant Carrying Charge with 100 Basis Point ROE Increment			
161	Gross Revenue Requirement Less Return and Taxes	(Line 146 - Line 144 - Line 145)	5,208,131
162	Increased Return and Taxes	Attachment 4	3,316,954
163	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 161 + Line 162)	8,525,085
164	Net Transmission Plant	(Line 19 - Line 30)	30,138,696
165	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 163 / Line 164)	28.2862%
166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 162 - Line 85) / Line 164	25.8025%
167	Net Revenue Requirement	(Line 155)	6,966,928
168	Reconciliation Amount ¹	Attachment 6	811,694
169	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects	Attachment 7	-
170	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
171	Net Zonal Revenue Requirement	(Sum Lines 167 to 170)	7,778,621
Network Zonal Service Rate			
172	1 CP Peak	(Note L) 7401.1	7.401
173	Rate (\$/MW-Year)	(Note L) (Line 171 / Line 172)	1.051
			4,407
174	Network Service Rate (\$/MW/Year)	(Note L) (Line 173)	1.051

Notes

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

¹The reconciliation amount of \$811,694 represents the true-up of the prior years forecast plus interest as calculated in Step 9 of "Attachment 6 - Estimate and Reconciliation Worksheet".

END

UGI Utilities, Inc.

