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C O U N S E L O R S   A T   L A W

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May 15, 2009

**VIA eFILING**

Hon. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

RE: UGI Utilities, Inc.  
Formula Rate Informational Filing: 2009 Transmission Revenue Requirement

Dear Ms. Bose:

UGI Utilities, Inc. (“UGI Utilities”), recovers its annual transmission revenue requirement through a cost-of-service formula rate under Attachment H-8 of the open access transmission tariff (“Tariff”) of PJM Interconnection, LLC (“PJM”). UGI Utilities’ cost-of-service formula rate is on file with the Federal Energy Regulatory Commission (“FERC”) in Docket Nos. ER06-1445-000 and ER06-1445-001.<sup>1</sup> Through its cost-of-service formula rate under PJM OATT Attachment H-8C, UGI Utilities determines and recovers its annual transmission revenue requirement.

UGI Utilities’ Formula Rate Implementation Protocols under PJM OATT Attachment H-8D provide that UGI Utilities will annually recalculate its annual transmission revenue requirement for the rate year commencing June 1st by inputting cost data from its Form 1-F annual report filed with FERC to derive its updated “Annual Transmission Revenue Requirement” (“Annual Update”), from which UGI Utilities’ components of the total transmission service charges in the “PPL Group Zone” of PJM are determined. UGI Utilities’ Formula Rate Implementation Protocols further provide that UGI Utilities will both post its Annual Update on PJM’s Internet website via a link to the Transmission Services page or similar successor page and file such Annual Update with FERC as an informational filing.

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

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Page 2

In compliance with its Formula Rate Implementation Protocols, UGI Utilities submits the attached Annual Update to FERC as an informational filing. The Annual Update, enclosed as Attachment A, is comprised of detailed calculations conducted through its cost-of-service formula rate as populated with data from UGI Utilities' 2008 annual report on FERC Form 1-F, together with supporting data and workpapers. The effect of the Annual Update is to change UGI Utilities' Annual Transmission Revenue Requirement from \$4,757,032 for the period ending May 31, 2009, to \$4,261,782 for the period June 1, 2009, through May 31, 2010.

A summary of UGI Utilities' contributions to the transmission service charges in the PPL Group Zone of PJM resulting from UGI Utilities' Annual Update is provided as Attachment B. The change in UGI Utilities' Annual Transmission Revenue Requirement causes UGI Utilities' contribution to the Annual Network Service Charge in the PPL Group Zone to change from \$722 per megawatt per year to \$646 per megawatt per year. The change in UGI Utilities' Annual Transmission Revenue Requirement causes UGI Utilities' contribution to the Annual Point-to-Point Transmission Service Charge in the PPL Group Zone to change from \$0.852 per megawatt per year to \$0.763 per megawatt per year.

In preparing its annual transmission revenue requirement update, UGI Utilities discovered two minor errors in its cost-of-service formula on file with FERC. The effect of the errors is to cause *de minimis* errors in UGI Utilities' annual transmission revenue requirement calculations. UGI Utilities has calculated its updated annual transmission revenue requirement for 2009-2010 in a manner that corrects the errors, resulting in a reduction in UGI Utilities' annual transmission revenue requirement of approximately \$2,970 for the period June 1, 2009, through May 31, 2010. Separately, UGI Utilities will file with FERC a corrected tariff page to correct the errors in its formula as currently on file with FERC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Griffen", with a stylized flourish at the end.

Michael C. Griffen  
Attorney for UGI Utilities, Inc.

Enclosures

cc: PJM Interconnection, LLC

**UGI UTILITIES, INC.**

**Annual Transmission Revenue Requirement Update**

ATTACHMENT H-8C

<b>UGI Utilities, Inc.</b>	FERC Form 1-F Page #	or	<b>2008</b>
<b>Formula Rate -- Appendix A</b>	Notes	Instruction	

**Allocators**

<b>Wages &amp; Salary Allocation Factor</b>			
1	Transmission Wages Expense	Company Records	995,762
2	Total Wages Expense	Company Records	7,984,703
3	Less A&G Wages Expense	Company Records	1,705,595
4	Total	(Line 2 - 3)	6,279,108
5	<b>Wages &amp; Salary Allocator</b>	(Line 1 / 4)	<b>15.8583%</b>
<b>Plant Allocation Factors</b>			
6	Electric Plant in Service	(Note B) p207.104.g	129,339,641
7	Common Plant In Service - Electric	(Line 24)	3,278,857
8	Total Plant In Service	(Sum Lines 6 & 7)	132,618,498
9	Accumulated Depreciation (Total Electric Plant)	p219.19.c	53,089,639
10	Accumulated Intangible Amortization	(Note A) p200.21.c	1,403,484
11	Accumulated Common Amortization - Electric	(Note A) Company Records	0
12	Accumulated Common Plant Depreciation - Electric	(Note A) Company Records	1,719,446
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	56,212,569
14	Net Plant	(Line 8 - Line 13)	76,405,929
15	Transmission Gross Plant	(Line 29 - Line 28)	29,651,822
16	<b>Gross Plant Allocator</b>	(Line 15 / Line 8)	<b>22.3587%</b>
17	Transmission Net Plant	(Line 39 - Line 28)	16,442,471
18	<b>Net Plant Allocator</b>	(Line 17 / Line 14)	<b>21.5199%</b>

