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May 17, 2010

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: 2010 Transmission Revenue Requirement

Dear Ms. Bose:

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

UGI Utilities' Formula Rate Implementation Protocols under PJM OATT Attachment H-8D provide that UGI Utilities will annually recalculate its annual transmission revenue requirement for the rate year commencing June 1st by inputting cost data from 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).

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' 2009 annual report on FERC Form 1, together with supporting data and workpapers. The effect of the Annual Update is to change UGI Utilities' Annual Transmission Revenue Requirement from $4,261,782 for the period ending May 31, 2010, to $4,773,131 for the period June 1, 2010, through May 31, 2011.

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 $646 per megawatt per year to $724 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 $0.763 per megawatt per year to $0.855 per megawatt per year.

UGI Utilities notes that under its reconcilable default service cost rate recovery mechanism approved by the Pennsylvania Public Utility Commission effective January 1, 2010, it recovers certain transmission costs associated with its provision of default generation service directly from retail default generation service customers. Accordingly, it has excluded from its Annual Transmission Revenue Requirement transmission expenses recorded in Account No. 565 and certain other excluded transmission expenses. The detail of UGI Utilities' exclusion of such costs is shown in Attachment A, page 11, "Excluded Transmission O&M Expenses."

Respectfully submitted,

Michael C. Griffen
Attorney for UGI Utilities, Inc.

Enclosures

cc: PJM Interconnection, LLC

ATTACHMENT A

UGI UTILITIES, INC.

Annual Transmission Revenue Requirement Update

ATTACHMENT B

PPL GROUP ZONE OF PJM

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

ATTACHMENT H-8C

UGI Utilities, Inc.

Formula Rate -- Appendix A

		Notes	FERC Form 1-F Page # or Instruction	2009
	Allocators			
	Wages & Salary Allocation Factor			
1	Transmission Wages Expense		Company Records	902,120
2	Total Wages Expense		Company Records	6,753,109
3	Less A&G Wages Expense		Company Records	1,765,931
4	Total		(Line 2 - 3)	4,987,178
5	**Wages & Salary Allocator**		(Line 1 / 4)	**18.0888%**
	Plant Allocation Factors			
6	Electric Plant in Service	(Note B)	p207.104.g	133,930,847
7	Common Plant In Service - Electric		(Line 24)	3,982,816
8	Total Plant In Service		(Sum Lines 6 & 7)	137,913,663
9	Accumulated Depreciation (Total Electric Plant)		p219.19.c	55,250,844
10	Accumulated Intangible Amortization	(Note A)	p200.21.c	1,364,312
11	Accumulated Common Amortization - Electric	(Note A)	Company Records	0
12	Accumulated Common Plant Depreciation - Electric	(Note A)	Company Records	2,066,714
13	Total Accumulated Depreciation		(Sum Lines 9 to 12)	58,681,870
14	Net Plant		(Line 8 - Line 13)	79,231,793
15	Transmission Gross Plant		(Line 29 - Line 28)	31,444,338
16	**Gross Plant Allocator**		(Line 15 / Line 8)	**22.8000%**
17	Transmission Net Plant		(Line 39 - Line 28)	17,661,869
18	**Net Plant Allocator**		(Line 17 / Line 14)	**22.2914%**
	Plant Calculations			
	Plant In Service			
19	Transmission Plant In Service	(Note B)	p207.58.g	29,474,141
20	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only	Attachment 6	
21	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)		Attachment 6	630,190
22	**Total Transmission Plant In Service**		(Line 19 - Line 20 + Line 21)	**30,104,331**
23	General & Intangible		p205.5.g & p207.99.g	3,425,123
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5	3,982,816
25	Total General & Common		(Line 23 + Line 24)	7,407,939
26	Wage & Salary Allocation Factor		(Line 5)	18.08879%
27	**General & Common Plant Allocated to Transmission**		(Line 25 * Line 26)	**1,340,006**
28	**Plant Held for Future Use (Including Land)**	(Note C)	Attachment 5	0
29	**TOTAL Plant In Service**		**(Line 22 + Line 27 + Line 28)**	**31,444,338**
	Accumulated Depreciation			
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5	12,858,745
31	Accumulated General Depreciation		Attachment 5	1,675,583
32	Accumulated Intangible Amortization		(Line 10)	1,364,312
33	Accumulated Common Amortization - Electric		(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)		(Line 12)	2,066,714
35	Total Accumulated Depreciation		(Sum Lines 31 to 34)	5,106,609
36	Wage & Salary Allocation Factor		(Line 5)	18.08879%
37	**General & Common Allocated to Transmission**		(Line 35 * Line 36)	**923,724**
38	**TOTAL Accumulated Depreciation**		**(Line 30 + Line 37)**	**13,782,469**
39	**TOTAL Net Property, Plant & Equipment**		**(Line 29 - Line 38)**	**17,661,869**