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
1 ADIT- 282	(1,087,133)	(12,865,552)	0	
2 ADIT-283	0	0	(62,495)	
3 ADIT-190	0	0	2,872,076	
4 Subtotal	(1,087,133)	(12,865,552)	2,809,581	
5 Wages & Salary Allocator			23.4518%	
6 Gross Plant Allocator		25.4561%		
7 ADIT	(1,087,133)	(3,275,065)	658,897	(3,703,301)
8				
9				
10				
11				
12 ADIT-190	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
13				
14				
15				
16 RESERVE FOR BAD DEBT - FIT	190,470			
17 RESERVE FOR BAD DEBT - STATE	100,666			
18 FIXED TRANSMISSION RIGHTS (FTR) - FIT				
19 FIXED TRANSMISSION RIGHTS (FTR) - STATE				
20 FV DERIVATIVES - GAS FUTURES - FIT				
21 FV DERIVATIVES - GAS FUTURES - STATE				
22 INJURIES & DAMAGES - FIT				
23 INJURIES & DAMAGES - STATE				
24 SFAS 112 WORKERS COMPENSATION/LTD CURRENT - FIT				37,317
25 SFAS 112 WORKERS COMPENSATION/LTD CURRENT - STATE				19,722
26 SFAS 112 LTD/STD (NON CURRENT) - FIT				31,814
27 SFAS 112 LTD/STD (NON CURRENT) - STATE				16,814
28 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				1,564,626
29 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				826,925
30 SFAS 106 POST RETIREMENT BENEFIT (CURRENT) - FIT				
31 SFAS 106 POST RETIREMENT BENEFIT (CURRENT) - STATE				
32 PREPAID RETIREMENT INCOME COSTS (PRE-SFAS 158) - FIT				
33 PREPAID RETIREMENT INCOME COSTS (PRE-SFAS 158) - STATE				
34 EXEC RETIREMENT PLAN - FIT				
35 EXEC RETIREMENT PLAN - STATE				
36 ANNUAL BONUS PLAN (EXEMPT) - FIT				28,420
37 ANNUAL BONUS PLAN (EXEMPT) - STATE				15,021
38 ANNUAL BONUS PLAN (EXECUTIVE) - FIT				11,841
39 ANNUAL BONUS PLAN (EXECUTIVE) - STATE				6,258
40 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				
41 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				
42 AOCI - OPEB - FIT				
43 AOCI - OPEB - STATE				
44 RESTRICTED STOCK AWARDS - FIT				63,192
45 RESTRICTED STOCK AWARDS - STATE				33,398
46 VACATION ACCRUAL - FIT				50,186
47 VACATION ACCRUAL - STATE				26,524
48 TAX CUSHION - FIT				
49 TAX CUSHION - STATE				
50 VEBA - FIT				
51 VEBA - STATE				
52 FAS 143 ASSET RETIREMENT OBLIG - FIT				
53 FAS 143 ASSET RETIREMENT OBLIG - STATE				
54 CIAC RECEIPTS - NET REFUNDS - FIT	356,059			
55 CIAC RECEIPTS - NET REFUNDS - STATE	191,554			
56 IRPA - FIT	735,351			
57 IRPA - STATE	388,642			
58 FAS 158 - FIT				
59 FAS 158 - STATE				
60 MARK TO MARKET ENERGY PURCHASES- ST - FIT	12,467			
61 MARK TO MARKET ENERGY PURCHASES- ST - STATE	6,589			
62 NET OPERATING LOSS - FIT				
63 NET OPERATING LOSS - STATE				
64 UNDER/OVER RECOVERED BILLED ENERGY COSTS - FIT	(528,693)			
65 UNDER/OVER RECOVERED BILLED ENERGY COSTS - STATE	(279,421)			
66 UNDER/OVER RECOVERED UNBILLED ENERGY COSTS - FIT	573,639			
67 UNDER/OVER RECOVERED UNBILLED ENERGY COSTS - STATE	303,176			
68 DERIVATIVE INSTRUMENT ASSETS - NATURAL GAS OPTIONS - FIT	(5,484)			
69 DERIVATIVE INSTRUMENT ASSETS - NATURAL GAS OPTIONS - STATE	(2,596)			
70 OCI ALLOCATION ADJUSTMENT - FIT	15,116,803			
71 LOSS ON REACQUIRED DEBT - FIT	(108)			
72 LOSS ON REACQUIRED DEBT - STATE	(57)			
73 REG LIABILITY - WEATHERIZATION - FEDERAL				
74 REG LIABILITY - WEATHERIZATION - STATE				
75 TAX CAPITALIZED PENSION - FEDERAL				
76 TAX CAPITALIZED PENSION - STATE				
77 AOCI - IRPA - FIT	284,863			
78 AOCI - IRPA - STATE	150,553			
79 AOCI - PENSION - FIT				
80 AOCI - PENSION - STATE				
81 FAS 146 - FIT				
82 FAS 146 - SIT				
83 T&D AMORTIZATION - FIT	192,117			
84 T&D AMORTIZATION - SIT	101,536			
85 OTHER REGULATORY ASSETS - FIT				
86 OTHER REGULATORY ASSETS - SIT				
87 INVENTORY RESERVE - FIT	2,911			
88 INVENTORY RESERVE - SIT	1,539			
89 SFAS 158 PENSION - FIT	2,505,309			
90 SFAS 158 PENSION - SIT	1,324,087			
91 EXECUTIVE RETIREMENT PLAN - FIT				91,604
92 EXECUTIVE RETIREMENT PLAN - SIT				48,414
93 OTHER MISC ADIT - FIT				
94 OTHER MISC ADIT - STATE				
95 Subtotal - p234	21,721,670	-	-	2,872,076
96 Less FASB 109 Above				
97 Less FASB 106 Above				2,391,551
98 Total	21,721,670	-	-	480,525
99				

- Instructions for Account 190:
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A
 - ADIT items related only to Transmission are directly assigned to Column B
 - ADIT items related Plant and not in Columns A & B are directly assigned to Column C
 - ADIT items related to labor and not in Columns A & B are directly assigned to Column D

105

106 5. Since deferred income taxes arise when items are included in taxable income in different periods than they are included in rates - therefore, if the item giving rise to the ADIT is not included in the
107 formula, the associated ADIT amount shall be excluded

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ADIT- 282

(A) Gas, Prod Or Other Related	(B) Only Transmission Related	(C) Plant Related	(D) Labor Related
---	--	-------------------------	-------------------------