**Plant Calculations**

<b>Plant In Service</b>			
19	Transmission Plant In Service	(Note B) p207.58.g	28,530,278
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	107,689
22	<b>Total Transmission Plant In Service</b>	(Line 19 - Line 20 + Line 21)	<b>28,637,967</b>
23	General & Intangible	p205.5.g & p207.99.g	3,114,340
24	Common Plant (Electric Only)	(Notes A & B) Attachment 5	3,278,857
25	Total General & Common	(Line 23 + Line 24)	6,393,197
26	Wage & Salary Allocation Factor	(Line 5)	15.85834%
27	<b>General &amp; Common Plant Allocated to Transmission</b>	(Line 25 * Line 26)	<b>1,013,855</b>
28	<b>Plant Held for Future Use (Including Land)</b>	(Note C) Attachment 5	<b>0</b>
29	<b>TOTAL Plant In Service</b>	(Line 22 + Line 27 + Line 28)	<b>29,651,822</b>
<b>Accumulated Depreciation</b>			
30	Transmission Accumulated Depreciation	(Note C) Attachment 5	12,466,551
31	Accumulated General Depreciation	Attachment 5	1,561,037
32	Accumulated Intangible Amortization	(Line 10)	1,403,484
33	Accumulated Common Amortization - Electric	(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	1,719,446
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	4,683,967
36	Wage & Salary Allocation Factor	(Line 5)	15.85834%
37	<b>General &amp; Common Allocated to Transmission</b>	(Line 35 * Line 36)	<b>742,799</b>
38	<b>TOTAL Accumulated Depreciation</b>	(Line 30 + Line 37)	<b>13,209,350</b>
39	<b>TOTAL Net Property, Plant &amp; Equipment</b>	(Line 29 - Line 38)	<b>16,442,471</b>

**Adjustment To Rate Base**

<b>Accumulated Deferred Income Taxes</b>				
40	ADIT net of FASB 106 and 109		Attachment 1	-2,249,794
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	Attachment 5	0
42	Net Plant Allocation Factor		(Line 18)	21.52%
43	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		(Line 41 * Line 42) + Line 40	<b>-2,249,794</b>
<b>Prepayments</b>				
44	Prepayments (Account 165)	(Note A)	Attachment 5	30,744
45	Net Plant Allocation Factor		(Line 18)	21.5199%
46	<b>Total Prepayments Allocated to Transmission</b>		(Line 44 * Line 45)	<b>6,616</b>
<b>Materials and Supplies</b>				
47	Undistributed Stores Exp	(Note A)	Attachment 5	136,501
48	Wage & Salary Allocation Factor		(Line 5)	15.86%
49	Total Transmission Allocated		(Line 47 * Line 48)	21,647
50	Transmission Materials & Supplies		Attachment 5	202,433
51	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 49 + Line 50)	<b>224,080</b>
<b>Cash Working Capital</b>				
52	Operation & Maintenance Expense		(Line 84)	3,272,998
53	1/8th Rule		x 1/8	12.5%
54	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 52 * Line 53)	<b>409,125</b>
<b>Network Credits</b>				
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	<b>TOTAL Adjustment to Rate Base</b>		(Lines 43 + 46 + 51 + 54 - 57)	<b>-1,609,974</b>
59	<b>Rate Base</b>		(Line 39 + Line 58)	<b>14,832,497</b>