Adjustment To Rate Base

	Accumulated Deferred Income Taxes			
40	ADIT net of FASB 106 and 109		Attachment 1	-2,759,144
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	Attachment 5	0
42	Net Plant Allocation Factor		(Line 18)	22.29%
43	**Accumulated Deferred Income Taxes Allocated To Transmission**		(Line 41 * Line 42) + Line 40	**-2,759,144**
	Prepayments			
44	Prepayments (Account 165)	(Note A)	Attachment 5	29,269
45	Net Plant Allocation Factor		(Line 18)	22.2914%
46	**Total Prepayments Allocated to Transmission**		(Line 44 * Line 45)	**6,524**
	Materials and Supplies			
47	Undistributed Stores Exp	(Note A)	Attachment 5	136,451
48	Wage & Salary Allocation Factor		(Line 5)	18.09%
49	Total Transmission Allocated		(Line 47 * Line 48)	24,682
50	Transmission Materials & Supplies		Attachment 5	196,253
51	**Total Materials & Supplies Allocated to Transmission**		(Line 49 + Line 50)	**220,936**
	Cash Working Capital			
52	Operation & Maintenance Expense		(Line 84)	3,297,608
53	1/8th Rule		x 1/8	12.5%
54	**Total Cash Working Capital Allocated to Transmission**		(Line 52 * Line 53)	**412,201**
	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)	**-2,119,483**
59	**Rate Base**		(Line 39 + Line 58)	**15,542,385**

O&M

	Transmission O&M			
60	Transmission O&M		p321.112.b	5,924,532
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	4,046,858
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)	**1,877,674**
	Allocated General & Common Expenses			
67	Common Plant O&M	(Note A)	Attachment 5	0
68	Total A&G		p323.197.b	7,845,847
69	Less Property Insurance Account 924		p323.185b	17,837
70	Less Regulatory Commission Exp Account 928	(Note E)	Attachment 5	0
71	Less General Advertising Exp Account 930.1		Attachment 5	191
72	Less EPRI Dues	(Note D)	Attachment 5	0
73	**General & Common Expenses**		(Lines 67 + 68 - Sum (69 to 72)	7,827,819
74	Wage & Salary Allocation Factor		(Line 5)	18.0888%
75	**General & Common Expenses Allocated to Transmission**		(Line 73 * Line 74)	**1,415,958**
	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)	17,837
80	General Advertising Exp Account 930.1	(Note F)	Attachment 5	0
81	Total		(Line 79 + Line 80)	17,837
82	Net Plant Allocation Factor		(Line 18)	22.29%
83	**A&G Directly Assigned to Transmission**		(Line 81 * Line 82)	**3,976**
84	**Total Transmission O&M**		**(Lines 66 + 75 + 78 + 83)**	**3,297,608**