SFAS 109 RECOVERABLE UTILITY COSTS - FIT	897,970			
SFAS 109 RECOVERABLE UTILITY COSTS - STATE	(7,585,133)			
LIB. TAX DEPRECIATION ADR - FIT				
LIB. TAX DEPRECIATION ADR - STATE				
LIB. TAX DEPRECIATION - FIT - ACRSMACRS			(12,865,552)	
LIB. TAX DEPRECIATION - STATE - ACRSMACRS		(1,087,133)		
Subtotal - p275 (Form 1-F filer: see note 6 below)	(6,687,163)	(1,087,133)	(12,865,552)	0
Less FASB 109 Above	(6,687,163)			
Less FASB 106 Above			0	
Total	0	(1,087,133)	(12,865,552)	0

Instructions for Account 282:

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

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144
145
146
147
148
149

ADIT-283

Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
----------------------------------	---------------------------------	------------------	------------------

LOSS OF REACQUIRED DEBT - FIT			
LOSS OF REACQUIRED DEBT - STATE			
INSURANCE RECEIVABLE - FIT			(40,886)
INSURANCE RECEIVABLE - STATE			(21,609)
ANNUAL BONUS PLAN (EXECUTIVE) - FIT			
ANNUAL BONUS PLAN (EXECUTIVE) - STATE			
OTHER CURRENT MISC. REG ASSETS - FIT			
OTHER CURRENT MISC. REG ASSETS - STATE			
OTHER MISC. REG ASSETS - FIT	(22,017)		
OTHER MISC. REG ASSETS - STATE	(11,636)		
REG. LIABILITY - WEATHERIZATION - FIT	(40,999)		
REG. LIABILITY - WEATHERIZATION - STATE	(21,668)		
OTH REG ASSETS - ELEC DEFD COSTS - FIT	(6,114)		
OTH REG ASSETS - ELEC DEFD COSTS - STATE	(3,231)		
REG ASSET - EEC - FIT	67,758		
REG ASSET - EEC - STATE	35,811		
MARK TO MARKET ENERGY PURCHASES- ST - FIT			
MARK TO MARKET ENERGY PURCHASES- ST - STATE			
REG LIABILITY - ENVIRONMENTAL - FIT			
REG LIABILITY - ENVIRONMENTAL - SIT			
SFAS 112 LTD/STD (NON CURRENT) - FIT			
SFAS 112 LTD/STD (NON CURRENT) - STATE			
SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT			
SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE			
CAP PROGRAM OVER/UNDER - FIT	76,334		
CAP PROGRAM OVER/UNDER - STATE	40,344		
OTHER MISC ADIT - FIT	(199,250)		
OTHER MISC ADIT - STATE	(105,306)		
REG ASSET - HURRICANE IRENE - FIT	(83,698)		
REG ASSET - HURRICANE IRENE - STATE	(44,235)		
REGULATORY ASSET - PENSION - FIT	(2,546,552)		
REGULATORY ASSET - PENSION - STATE	(1,345,885)		
AOCI - PENSION - FIT			
AOCI - PENSION - STATE			
AOCI - IRPA - FIT			
AOCI - IRPA - STATE			
OTHER REG ASSETS - RATE CASE - FIT	(9,359)		
OTHER REG ASSETS - RATE CASE - STATE	(4,947)		
CIAC GROSS UP - FIT	(95,646)		
Subtotal - p277	(4,320,296)	-	(62,495)
Less FASB 109 Above			
Less FASB 106 Above			
Total	(4,320,296)	-	(62,495)

Instructions for Account 283:

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

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UGI Utilities, Inc.