**O&M**

<b>Transmission O&amp;M</b>				
60	Transmission O&M		p321.112.b	6,203,922
61	Less extraordinary property loss		Attachment 5	
62	Plus amortized extraordinary property loss		Attachment 5	
63	Less Account 565		p321.96.b	4,025,810
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	<b>Transmission O&amp;M</b>		(Lines 60 - 61 + 62 - 63 + 64 + 65)	<b>2,178,112</b>
<b>Allocated General &amp; Common Expenses</b>				
67	Common Plant O&M	(Note A)	Attachment 5	0
68	Total A&G		p323.197.b	6,901,913
69	Less Property Insurance Account 924		p323.185b	12,296
70	Less Regulatory Commission Exp Account 928	(Note E)	Attachment 5	1,513
71	Less General Advertising Exp Account 930.1		Attachment 5	623
72	Less EPRI Dues	(Note D)	Attachment 5	0
73	<b>General &amp; Common Expenses</b>		(Lines 67 + 68 - Sum (69 to 72))	6,887,481
74	Wage & Salary Allocation Factor		(Line 5)	15.8583%
75	<b>General &amp; Common Expenses Allocated to Transmission</b>		(Line 73 * Line 74)	<b>1,092,240</b>
<b>Directly Assigned A&amp;G</b>				
76	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	0
77	General Advertising Exp Account 930.1	(Note K)	Attachment 5	0
78	<b>Subtotal - Transmission Related</b>		(Line 76 + Line 77)	<b>0</b>
79	Property Insurance Account 924		(Line 69)	12,296
80	General Advertising Exp Account 930.1	(Note F)	Attachment 5	0
81	Total		(Line 79 + Line 80)	12,296
82	Net Plant Allocation Factor		(Line 18)	21.52%
83	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 81 * Line 82)	<b>2,646</b>
84	<b>Total Transmission O&amp;M</b>		(Lines 66 + 75 + 78 + 83)	<b>3,272,998</b>

**Depreciation & Amortization Expense**

85	<b>Depreciation Expense</b>			
	Transmission Depreciation Expense		Attachment 5	448,414
86	General Depreciation		Attachment 5	180,287
87	Intangible Amortization	(Note A)	Attachment 5	0
88	Total		(Line 86 + Line 87)	180,287
89	Wage & Salary Allocation Factor		(Line 5)	15.8583%
90	<b>General Depreciation Allocated to Transmission</b>		(Line 88 * Line 89)	28,590
91	Common Depreciation - Electric Only	(Note A)	Attachment 5	339,838
92	Common Amortization - Electric Only	(Note A)	Attachment 5	0
93	Total		(Line 91 + Line 92)	339,838
94	Wage & Salary Allocation Factor		(Line 5)	15.8583%
95	<b>Common Depreciation - Electric Only Allocated to Transmission</b>		(Line 93 * Line 94)	53,893
96	<b>Total Transmission Depreciation &amp; Amortization</b>		(Line 85 + Line 90 + Line 95)	530,897

**Taxes Other than Income**

97	<b>Taxes Other than Income</b>		Attachment 2	145,024
98	<b>Total Taxes Other than Income</b>		(Line 97)	145,024

**Return / Capitalization Calculations**

<b>Long Term Interest</b>				
99	Long Term Interest		p117.62.c through 67.c	35,185,643
100	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
101	<b>Long Term Interest</b>		(Line 99 - Line 100)	35,185,643
102	<b>Preferred Dividends</b>	enter positive	p118.29.c	-
<b>Common Stock</b>				
103	Proprietary Capital		p112.16.c	659,101,702
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-76,951,312
106	<b>Common Stock</b>		(Sum Lines 103 to 105)	582,150,390
<b>Capitalization</b>				
107	Long Term Debt		p112.18.c through 21.c	640,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	-560,504
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
110	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	
111	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
112	<b>Total Long Term Debt</b>		(Sum Lines 107 to 111)	639,439,496
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	582,150,390
115	<b>Total Capitalization</b>		(Sum Lines 112 to 114)	1,221,589,886
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	52.3%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	47.7%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0550
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)	0.0288
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0539
125	<b>Total Return ( R )</b>		(Sum Lines 122 to 124)	0.0827
126	<b>Investment Return = Rate Base * Rate of Return</b>		(Line 59 * Line 125)	1,225,957

**Composite Income Taxes**

Income Tax Rates			
127	FIT=Federal Income Tax Rate	FIT for Year	35.00%
128	SIT=State Income Tax Rate or Composite	(Note I) SIT for Year	9.99%
129	p	(percent of federal income tax deductible for state purposes)	0.00%
130	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	41.49%
131	T / (1-T)		70.92%
ITC Adjustment			
132	Amortized Investment Tax Credit	(Note I) enter negative	p115.19.g -57,295
133	1/(1-T)	(Line 131)	170.92%
134	Net Plant Allocation Factor	(Line 18)	21.5199%
135	<b>ITC Adjustment Allocated to Transmission</b>	(Line 132 * Line 133 * Line 134)	-21,074
136	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment\ Return * (1-(WCLT[(Line\ 131 * 126 * (1-(122 / 125))])$	566,472
137	<b>Total Income Taxes</b>	(Line 135 + Line 136)	545,398