Depreciation & Amortization Expense

	Depreciation Expense				
85	Transmission Depreciation Expense			Attachment 5	477,438
86	General Depreciation			Attachment 5	227,051
87	Intangible Amortization		(Note A)	Attachment 5	0
88	Total			(Line 86 + Line 87)	227,051
89	Wage & Salary Allocation Factor			(Line 5)	18.0888%
90	**General Depreciation Allocated to Transmission**			(Line 88 * Line 89)	**41,071**
91	Common Depreciation - Electric Only		(Note A)	Attachment 5	437,183
92	Common Amortization - Electric Only		(Note A)	Attachment 5	0
93	Total			(Line 91 + Line 92)	437,183
94	Wage & Salary Allocation Factor			(Line 5)	18.0888%
95	**Common Depreciation - Electric Only Allocated to Transmission**			(Line 93 * Line 94)	**79,081**
96	**Total Transmission Depreciation & Amortization**			**(Line 85 + Line 90 + Line 95)**	**597,590**

Taxes Other than Income

97	**Taxes Other than Income**			Attachment 2	**137,589**
98	**Total Taxes Other than Income**			**(Line 97)**	**137,589**

Return / Capitalization Calculations

	Long Term Interest				
99	Long Term Interest			p117.62.c through 67.c	40,404,961
100	Less LTD Interest on Securitization Bonds		(Note P)	Attachment 8	0
101	**Long Term Interest**			(Line 99 - Line 100)	40,404,961
102	**Preferred Dividends**		enter positive	p118.29.c	0
	Common Stock				
103	Proprietary Capital			p112.16.c	686,509,042
104	Less Preferred Stock		enter negative	(Line 113)	0
105	Less Account 216.1		enter negative	p112.12.c	-115,869,284
106	**Common Stock**			(Sum Lines 103 to 105)	570,639,758
	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	-477,466
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)	enter negative	Attachment 8	0
112	Total Long Term Debt			(Sum Lines 107 to 111)	639,522,534
113	Preferred Stock			p112.3.c	0
114	Common Stock			(Line 106)	570,639,758
115	**Total Capitalization**			(Sum Lines 112 to 114)	1,210,162,292
116	Debt %	Total Long Term Debt		(Line 112 / Line 115)	52.8%
117	Preferred %	Preferred Stock		(Line 113 / Line 115)	0.0%
118	Common %	Common Stock		(Line 114 / Line 115)	47.2%
119	Debt Cost	Total Long Term Debt		(Line 101 / Line 112)	0.0632
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)	0.0334
123	Weighted Cost of Preferred	Preferred Stock		(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock		(Line 118 * Line 121)	0.0533
125	**Total Return (R)**			(Sum Lines 122 to 124)	**0.0867**
126	**Investment Return = Rate Base * Rate of Return**			**(Line 59 * Line 125)**	**1,347,090**

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	(Note I)		
132	Amortized Investment Tax Credit	enter negative	p115.19.g	-47,472
133	1/(1-T)		1 / (1-Line 130)	170.92%
134	Net Plant Allocation Factor		(Line 18)	22.2914%
135	**ITC Adjustment Allocated to Transmission**		(Line 132 * Line 133 * Line 134)	**-18,087**
136	**Income Tax Component =**	CIT=(T/1-T) * Investment Return * (1-(WCLTI	[Line 131 * 126 * (1-(122 / 125))]	**587,341**
137	**Total Income Taxes**		**(Line 135 + Line 136)**	**569,254**