Attachment 2 - Taxes Other Than Income Worksheet

		<i>Source:</i>		
<i>Other Taxes</i>		<i>Ferc Form 1</i>	<i>Allocator</i>	<i>Allocated</i>
		<i>Pages 262-263</i>		<i>Amount</i>
	Plant Related		Gross Plant Allocator	
1	Real property (State, Municipal or Local)		24,314	
2	Personal property			
3	Capital Stock Tax		4,643	
4	Gross Premium (Insurance) Tax		7,239	
5	PURTA		45,804	
6	Corp License			
7				
8				
9	Total Plant Related		82,000	25.4561%
10				20,874
11				
12	Labor Related		Wages & Salary Allocator	
13				
14				
15	Federal FICA & Unemployment		41,541	
16	State Unemployment		20,699	
17	Healthcare Tax Premium - PCORI		850	
18	Payroll Tax Adjustment		1,168	
19				
20	Total Labor Related		64,258	23.4518%
21				15,070
22				
23	Other Included		Gross Plant Allocator	
24				
25	Miscellaneous			
26				
27				
28				
29	Total Other Included		0	25.4561%
30				0
31	Total Included	Sum lines 9+20+29	146,258	
32				35,944
33				
34	Currently Excluded			
35				
36	Gross Receipts Tax (GRT)		4,634,161	
37	Utility Regulatory Assessment		318,570	
38				
39				
40				
41	Total Excluded		4,952,731	
42				
43	Grand Total = Included + Excluded (line 31 + 41)		5,098,989	
44				
45	Total "Taxes Other Than Income Taxes" Acct. 408.1 (p115.14.g)		5,098,989	
46				
47	Difference		-	

UGI Utilities, Inc.

Attachment 3 - Revenue Credit Workpaper

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related (Note 3)	29,202
2	Total Rent Revenues (Line 1)	29,202
 Account 456 - Other Electric Revenues (Note 1)		
3	Schedule 1A	
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	30,693
5	Point to Point Service revenues received by the Transmission Owner for which the load is not included in the divisor	
6	PJM Transitional Revenue Neutrality (Note 1)	
7	PJM Transitional Market Expansion (Note 1)	
8	Professional Services (Note 3)	
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)	
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	
11	Gross Revenue Credits (Sum Lines 2 through 10)	59,895
12	Line 17g	14,601
13	Total Revenue Credits (Line 11 - Line 12)	45,294
 Revenue Adjustment to determine Revenue Credit		
14	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or the associated load will be included in the peak on line 173 of Appendix A.	
15	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.	
16	Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).	
17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.	29,202
17b	Costs associated with revenues in line 17a	
17c	Net Revenues (17a - 17b)	29,202
17d	50% Share of Net Revenues (17c / 2)	14,601
17e	Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	
17f	Net Revenue Credit (17d + 17e)	14,601
17g	Line 17a less line 17f	14,601
18	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here but not included in the total above and is explained in the Cost Support; for example, revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited under Schedule 12.	
19	Amount offset in line 4 above	
20	Total Account 454 and 456 (Lines 11+ 18 + 19)	59,895

UGI Utilities, Inc.

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point Increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 126 + Line 138)	3,316,954
B	100 Basis Point increase in ROE		1.00%

Return Calculation

59	Rate Base		(Line 39 + Line 58)	30,425,621
	Long Term Interest			
99	Long Term Interest		p117.62.c through 67.c	39,972,506
100	Less LTD Interest on Securitization Bonds		Attachment 8	0
101	Long Term Interest		(Line 99 - Line 100)	39,972,506
102	Preferred Dividends	enter positive	p118.29.c	0
	Common Stock			
103	Proprietary Capital		p112.16.c	1,042,020,490
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-201,105,117
106	Common Stock		(Sum Lines 103 to 105)	840,915,373
	Capitalization			
107	Long Term Debt		p112.18.c through 21.c	860,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	0
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	860,000,000
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	840,915,373
115	Total Capitalization		(Sum Lines 112 to 114)	1,700,915,373
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	50.6%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	49.4%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0465
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	0.0000
121	Common Cost	(Note J) Common Stock	Fixed plus 100 Basis Pts	0.1230
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)	0.0235
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0608
125	Total Return (R)		(Sum Lines 122 to 124)	0.0843
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)	2,565,201

Composite Income Taxes

	Income Tax Rates		
127	FIT=Federal Income Tax Rate		21.00%
128	SIT=State Income Tax Rate or Composite		9.99%
129	p = percent of federal income tax deductible for state purposes		0.00%
130	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	28.89%
131	T/ (1-T)		40.63%
	ITC Adjustment		
132	Amortized Investment Tax Credit	enter negative	0
133	1/(1-T)		140.63%
134	Net Plant Allocation Factor		26.6068%
135	ITC Adjustment Allocated to Transmission	(Note I)	0
137	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	751,753
138	Total Income Taxes		751,753

Cost Support

UGI Utilities, Inc.