**REVENUE REQUIREMENT**

Summary			
138	Net Property, Plant & Equipment	(Line 39)	16,442,471
139	Adjustment to Rate Base	(Line 58)	-1,609,974
140	<b>Rate Base</b>	(Line 59)	14,832,497
141	O&M	(Line 84)	3,272,998
142	Depreciation & Amortization	(Line 96)	530,897
143	Taxes Other than Income	(Line 98)	145,024
144	Investment Return	(Line 126)	1,225,957
145	Income Taxes	(Line 137)	545,398
146	<b>Gross Revenue Requirement</b>	(Sum Lines 141 to 145)	5,720,274
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
147	Transmission Plant In Service	(Line 19)	28,530,278
148	Excluded Transmission Facilities	(Note M) Attachment 5	5,579,277
149	Included Transmission Facilities	(Line 147 - Line 148)	22,951,001
150	Inclusion Ratio	(Line 149 / Line 147)	80.44%
151	Gross Revenue Requirement	(Line 146)	5,720,274
152	<b>Adjusted Gross Revenue Requirement</b>	(Line 150 x Line 151)	4,601,638
Revenue Credits & Interest on Network Credits			
153	Revenue Credits	Attachment 3	187,874
154	Interest on Network Credits	(Note N) PJM Data	0
155	<b>Net Revenue Requirement</b>	(Line 152 - Line 153 + Line 154)	4,413,764
Net Plant Carrying Charge without ROE Increment			
156	Gross Revenue Requirement	(Line 146)	5,720,274
157	Net Transmission Plant	(Line 19 - Line 30)	16,063,727
158	Net Plant Carrying Charge	(Line 156 / Line 157)	35.6099%
159	Net Plant Carrying Charge without Depreciation	(Line 156 - Line 85) / Line 157	32.8184%
160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Lines 156 - 85 - 126 - 137) / Line 157	21.7914%
Net Plant Carrying Charge with 100 Basis Point ROE Increment			
161	Gross Revenue Requirement Less Return and Taxes	(Line 146 - Line 144 - Line 145)	3,948,919
162	Increased Return and Taxes	Attachment 4	1,895,859
163	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 161 + Line 162)	5,844,777
164	Net Transmission Plant	(Line 19 - Line 30)	16,063,727
165	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 163 / Line 164)	36.3849%
166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 162 - Line 85) / Line 164	33.5935%
167	<b>Net Revenue Requirement</b>	(Line 155)	4,413,764
168	Reconciliation Amount	Attachment 6	(151,982)
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	<b>Net Zonal Revenue Requirement</b>	(Sum Lines 167 to 170)	4,261,782
Network Zonal Service Rate			
172	1 CP Peak	(Note L) PJM Data	N/A
173	Rate (\$/MW-Year)	(Note L) (Line 171 / Line 172)	N/A
174	<b>Network Service Rate (\$/MW/Year)</b>	(Note L) (Line 173)	N/A

**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.

**END**

UGI Utilities, Inc.

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
1 ADIT- 282	0	(9,500,442)	0	
2 ADIT-283	0	0	(13,476)	
3 ADIT-190	28,246	8,842	(969,218)	
4 Subtotal	28,246	(9,491,600)	(982,694)	
5 Wages & Salary Allocator			15.8583%	
6 Gross Plant Allocator		22.3587%		
7 ADIT	28,246	(2,122,202)	(155,839)	(2,249,794)

	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
21 RESERVE FOR BAD DEBT - FIT	424,229			
22 RESERVE FOR BAD DEBT - STATE	134,522			
23 Fixed Transmission Rights (FTR) - FIT		21,446		
24 Fixed Transmission Rights (FTR) - STATE		6,801		
25 FV DERIVATIVES - GAS FUTURES - FIT	9,982			
26 FV DERIVATIVES - GAS FUTURES - STATE	3,165			
27 INJURIES & DAMAGES - FIT				(0)
28 INJURIES & DAMAGES - STATE				(1)
29 SFAS 112 WORKERS COMPENSATION - FIT				85,081
30 SFAS 112 WORKERS COMPENSATION - STATE				26,981
31 SFAS LTD (NON CURRENT) - FIT				49,182
32 SFAS LTD (NON CURRENT) - STATE				15,596
33 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				935,053
34 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				368,351
35 POST RETIREMENT BENEFIT (CURRENT) - FIT				(99,339)
36 POST RETIREMENT BENEFIT (CURRENT) - STATE				(31,501)
37 PREPAID RETIREMENT INCOME COSTS - FIT				(1,088,928)
38 PREPAID RETIREMENT INCOME COSTS - STATE				(341,564)
39 EXEC RETIREMENT PLAN - FIT				111,658
40 EXEC RETIREMENT PLAN - STATE				35,137
41 ANNUAL BONUS PLAN - FIT				(22,408)
42 ANNUAL BONUS PLAN - STATE				(7,027)
43 RESTRICTED STOCK AWARDS - FIT				64,510
44 RESTRICTED STOCK AWARDS - STATE				20,461
45 VACATION ACCRUAL - FIT				93,294
46 VACATION ACCRUAL - STATE				29,590
47 TAX CUSHION - FIT	14,242			
48 TAX CUSHION - STATE	-			
49 VEBA - FIT				(30,242)
50 VEBA - STATE				(10,540)
51 FAS 143 - FIT			6,713	
52 FAS 143 - STATE			2,129	
53 CIAC RECEIPTS - NET REFUNDS - FIT	271,645			
54 CIAC RECEIPTS - NET REFUNDS - STATE	87,587			
55 IRPA - FIT	281,087			
56 IRPA - STATE	89,137			
57 FAS 158 - FIT				3,245,045
58 FAS 158 - STATE				1,029,029
59 Subtotal - p234	1,315,596	28,246	8,842	4,477,419
60 Less FASB 109 Above				
61 Less FASB 106 Above				5,446,637
62 Total	1,315,596	28,246	8,842	(969,218)