REVENUE REQUIREMENT

	Summary			
138	Net Property, Plant & Equipment		(Line 39)	17,661,869
139	Adjustment to Rate Base		(Line 58)	-2,119,483
140	**Rate Base**		(Line 59)	**15,542,385**
141	O&M		(Line 84)	3,297,608
142	Depreciation & Amortization		(Line 96)	597,590
143	Taxes Other than Income		(Line 98)	137,589
144	Investment Return		(Line 126)	1,347,090
145	Income Taxes		(Line 137)	569,254
146	**Gross Revenue Requirement**		**(Sum Lines 141 to 145)**	**5,949,131**
	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
147	Transmission Plant In Service		(Line 19)	29,474,141
148	Excluded Transmission Facilities	(Note M)	Attachment 5	6,087,207
149	Included Transmission Facilities		(Line 147 - Line 148)	23,386,934
150	Inclusion Ratio		(Line 149 / Line 147)	79.35%
151	Gross Revenue Requirement		(Line 146)	5,949,131
152	**Adjusted Gross Revenue Requirement**		(Line 150 x Line 151)	**4,720,474**
	Revenue Credits & Interest on Network Credits			
153	**Revenue Credits**		Attachment 3	89,184
154	**Interest on Network Credits**	(Note N)	PJM Data	0
155	**Net Revenue Requirement**		**(Line 152 - Line 153 + Line 154)**	**4,631,290**
	Net Plant Carrying Charge without ROE Increment			
156	Gross Revenue Requirement		(Line 146)	**5,949,131**
157	Net Transmission Plant		(Line 19 - Line 30)	**16,615,396**
158	Net Plant Carrying Charge		(Line 156 / Line 157)	**35.8049%**
159	Net Plant Carrying Charge without Depreciation		(Line 156 - Line 85) / Line 157	**32.9315%**
160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Lines 156 - 85 - 126 - 137) / Line 157	**21.3979%**
	Net Plant Carrying Charge with 100 Basis Point ROE Increment			
161	Gross Revenue Requirement Less Return and Taxes		(Line 146 - Line 144 - Line 145)	**4,032,786**
162	Increased Return and Taxes		Attachment 4	**2,044,776**
163	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 161 + Line 162)	**6,077,562**
164	Net Transmission Plant		(Line 19 - Line 30)	**16,615,396**
165	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 163 / Line 164)	**36.5779%**
166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 162 - Line 85) / Line 164	**33.7044%**
167	**Net Revenue Requirement**		(Line 155)	**4,631,290**
168	Reconciliation Amount		Attachment 6	**141,841**
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)	**4,773,131**
	Network Zonal Service Rate			
172	1 CP Peak	(Note L)	PJM Data	**N/A**
173	Rate ($/MW-Year)	(Note L)	(Line 171 / Line 172)	**N/A**
174	**Network Service Rate ($/MW/Year)**	**(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 Transmisison 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	(11,690,255)	0	
2	***ADIT-283***	0	0	0	
3	***ADIT-190***	(54,455)	9,838	(229,712)	
4	***Subtotal***	(54,455)	(11,680,417)	(229,712)	
5	***Wages & Salary Allocator***			18.0888%	
6	***Gross Plant Allocator***		22.8000%		
7	***ADIT***	(54,455)	(2,663,137)	(41,552)	(2,759,144)