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
2	Total Wage Expense		p354.28.b		6,038,023		
3	Administrative and General Wage Expense		p354.27.b		1,242,452		
10	Accumulated Intangible Amortization	(Note A)		0	0	0	
11	Accumulated Common Amortization - Electric	(Note A)	p356	0	0	0	
	Accumulated General Depreciation - Electric	(Note A)	p219.28.c		2,331,840		
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	27,029,565	1,600,306	25,429,259	
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356	116,753,891	9,938,973	106,814,918	
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p267.8.h	2,870,224	0	0	See Note I
Prepayments							
44	Prepayments (Account 165)	(Note A)	p111.57(c)	10,422,055	1,052,161	9,369,894	Analysis of Company Records
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.16.c	784,009	184,234	599,775	Analysis of Company Records
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.4.c	0	0	0	
67	Common Plant O&M	(Note A)	p356	4,423,074	437,000	3,986,074	
Depreciation Expense							
85	Depreciation		p336.7.b&c	748,555	748,555		
86	General Depreciation		p336.10.b&c		171,070		
87	Intangible Amortization	(Note A)	p336.1.d&e		0		
91	Common Depreciation - Electric Only	(Note A)	p336.11.b	356,947	356,947		
92	Common Amortization - Electric Only	(Note A)	p336.11.d	266,046	266,046		

Transmission / Non-transmission Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Transmission Related	Non-transmission Related	Details
15	Transmission Gross Plant		p207.58.g	46,766,690	39,446,275	7,320,415	Direct assignment to Transmission based upon plant records.
28	Plant Held for Future Use (Including Land)	(Note C)	p214	0	0	0	Specific identification based on plant records: The following plant investments are included:
30	Transmission Accumulated Depreciation	0	p219.25.c	16,627,994	16,627,994	0	Direct assignment to Transmission based upon plant records.
50	Materials and Supplies		p227.8.c	5,983,679	288,630	5,695,049	Direct assignment to Transmission based upon plant records.
83	Transmission Depreciation Expense		p336.7.b&c	748,555	748,555	0	Direct assignment to Transmission based upon plant records.

Excluded Transmission O&M Expenses

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded TOM	Details
	Acct 565		p321.96.b	4,620,088	
	Portions of Acct 561		Company Records	181,875	Acct 561 expenses not recovered in OATT: 561002 (Scheduling and Dispatch), 561005 (RTO Scheduling and Dispatch), 561007 (Market Expansion) and 561008 (NERC & RFC Reliability)
	Other Excluded Expenses		Company Records		Description -- other expenses not recovered in OATT
63	Less Account 565 and other excluded expenses		Total	4,801,963	

Cost Support

CWIP & Expensed Lease Worksheet

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104.g	189,114,636	0	0	See Form 1
7	Common Plant In Service - Electric	0	(Line 24)	9,938,973	0	0	See Line 7
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g	46,766,690			See Line 15
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5	9,938,973	0	0	See Line 24
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5	16,627,994	0	0	See Form 1

EPRI Dues Cost Support

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

Regulatory Expense Related to Transmission Cost Support

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

Safety Related Advertising Cost Support

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

MultiState Workpaper

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

Education and Out Reach Cost Support

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

Cost Support

Excluded Plant Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
148	Excluded Transmission Facilities	(Note M)	Attachment 5	7,320,415	
				Enter \$	None
<i>Add more lines if necessary</i>					

Outstanding Network Credits Cost Support

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

Interest on Outstanding Network Credits Cost Support

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

PJM Load Cost Support

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

Statements BG/BH (Present and Proposed Revenues)

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

UGI Utilities, Inc.

Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

Exec Summary

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

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)
- 7 April Year 3 TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2007)
- 8 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds in Reconciliation

(adjusted to include any Reconciliation amount from prior year)
- 9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2007 - May 31, 2008)

Detailed Example

- 1 April Year 2 TO populates the formula with Year 1 data from Form 1 for Year 1 (e.g. 2005 data) (no Cap Adds)
\$ 4,112,346 Rev Req based on Year 1 data Must run Appendix A to get this number (without any Cap Adds in line 21 of Appendix A)

2	April	Year 2	TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2 (e.g. 2006)				
			Est. In Service Date	Weighting	Amount	One 12th	
			Jan	-	11.5	-	
			Feb	3,532,501	10.5	37,091,261	3,090,938
			Mar	-	9.5	-	-
			Apr	-	8.5	-	-
			May	-	7.5	-	-
			Jun	-	6.5	-	-
			Jul	-	5.5	-	-
			Aug	824,499	4.5	3,710,246	309,187
			Sep	-	3.5	-	-
			Oct	-	2.5	-	-
			Nov	-	1.5	-	-
			Dec	451,363	0.5	225,682	18,807
			Total	4,808,363		41,027,188	3,418,932
			New Transmission Plant Additions for Year 2 (weighted by months in service)				3,418,932

- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
\$ 3,418,932 Input to Formula Line 21

- 4 May Year 2 Post results of Step 3 on PJM web site
\$ 4,461,409 Must run Appendix A to get this number (with prospective weighted cap adds in line 21)

- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g. June 1, 2005 - May 31, 2006)
\$ 4,461,409

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)
\$ 5,374,771 Rev Req based on Prior Year data Must run Appendix A to get this number (without any Cap Adds in line 21 of Appendix A)

7	April	Year 3	TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2007)					
			Est. In Service Date	Weighting	Amount	One 12th		
			Jan	-	11.5	-	-	
			Feb	-	10.5	-	-	
			Mar	31,100	9.5	295,450	24,621	
			Apr	129,500	8.5	1,100,750	91,729	
			May	260,100	7.5	1,950,750	162,563	
			Jun	-	6.5	-	-	
			Jul	375,000	5.5	2,062,500	171,875	
			Aug	-	4.5	-	-	
			Sep	240,000	3.5	840,000	70,000	
			Oct	-	2.5	-	-	
			Nov	29,400	1.5	44,100	3,675	
			Dec	-	0.5	-	-	
			Total	1,065,100		6,293,550	524,463	
			New Transmission Plant Additions for Year 3 (weighted by months in service)				524,463	Input to Formula Line 21

<2018 Cap Ads Estimates

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

Remove all Cap Adds placed in service in Year 2 **<Actuals for Year 2017**
For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 2,481,807 Input to Formula Line 20

	Actual In Service Date	Weighting	Amount	One 12th
Jan	-	11.5	-	-
Feb	273,620	10.5	2,873,010	239,418
Mar	70,451	9.5	669,285	55,774
Apr	24,153	8.5	205,301	17,108
May	329,582	7.5	2,471,865	205,989
Jun	-	6.5	-	-
Jul	279,255	5.5	1,535,903	127,992
Aug	-	4.5	-	-
Sep	1,504,746	3.5	5,266,611	438,884
Oct	-	2.5	-	-
Nov	-	1.5	-	-
Dec	-	0.5	-	-
Total	2,481,807		13,021,974	1,085,164

New Transmission Plant Additions for Year 2 (weighted by months in service) 1,085,164 Input to Formula Line 21

6,810,159 Result of Formula for Reconciliation Must run Appendix A with cap adds in line 21 and line 20

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

The Reconciliation in Step 8 6,810,159 - The forecast in Prior Year **6,033,911** = 776,248