- 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
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
6. Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

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163

**ADIT- 282**

	(A) Gas, Prod Or Other Related	(B) Only Transmission Related	(C) Plant Related	(D) Labor Related
RECOVERABLE UTILITY COSTS - FIT	(3,771,604)			
RECOVERABLE UTILITY COSTS - STATE	(5,447,125)			
LIB. TAX DEPRECIATION ADR - FIT			(159,669)	
LIB. TAX DEPRECIATION ADR - STATE			-	
LIB. TAX DEPRECIATION - FIT - ACRS/MACRS			(9,533,429)	
LIB. TAX DEPRECIATION - STATE - ACRS/MACRS			192,657	
<b>Subtotal - p275 (Form 1-F filer: see note 6 below)</b>	<b>(9,218,730)</b>	<b>0</b>	<b>(9,500,442)</b>	<b>0</b>
Less FASB 109 Above	(9,218,730)			
Less FASB 106 Above			0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>(9,500,442)</b>	<b>0</b>

**Instructions for Account 282:**

- 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
- 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
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**ADIT-283**

	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
LOSS OF REACQUIRED DEBT - FIT	(26,487)			
LOSS OF REACQUIRED DEBT - STATE	(8,399)			
HEDGE EFFECTS ON PURCHASES - FIT	-			
HEDGE EFFECTS ON PURCHASES - STATE	-			
RETIREMENT BENEFIT COSTS - FIT				15,712
RETIREMENT BENEFIT COSTS - STATE				(29,188)
<b>Subtotal - p277 (Form 1-F filer: see note 6, below)</b>	<b>(34,886)</b>	<b>-</b>	<b>-</b>	<b>(13,476)</b>
Less FASB 109 Above				
Less FASB 106 Above				
<b>Total</b>	<b>(34,886)</b>	<b>-</b>	<b>-</b>	<b>(13,476)</b>

**Instructions for Account 283:**

- 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
- 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
- Re: Form 1-F filer: Sum of subtotals for Accounts 282 and 283 should tie to Form No. 1-F, p.113.57.c

**UGI Utilities, Inc.**

**Attachment 2 - Taxes Other Than Income Worksheet**

<b>Other Taxes</b>	<b>Source: Company Records</b>	<b>Allocator</b>	<b>Allocated Amount</b>
<b>Plant Related</b>		<b>Gross Plant Allocator</b>	
1	Real property (State, Municipal or Local)	23,684	
2	Personal property		
3	Capital Stock Tax	172,298	
4	Gross Premium (insurance) Tax		
5	PURTA	75,756	
6	Corp License		
7			
8			
9	<b>Total Plant Related</b>	271,738	22.3587%
10			60,757
11			
12	<b>Labor Related</b>	<b>Wages &amp; Salary Allocator</b>	
13			
14			
15	Federal FICA & Unemployment	496,016	
16	Unemployment	35,354	
17			
18			
19			
20	<b>Total Labor Related</b>	531,370	15.8583%
21			84,266
22			
23	<b>Other Included</b>	<b>Gross Plant Allocator</b>	
24			
25	Miscellaneous		
26			
27			
28			
29	<b>Total Other Included</b>	0	22.3587%
30			0
31	<b>Total Included</b>	Sum lines 9+20+29	803,108
32			145,024
33			
34	<b>Currently Excluded</b>		
35			
36	Gross Receipts	8,082,886	
37	Utility Regulatory Assessment	228,639	
38			
39			
40			
41	<b>Total Excluded</b>	<u>8,311,525</u>	
42			
43	<b>Grand Total = Included + Excluded (line 31 + 41)</b>	<u><u>9,114,633</u></u>	
44			
45	<b>Total "Taxes Other Than Income Taxes" Acct. 408.1 (p115.14.g)</b>	9,114,633	
46			
47	<b>Difference</b>		0