	ADIT-190	*Gas, Prod Or Other Related*	*Only Transmission Related*	*Plant Related*	*Labor Related*
21	RESERVE FOR BAD DEBT - FIT	533,462			
22	RESERVE FOR BAD DEBT - STATE	169,165			
23	Fixed Transmission Rights (FTR) - FIT		(41,202)		
24	Fixed Transmission Rights (FTR) - STATE		(13,253)		
25	FV DERIVATIVES - GAS FUTURES - FIT	(3,627)			
26	FV DERIVATIVES - GAS FUTURES - STATE	(1,150)			
27	INJURIES & DAMAGES - FIT				-
28	INJURIES & DAMAGES - STATE				-
29	SFAS 112 WORKERS COMPENSATION - FIT				153,150
30	SFAS 112 WORKERS COMPENSATION - STATE				48,565
31	SFAS LTD/STD (NON CURRENT) - FIT				57,302
32	SFAS LTD/STD (NON CURRENT) - STATE				18,171
33	POST RETIREMENT BENEFIT (NON CURRENT) - FIT				1,152,492
34	POST RETIREMENT BENEFIT (NON CURRENT) - STATE				365,464
35	POST RETIREMENT BENEFIT (CURRENT) - FIT				(106,897)
36	POST RETIREMENT BENEFIT (CURRENT) - STATE				(33,898)
37	PREPAID RETIREMENT INCOME COSTS - FIT				(687,401)
38	PREPAID RETIREMENT INCOME COSTS - STATE				(214,237)
39	EXEC RETIREMENT PLAN - FIT				126,038
40	EXEC RETIREMENT PLAN - STATE				39,968
41	ANNUAL BONUS PLAN - FIT				19,611
42	ANNUAL BONUS PLAN - STATE				6,219
43	RESTRICTED STOCK AWARDS - FIT				55,585
44	RESTRICTED STOCK AWARDS - STATE				17,626
45	VACATION ACCRUAL - FIT				129,430
46	VACATION ACCRUAL - STATE				41,043
47	TAX CUSHION - FIT	14,242			
48	TAX CUSHION - STATE	-			
49	VEBA - FIT				(30,242)
50	VEBA - STATE				(10,540)
51	FAS 143 - FIT			7,469	
52	FAS 143 - STATE			2,369	
53	CIAC RECEIPTS - NET REFUNDS - FIT	280,631			
54	CIAC RECEIPTS - NET REFUNDS - STATE	90,366			
55	IRPA - FIT	246,829			
56	IRPA - STATE	78,277			
57	FAS 158 - FIT				6,024,360
58	FAS 158 - STATE				1,910,370
59	Subtotal - p234	1,408,194	(54,455)	9,838	9,082,180
60	Less FASB 109 Above				
61	Less FASB 106 Above				9,311,892
62	Total	1,408,194	(54,455)	9,838	(229,712)

63

64 Instructions for Account 190:

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

66 2. ADIT items related only to Transmission are directly assigned to Column B

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

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

69

70 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

71 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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ADIT- 282	(A) Gas, Prod Or Other Related	(B) Only Transmission Related	(C) Plant Related	(D) Labor Related
RECOVERABLE UTILITY COSTS - FIT	(5,534,144)			
RECOVERABLE UTILITY COSTS - STATE	(2,067,010)			
LIB. TAX DEPRECIATION ADR - FIT			(153,538)	
LIB. TAX DEPRECIATION ADR - STATE			-	
LIB. TAX DEPRECIATION - FIT - ACRS/MACRS			(11,713,753)	
LIB. TAX DEPRECIATION - STATE - ACRS/MACRS			177,036	
Subtotal - p275 (Form 1-F filer: see note 6 below)	(7,601,154)	0	(11,690,255)	0
Less FASB 109 Above	(7,601,154)			
Less FASB 106 Above			0	
Total	0	0	(11,690,255)	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
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

ADIT-283	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
LOSS OF REACQUIRED DEBT - FIT	(22,563)			
LOSS OF REACQUIRED DEBT - STATE	(7,155)			
HEDGE EFFECTS ON PURCHASES - FIT	-			
HEDGE EFFECTS ON PURCHASES - STATE	-			
RETIREMENT BENEFIT COSTS - FIT				(7,365)
RETIREMENT BENEFIT COSTS - STATE				(2,335)
Subtotal - p277 (Form 1-F filer: see note 6, below)	(29,718)	-	-	(9,700)
Less FASB 109 Above				
Less FASB 106 Above				(9,700)
Total	(29,718)	-	-	-

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
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

UGI Utilities, Inc.