Interest on Amount of Refunds or Surcharges

Month	Yr	1/12 of Step 9	Interest Rate for March of Current Year	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	64,687	0.3600%	11.5	2,678	67,365
Jul	Year 1	64,687	0.3600%	10.5	2,445	67,133
Aug	Year 1	64,687	0.3600%	9.5	2,212	66,900
Sep	Year 1	64,687	0.3600%	8.5	1,979	66,667
Oct	Year 1	64,687	0.3600%	7.5	1,747	66,434
Nov	Year 1	64,687	0.3600%	6.5	1,514	66,201
Dec	Year 1	64,687	0.3600%	5.5	1,281	65,968
Jan	Year 2	64,687	0.3600%	4.5	1,048	65,735
Feb	Year 2	64,687	0.3600%	3.5	815	65,502
Mar	Year 2	64,687	0.3600%	2.5	582	65,270
Apr	Year 2	64,687	0.3600%	1.5	349	65,037
May	Year 2	64,687	0.3600%	0.5	116	64,804
Total		776,248				793,015

		Balance	Interest	Amortization over Rate Year	Balance
Jun	Year 2	793,015	0.3600%	67,641	728,229
Jul	Year 2	728,229	0.3600%	67,641	663,209
Aug	Year 2	663,209	0.3600%	67,641	597,956
Sep	Year 2	597,956	0.3600%	67,641	532,467
Oct	Year 2	532,467	0.3600%	67,641	466,743
Nov	Year 2	466,743	0.3600%	67,641	400,782
Dec	Year 2	400,782	0.3600%	67,641	334,584
Jan	Year 3	334,584	0.3600%	67,641	268,147
Feb	Year 3	268,147	0.3600%	67,641	201,471
Mar	Year 3	201,471	0.3600%	67,641	134,555
Apr	Year 3	134,555	0.3600%	67,641	67,399
May	Year 3	67,399	0.3600%	67,641	0
Total with interest				811,694	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest 811,694
Rev Req based on Year 3 data with estimated Cap Adds for Year 4 \$ 6,966,928
Revenue Requirement for Year 3 7,778,621

10 May Year 4 Post results of Sept 9 on PJM web site
\$ 7,778,621 Post results of Step 3 on PJM web site

11 June Year 4 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2017 - May 31, 2018)
\$ 7,778,621

UGI Utilities, Inc.

Attachment 7 - Transmission Enhancement Charge Worksheet

Fixed Charge Rate (FCR) if not a CIAC

Formula Line				
A	159	Net Plant Carrying Charge without Depreciation	25.1006%	23.7372%
B	166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	25.8025%	24.4652%
C		Line B less Line A	0.7019%	0.7280%

FCR if a CIAC

D	160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	14.7968%	13.6791%
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The FCR resulting from Formula in a given year is used for that year only.
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

Details		Project A				Project B						
Schedule 12	(Yes or No)											
Life												
CIAC	(Yes or No)											
Increased ROE (Basis Points)												
FCR @ 11.3 ROE		0.251005891										
	(FCR @ 11.3 ROE + FCR @ 11.3 ROE x Increased ROE/100 bp)	0.251005891										
FCR for This Project Investment		may be weighted average of small projects										
Annual Depreciation Exp In Service Month (1-12)												
	Invest Yr	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
FCR @ 11.3 ROE	2006	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2006	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2007	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2007	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2008	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2008	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2009	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2009	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2010	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2010	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2011	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2011	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2012	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2012	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2013	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2013	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2014	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2014	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2015	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2015	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2016	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2016	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2017	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2017	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2018	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2018	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2019	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2019	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2020	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2020	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2021	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2021	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2022	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2022	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2023	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2023	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2024	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2024	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2025	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2025	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
....	\$ -	\$ -	\$ -
....	\$ -	\$ -	\$ -

UGI Utilities, Inc.

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

Long Term Interest
100 **Less LTD Interest on Securitization Bonds** 0

Capitalization
111 **Less LTD on Securitization Bonds** 0

Calculation of the above Securitization Adjustments