## UGI Utilities, Inc.

### Attachment 3 - Revenue Credit Workpaper

<b>Account 454 - Rent from Electric Property</b>		
1	Rent from Electric Property - Transmission Related (Note 3)	-
2	Total Rent Revenues (Line 1)	-
 <b>Account 456 - Other Electric Revenues (Note 1)</b>		
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)	-
5	Point to Point Service revenues received by the Transmission Owner for which the load is not included in the divisor	171,314
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)	171,314
12	Line 17g	(16,560)
13	Total Revenue Credits (Line 11 - Line 12)	187,874
 <b>Revenue Adjustment to determine Revenue Credit</b>		
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.	33,120
17b	Costs associated with revenues in line 17a	
17c	Net Revenues (17a - 17b)	33,120
17d	50% Share of Net Revenues (17c / 2)	16,560
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)	16,560
17g	Line 17f less line 17a	(16,560)
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)	171,314

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)	1,895,859
B	100 Basis Point increase in ROE		1.00%

**Return Calculation**

59	Rate Base		(Line 39 + Line 58)	14,832,497
	Long Term Interest			
99	<b>Long Term Interest</b>		p117.62.c through 67.c	35,185,643
100	Less LTD Interest on Securitization Bonds		Attachment 8	0
101	Long Term Interest		(Line 99 - Line 100)	35,185,643
102	Preferred Dividends	enter positive	p118.29.c	0
	Common Stock			
103	Proprietary Capital		p112.16.c	659,101,702
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-76,951,312
106	Common Stock		(Sum Lines 103 to 105)	582,150,390
	Capitalization			
107	Long Term Debt		p112.18.c through 21.c	640,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	-560,504
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	639,439,496
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	582,150,390
115	Total Capitalization		(Sum Lines 112 to 114)	1,221,589,886
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	52.3%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	47.7%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0550
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)	0.0288
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0586
125	Total Return ( R )		<b>(Sum Lines 122 to 124)</b>	<b>0.0874</b>
126	Investment Return = Rate Base * Rate of Return		<b>(Line 59 * Line 125)</b>	<b>1,296,642</b>

**Composite Income Taxes**

	<b>Income Tax Rates</b>		
127	FIT=Federal Income Tax Rate		35.00%
128	SIT=State Income Tax Rate or Composite		9.99%
129	p = percent of federal income tax deductible for state purposes		0.00%
130	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	41.49%
131	T/ (1-T)		70.92%
	<b>ITC Adjustment</b>		
132	Amortized Investment Tax Credit	enter negative	-57,295
133	T/(1-T)		70.92%
134	Net Plant Allocation Factor		21.5199%
135	<b>ITC Adjustment Allocated to Transmission</b>	(Note I)	-17,385
137	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	616,602
138	<b>Total Income Taxes</b>		<b>599,217</b>

Cost Support

UGI Utilities, Inc.

Cost Support

Electric / Non-electric Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1-F or Company Records Amount	Electric Portion	Non-electric Portion	Details
<b>Plant Allocation Factors</b>							
2	Total Wage Expense		Company Records		7,984,703		Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
3	Administrative and General Wage Expense		Company Records		1,705,595		Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
10	Accumulated Intangible Amortization	(Note A)		0	0	0	
11	Accumulated Common Amortization - Electric	(Note A)	Company Records	0	0	0	
	Accumulated General Depreciation - Electric	(Note A)	Company Records		1,561,037		
12	Accumulated Common Plant Depreciation - Electric	(Note A)	Company Records	12,483,477	1,719,446	10,764,031	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
<b>Plant In Service</b>							
24	Common Plant (Electric Only)	(Notes A & B)	p201.3.h	30,279,037	3,278,857	27,000,180	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
<b>Accumulated Deferred Income Taxes</b>							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	Company Records	0	0	0	
<b>Prepayments</b>							
44	Prepayments (Account 165)	(Note A)	p111.57(d)	3,294,155	30,744	3,263,411	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
<b>Materials and Supplies</b>							
47	Undistributed Stores Exp	(Note A)	Company Records	136,501	136,501	0	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
<b>Allocated General &amp; Common Expenses</b>							
65	Plus Transmission Lease Payments	(Note A)	p200.4.c				
67	Common Plant O&M	(Note A)	Attachment 5	0	0	0	
<b>Depreciation Expense</b>							
85	Depreciation		p219.10.c	3,951,688	448,414	3,503,274	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
86	General Depreciation				180,287		Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
87	Intangible Amortization	(Note A)	Attachment 5	0	0	0	
91	Common Depreciation - Electric Only	(Note A)	Attachment 5	2,804,852	339,838	2,465,014	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
92	Common Amortization - Electric Only	(Note A)	Attachment 5	0	0	0	