Attachment 2 - Taxes Other Than Income Worksheet

	Other Taxes		*Source: Company Records*	*Allocator*	*Allocated Amount*
	Plant Related			***Gross Plant Allocator***	
1	Real property (State, Municipal or Local)		81,721		
2	Personal property				
3	Capital Stock Tax		58,830		
4	Gross Premium (insurance) Tax				
5	PURTA		118,244		
6	Corp License				
7					
8					
9	***Total Plant Related***		258,795	22.8000%	59,005
10					
11					
12	***Labor Related***			***Wages & Salary Allocator***	
13					
14					
15	Federal FICA & Unemployment		414,489		
16	Unemployment		19,942		
17					
18					
19					
20	***Total Labor Related***		434,432	18.0888%	78,583
21					
22					
23	***Other Included***			***Gross Plant Allocator***	
24					
25	Miscellaneous				
26					
27					
28					
29	***Total Other Included***		0	22.8000%	0
30					
31	***Total Included***	Sum lines 9+20+29	693,226		137,589
32					
33					
34	***Currently Excluded***				
35					
36	Gross Receipts		7,399,268		
37	Ultiity Regulatory Assessment		146,132		
38					
39					
40					
41	***Total Excluded***		7,545,400		
42					
43	***Grand Total = Included + Excluded (line 31 + 41)***		8,238,626		
44					
45	**Total "Taxes Other Than Income Taxes" Acct. 408.1 (p115.14.g)**		8,238,626		
46					
47	***Difference***		0		

UGI Utilities, Inc.

Attachment 3 - Revenue Credit Workpaper

	Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related (Note 3)		-
2	Total Rent Revenues	(Line 1)	-
	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)		-
5	Point to Point Service revenues received by the Transmission Owner for which the load is not included in the divisor		76,632
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)	76,632
12	Line 17g		(12,552)
13	Total Revenue Credits	(Line 11 - Line 12)	89,184

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.	25,104
17b	Costs associated with revenues in line 17a	
17c	Net Revenues (17a - 17b)	25,104
17d	50% Share of Net Revenues (17c / 2)	12,552
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)	12,552
17g	Line 17f less line 17a	(12,552)
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)	76,632

	Return and Taxes with 100 Basis Point Increase in ROE				
A	100 Basis Point increase in ROE and Income Taxes			(Line 126 + Line 138)	2,044,776
B	100 Basis Point increase in ROE				1.00%

Return Calculation

59	Rate Base			(Line 39 + Line 58)	15,542,385
	Long Term Interest				
99	**Long Term Interest**			p117.62.c through 67.c	40,404,961
100	Less LTD Interest on Securitization Bonds			Attachment 8	0
101	Long Term Interest			(Line 99 - Line 100)	40,404,961
102	Preferred Dividends	enter positive		p118.29.c	0
	Common Stock				
103	Proprietary Capital			p112.16.c	686,509,042
104	Less Preferred Stock	enter negative		(Line 113)	0
105	Less Account 216.1	enter negative		p112.12.c	-115,869,284
106	Common Stock			(Sum Lines 103 to 105)	570,639,758
	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	-477,466
109	Plus Gain on Reacquired Debt	enter positive		p113.61.c	0
112	Total Long Term Debt			(Sum Lines 107 to 111)	639,522,534
113	Preferred Stock			p112.3.c	0
114	Common Stock			(Line 106)	570,639,758
115	Total Capitalization			(Sum Lines 112 to 114)	1,210,162,292
116	Debt %		Total Long Term Debt	(Line 112 / Line 115)	52.8%
117	Preferred %		Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %		Common Stock	(Line 114 / Line 115)	47.2%
119	Debt Cost		Total Long Term Debt	(Line 101 / Line 112)	0.0632
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)	0.0334
123	Weighted Cost of Preferred		Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common		Common Stock	(Line 118 * Line 121)	0.0580
125	Total Return (R)			**(Sum Lines 122 to 124)**	**0.0914**
126	Investment Return = Rate Base * Rate of Return			**(Line 59 * Line 125)**	**1,420,379**

Composite Income Taxes

	Income Tax Rates			
127	FIT=Federal Income Tax Rate			35.00%
128	SIT=State Income Tax Rate or Composite			9.99%
129	p = percent of federal income tax deductible for state purposes			0.00%
130	T	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		41.49%
131	T/ (1-T)			70.92%
	ITC Adjustment			
132	Amortized Investment Tax Credit		enter negative	-47,472
133	T/(1-T)			70.92%
134	Net Plant Allocation Factor			22.2914%
135	**ITC Adjustment Allocated to Transmission**		(Note I)	-14,921
137	**Income Tax Component =**	CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =		639,318
138	**Total Income Taxes**			**624,397**

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
	Plant Allocation Factors						
2	Total Wage Expense		Company Records		6,753,109		Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
3	Administrative and General Wage Expense		Company Records		1,765,931		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		1,675,583		
12	Accumulated Common Plant Depreciation - Electric	(Note A)	Company Records	14,590,021	2,066,714	12,523,307	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
	Plant In Service						
24	Common Plant (Electric Only)	(Notes A & B)	p201.3.h	33,214,515	3,982,816	29,231,699	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
	Accumulated Deferred Income Taxes						
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	Company Records	0	0	0	
	Prepayments						
44	Prepayments (Account 165)	(Note A)	p111.57(d)	3,356,628	29,269	3,327,359	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
	Materials and Supplies						
47	Undistributed Stores Exp	(Note A)	Company Records	136,451	136,451	0	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
	Allocated General & Common Expenses						
65	Plus Transmission Lease Payments	(Note A)	p200.4.c				
67	Common Plant O&M	(Note A)	Attachment 5	0	0	0	
	Depreciation Expense						
85	Depreciation		p219.10.c	3,464,675	477,438	2,987,237	Form 1-F Filer. Not in Form 1-F. Analysis of Company Records
86	General Depreciation				227,051		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	3,267,604	437,183	2,830,421	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	29,474,141	23,386,934	6,087,207	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	55,640,846	12,858,745	42,782,101	Direct assignment to Transmission based upon plant records.
50	Materials and Supplies		p110.48(c)	2,205,371	196,253	2,009,117	Direct assignment to Transmission based upon plant records.
83	Transmission Depreciation Expense		p219.10.c	3,464,675	477,438	2,987,237	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	3,698,270	
	Portions of Acct 561	Company Records	348,588	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	4,046,858	

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
	Plant Allocation Factors						
6	Electric Plant in Service	(Note B)	p207.104.g	133,930,847	0	0	See Form 1
7	Common Plant In Service - Electric	0	(Line 24)	3,982,816	0	0	See Line 7
	Plant In Service						
19	Transmission Plant In Service	(Note B)	p207.58.g	29,474,141			See Line 15
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5	3,982,816	0	0	See Line 24
	Accumulated Depreciation						
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5	12,858,745	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)	Attachment 5	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)	p323.162.b	191	-	-	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								
				Pennsylvania	Enter State	Enter State	Enter State	Enter State	Enter Calculation
128	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year	9.99%	Enter %	Enter %	Enter %	Enter %	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)	p323.162.b	191	0	0	None

Excluded Plant Cost Support

	PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Excluded Transmission Facilities	Description of the Facilities
	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
148	Excluded Transmission Facilities	(Note M)	Attachment 5	6,087,207	
				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
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)

$ 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	-	-	<2010 Cap Ads Estimates
Feb		10.5	-	-	
Mar		9.5	-	-	
Apr	19,151	8.5	162,784	13,565	
May		7.5	-	-	
Jun	164,000	6.5	1,066,000	88,833	
Jul	37,000	5.5	203,500	16,958	
Aug	131,000	4.5	589,500	49,125	
Sep	1,583,000	3.5	5,540,500	461,708	
Oct		2.5	-	-	
Nov		1.5	-	-	
Dec		0.5	-	-	
Total	1,934,151		7,562,284	630,190	
New Transmission Plant Additions for Year 3 (weighted by months in service)				630,190	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 2009

For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 332,136 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	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		4.5	-	-
Sep	34,175	3.5	119,613	9,968
Oct	132,147	2.5	330,368	27,531
Nov	128,045	1.5	192,068	16,006
Dec	-	0.5	-	-
Total	332,136		983,569	81,964