Transmission / Non-transmission Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1-F or Company Records Amount	Transmission Related	Non-transmission Related	Details
15	Transmission Gross Plant		p207.58.g	28,530,278	22,951,001	5,579,277	Direct assignment to Transmission based upon plant records.
28	Plant Held for Future Use (Including Land)	(Note C)	Attachment 5	0	0	0	Specific identification based on plant records: The following plant investments are included:
30	Transmission Accumulated Depreciation	0	p200.14.c	53,479,641	12,466,551	41,013,090	Direct assignment to Transmission based upon plant records.
50	Materials and Supplies		p110.48(c)	2,205,617	202,433	2,003,184	Direct assignment to Transmission based upon plant records.
83	Transmission Depreciation Expense		p219.10.c	3,951,688	448,414	3,503,274	Direct assignment to Transmission based upon plant records.

CWIP & Expensed Lease Worksheet

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1-F or Company Records Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
<b>Plant Allocation Factors</b>							
6	Electric Plant in Service	(Note B)	p207.104.g	129,339,641	0	0	See Form 1
7	Common Plant In Service - Electric	0	(Line 24)	3,278,857	0	0	See Line 7
<b>Plant In Service</b>							
19	Transmission Plant In Service	(Note B)	p207.58.g	28,530,278			See Line 15
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5	3,278,857	0	0	See Line 24
<b>Accumulated Depreciation</b>							
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5	12,466,551	0	0	See Form 1

Cost Support

**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
72	Allocated General & Common Expenses 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
70	Allocated General & Common Expenses Less Regulatory Commission Exp Account 928	(Note E)	Attachment 5	1,513			
76	Directly Assigned A&G 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
80	Directly Assigned A&G General Advertising Exp Account 930.1	(Note F)	p323.162.b	623	-	-	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
128	Income Tax Rates 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
77	Directly Assigned A&G General Advertising Exp Account 930.1	(Note K)	p323.162.b	623	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	5,579,277	
				Enter \$	None
Add more lines if necessary					

**Outstanding Network Credits Cost Support**

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

**Interest on Outstanding Network Credits Cost Support**

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

**PJM Load Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
Network Zonal Service Rate					
172	1 CP Peak	(Note L)	PJM Data		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
Add more lines if necessary							
Total					-	-	-

# UGI Utilities, Inc.

## Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

### Exec Summary

- 1 April Year 2 TO populates the formula with Year 1 data from Form 1 for Year 1 (e.g. 2005 data) (no Cap Adds)
- 2 April Year 2 TO estimates all transmission Cap Adds for Year 2 weighted based on Months expected to be in service in Year 2 (e.g. 2006)
- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
- 4 May Year 2 Post results of Step 3 on PJM web site
- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g. June 1, 2005 - May 31, 2006)
  
- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)
- 7 April Year 3 TO estimates Cap Adds during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2007)
- 8 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds in Reconciliation  
(adjusted to include any Reconciliation amount from prior year)
- 9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 8 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2007 - May 31, 2008)

### Detailed Example

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

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

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

	Est. In Service Date	Weighting	Amount	One 12th
Jan	-	11.5	-	-
Feb	3,532,501	10.5	37,091,261	3,090,938
Mar	-	9.5	-	-
Apr	-	8.5	-	-
May	-	7.5	-	-
Jun	-	6.5	-	-
Jul	-	5.5	-	-
Aug	824,499	4.5	3,710,246	309,187
Sep	-	3.5	-	-
Oct	-	2.5	-	-
Nov	-	1.5	-	-
Dec	451,363	0.5	225,682	18,807
<b>Total</b>	<b>4,808,363</b>		<b>41,027,188</b>	<b>3,418,932</b>
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)  

	\$ 4,423,468	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	20,485	9.5	194,608	16,217
Apr	17,284	8.5	146,914	12,243
May		7.5	-	-
Jun		6.5	-	-
Jul		5.5	-	-
Aug	126,000	4.5	567,000	47,250
Sep	109,642	3.5	383,747	31,979
Oct		2.5	-	-
Nov		1.5	-	-
Dec		0.5	-	-
<b>Total</b>	<b>273,411</b>		<b>1,292,269</b>	<b>107,689</b>
New Transmission Plant Additions for Year 3 (weighted by months in service)				107,689 Input to Formula Line 21