New Transmission Plant Additions for Year 2 (weighted by months in service) 81,964 Input to Formula Line 21

4,550,924 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 beween the Reconciliation in Step 8 and the forcast 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		The forecast in Prior Year		
4,550,924	-	4,413,764	=	137,160

Interest on Amount of Refunds or Surcharges

Interest 35.19a for March Current Yr 0.2700% <March 2010

Month	Yr	1/12 of Step 9	Interest Rate for March of Current Year	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	11,430	0.2700%	11.5	355	11,785
Jul	Year 1	11,430	0.2700%	10.5	324	11,754
Aug	Year 1	11,430	0.2700%	9.5	293	11,723
Sep	Year 1	11,430	0.2700%	8.5	262	11,692
Oct	Year 1	11,430	0.2700%	7.5	231	11,661
Nov	Year 1	11,430	0.2700%	6.5	201	11,631
Dec	Year 1	11,430	0.2700%	5.5	170	11,600
Jan	Year 2	11,430	0.2700%	4.5	139	11,569
Feb	Year 2	11,430	0.2700%	3.5	108	11,538
Mar	Year 2	11,430	0.2700%	2.5	77	11,507
Apr	Year 2	11,430	0.2700%	1.5	46	11,476
May	Year 2	11,430	0.2700%	0.5	15	11,445
Total		137,160				139,382

		Balance	Interest	Amortization over Rate Year	Balance
Jun	Year 2	139,382	0.2700%	11,820	127,939
Jul	Year 2	127,939	0.2700%	11,820	116,464
Aug	Year 2	116,464	0.2700%	11,820	104,958
Sep	Year 2	104,958	0.2700%	11,820	93,422
Oct	Year 2	93,422	0.2700%	11,820	81,854
Nov	Year 2	81,854	0.2700%	11,820	70,255
Dec	Year 2	70,255	0.2700%	11,820	58,625
Jan	Year 3	58,625	0.2700%	11,820	46,963
Feb	Year 3	46,963	0.2700%	11,820	35,270
Mar	Year 3	35,270	0.2700%	11,820	23,545
Apr	Year 3	23,545	0.2700%	11,820	11,788
May	Year 3	11,788	0.2700%	11,820	(0)
Total with interest				141,841	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest 141,841

Rev Req based on Year 3 data with estimated Cap Adds for Year 4 $ 4,631,290

Revenue Requirement for Year 3 4,773,131

10 May Year 4 Post results of Sept 9 on PJM web site

$ 4,773,131 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)

$ 4,773,131

Fixed Charge Rate (FCR) if not a CIAC

	Formula Line		
A	159	Net Plant Carrying Charge without Depreciation	32.9315%
B	166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	33.7044%
C		Line B less Line A	0.7730%

FCR if a CIAC

D	160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	21.3979%

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		0.32931462										
FCR for This Project	(FCR @ 11.3 ROE + FCR @ 11.3 ROE x Increased ROE/100 bp)	0.32931462										
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

ATTACHMENT B

UGI Utilities, Inc.

Contribution to Charges for Transmission Service in PPL Group Zone

	2009-2010	2010-2011
Network Integration Transmission Service	$ 646	$ 724
Annual Point-to-Point Transmission Service ($/MW-Year)	0.763	0.855
Monthly Point-to-Point Transmission Service ($/kW-Month)	0.064	0.071
Weekly Point-to-Point Transmission Service ($/kW-Week)	0.0147	0.0164
Daily On-Peak Point-to-Point Transmission Service ($/kW)	0.0029	0.0033
Daily Off-Peak Point-to-Point Transmission Service ($/kW)	0.0021	0.0023
Hourly On-Peak Point-to-Point Transmission Service ($/MWh)	0.18	0.21
Hourly Off-Peak Point-to-Point Transmission Service ($/MWh)	0.09	0.10