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

Remove all Cap Adds placed in service in Year 2 -Actuals for Year 2008  
For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 187,974 Input to Formula Line 20

Add weighted Cap Adds actually placed in service in Year 2

	Actual In Service Date	Weighting	Amount	One 12th
Jan	-	11.5	-	-
Feb	-	10.5	-	-
Mar	-	9.5	-	-
Apr	-	8.5	-	-
May	9,641	7.5	72,308	6,026
Jun	11,988	6.5	77,922	6,494
Jul	-	5.5	-	-
Aug	-	4.5	-	-
Sep	166,345	3.5	582,208	48,517
Oct	-	2.5	-	-
Nov	-	1.5	-	-
Dec	-	0.5	-	-
Total	187,974		732,437	61,036

New Transmission Plant Additions for Year 2 (weighted by months in service) 61,036 Input to Formula Line 21

4,411,888 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 4,411,888 - The forecast in Prior Year 4,556,876 = (144,988)

Interest on Amount of Refunds or Surcharges

Interest 35.19a for March Current Yr		<span style="background-color: yellow;">0.3800% -March 2009</span>		Surcharge (Refund)	
Month	Yr	1/12 of Step 9	Interest Rate for March of Current Year	Months	Owed
Jun	Year 1	(12,082)	0.3800%	11.5	(528)
Jul	Year 1	(12,082)	0.3800%	10.5	(482)
Aug	Year 1	(12,082)	0.3800%	9.5	(436)
Sep	Year 1	(12,082)	0.3800%	8.5	(390)
Oct	Year 1	(12,082)	0.3800%	7.5	(344)
Nov	Year 1	(12,082)	0.3800%	6.5	(298)
Dec	Year 1	(12,082)	0.3800%	5.5	(253)
Jan	Year 2	(12,082)	0.3800%	4.5	(207)
Feb	Year 2	(12,082)	0.3800%	3.5	(161)
Mar	Year 2	(12,082)	0.3800%	2.5	(115)
Apr	Year 2	(12,082)	0.3800%	1.5	(69)
May	Year 2	(12,082)	0.3800%	0.5	(23)
Total		(144,988)			(148,294)

		Balance	Interest	Amortization over Rate Year	Balance
Jun	Year 2	(148,294)	0.3800%	(12,665)	(136,192)
Jul	Year 2	(136,192)	0.3800%	(12,665)	(124,044)
Aug	Year 2	(124,044)	0.3800%	(12,665)	(111,851)
Sep	Year 2	(111,851)	0.3800%	(12,665)	(99,610)
Oct	Year 2	(99,610)	0.3800%	(12,665)	(87,324)
Nov	Year 2	(87,324)	0.3800%	(12,665)	(74,990)
Dec	Year 2	(74,990)	0.3800%	(12,665)	(62,610)
Jan	Year 3	(62,610)	0.3800%	(12,665)	(50,183)
Feb	Year 3	(50,183)	0.3800%	(12,665)	(37,709)
Mar	Year 3	(37,709)	0.3800%	(12,665)	(25,187)
Apr	Year 3	(25,187)	0.3800%	(12,665)	(12,617)
May	Year 3	(12,617)	0.3800%	(12,665)	(0)
Total with interest				(151,982)	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest (151,982)  
Rev Req based on Year 3 data with estimated Cap Adds for Year 4 \$ 4,413,764  
Revenue Requirement for Year 3 4,261,782

10 May Year 4 Post results of Sept 9 on PJM web site  
\$ 4,261,782 Post results of Step 3 on PJM web site

11 June Year 4 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2009 - May 31, 2010)  
\$ 4,261,782



# 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



**PPL GROUP ZONE OF PJM**

**Summary of Transmission Service Charges  
Resulting from UGI Utilities' Annual Update**

**UGI Utilities, Inc.****Contribution to Charges for  
Transmission Service in PPL Group Zone**

	<b>2008-2009</b>	<b>2009-2010</b>
Network Integration Transmission Service	\$ 722	\$ 646
Annual Point-to-Point Transmission Service (\$/MW-Year)	0.852	0.763
Monthly Point-to-Point Transmission Service (\$/kW-Month)	0.071	0.064
Weekly Point-to-Point Transmission Service (\$/kW-Week)	0.0164	0.0147
Daily On-Peak Point-to-Point Transmission Service (\$/kW)	0.0033	0.0029
Daily Off-Peak Point-to-Point Transmission Service (\$/kW)	0.0023	0.0021
Hourly On-Peak Point-to-Point Transmission Service (\$/MWh)	0.20	0.18
Hourly Off-Peak Point-to-Point Transmission Service (\$/MWh)	0.10	0.09