

HUSCH BLACKWELL

August 1, 2024

VIA eTARIFF

The Honorable Debbie-Anne A. Reese,
Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

**Re: UGI Utilities, Inc., Docket No. ER24-2665-000
Formula Rate – Depreciation Rate Revision**

Dear Acting Secretary Reese:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ Part 35 of the regulations of the Federal Energy Regulatory Commission (the “Commission”),² and Section 3.f of the UGI Utilities, Inc., (“UGIU”) Formula Rate Implementation Protocols (“Implementation Protocols”), UGIU hereby submits for filing proposed revisions to the transmission depreciation rates contained in its formula transmission rate at Attachment H-8C of the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT”).³ Based on an independent depreciation study performed by a third-party expert, Gannett Fleming Valuation and Rate Consultants, LLC (“Gannett Fleming”) submitted with this filing, the proposed depreciation rates are estimated to increase Commission jurisdictional annual depreciation expense by approximately \$581,000.

UGIU proposes that Attachment H-8C, “Attachment 9 – Depreciation Rates” tariff sheets be revised to update the depreciation rates based on the most recent depreciation study. UGIU respectfully requests that the Commission permit the revised tariff sheet to become effective for all purposes under the UGIU Formula Rate as of October 1, 2024, sixty-one (61) days from the date of this filing, with no suspension period or hearing.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Pt. 35.

³ Pursuant to Order No. 714, this filing is submitted by PJM on behalf of UGIU as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all tariff filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM OATT. Thus, UGIU has requested PJM to submit this filing in the eTariff system as part of PJM’s electronic Intra PJM OATT.

I. NOTICE AND CORRESPONDENCE

UGIU requests that all communications regarding this single-issue filing be directed to the following individuals and that their names be entered on the official service list maintained by the Secretary for this proceeding:⁴

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II. BACKGROUND

A. Description of UGIU

UGIU is a franchised public utility organized and existing under the laws of the Commonwealth of Pennsylvania. UGIU is a natural gas and electric distribution company that serves retail electric service customers and distributes and sells natural gas to commercial, industrial, and residential consumers in eastern Pennsylvania. UGIU's Electric Division operates an electric distribution system and provides electric utility service to approximately 62,000 customers in portions of Luzerne and Wyoming Counties in Northeastern Pennsylvania. UGIU owns a small system of transmission facilities located in Pennsylvania that are under the operational control of PJM and subject to the OATT. UGIU's retail electric service is regulated by the Pennsylvania Public Utility Commission ("PA PUC"), while PJM's provision of transmission service over UGIU's transmission facilities is regulated by the Commission.

B. UGIU's Formula Rate Depreciation Attachment 9

UGIU recovers its annual transmission revenue requirement through a cost-of-service formula rate under Attachment H-8C of the OATT. UGIU's cost-of-service formula rate is on file in Docket Nos. ER06-1445-000 and ER06-1445-001.⁵ UGIU's depreciation rates are contained in Attachment 9 to the formula rate. As specified in UGIU's Implementation Protocols, "No later than once every five years, UGI Utilities shall complete a new depreciation study and shall submit such study as part of a limited single-issue FPA section 205 filing to revise its depreciation rates."⁶

⁴ UGIU respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) to permit more than two individuals to be included on the service list for the proceeding.

⁵ *UGI Utilities, Inc.*, Letter Order, Docket Nos. ER06-1445-000 and ER06-1445-001 (Dec. 13, 2006).

⁶ PJM OATT, Attachment H-8D, Section 3.f.

UGIU last updated its depreciation rates effective October 1, 2022.⁷ The instant filing proposes to update and align UGIU's depreciation rates with those most recently submitted by UGIU to the PA PUC. UGIU anticipates that the PA PUC will effectively approve the rates by September 24, 2024.⁸

III. EXPLANATION AND PURPOSE OF PROPOSED CHANGES AND RATE IMPACT

UGIU makes the instant filing to adjust its transmission depreciation rates to reflect revisions recommended by the depreciation study prepared by Gannett Fleming, an independent third-party depreciation expert ("Depreciation Study"). The Depreciation Study is included in this filing as Exhibit C. The Depreciation Study analyzes service life characteristics of utility plant related to UGIU's Electric Division in order to determine annual depreciation rates as of September 30, 2023. As explained in detail in the Depreciation Study, the recommended annual depreciation accrual rates were calculated, for most plant accounts, in accordance with the straight-line remaining life method of depreciation, using the average service life procedure for vintages prior to 1982, and the equal life group procedure for vintages 1982 and thereafter, based on estimates which reflect considerations of current historical evidence and expected future conditions. For certain general plant accounts, the amortization amounts were based on the age of the vintage and the selected amortization period. The annual depreciation accrual rates are applicable specifically to the electric plant in service as of September 30, 2023.

The Depreciation Study only impacts rates beginning on the effective date established by the Commission in an order accepting this filing, and results in an increase in total accumulated depreciation expense of approximately \$581,000. The increase is primarily due to higher depreciation rates for General Plant, which results in a net \$753,000 increase. The increase in General Plant depreciation expense is due primarily to an increase in the depreciation rates for Account 390.1, Structures and Improvements, Account 391.1, Office Furniture and Equipment – Equipment, and Account 391.92, Office Furniture and Equipment – System Dev Costs – 10 Years. The increases in those accounts are offset by a \$186,000 reduction in annual depreciation expense for Common Plant. The decrease in Common Plant depreciation expense is due primarily to a decrease in the depreciation rates for Account 391.2, Success Factors and Account 391.3, Office Furniture and Equipment – System Dev Costs – 10 Years.

⁷ *UGI Utilities, Inc.*, Letter Order, Docket No. ER22-2572-000 (issued Sept. 14, 2022) (accepting depreciation rate change filing).

⁸ UGIU notes that under Pennsylvania law, UGIU's depreciation rates will be "deemed approved following the passage of 180 days" from the date of filing with the PA PUC, unless the PA PUC "takes other action." See 52 Pa. Code § 73.9 (2024). Here, that approval would be on September 24, 2024, prior to the requested effective date for these proposed rates. UGIU commits to notifying the Commission in the unlikely event that the PA PUC takes other action before the rates are deemed approved by September 24, 2024.

UGIU will implement the revised depreciation rates under its formula transmission rate. UGIU will make its next annual formula rate filing in May 2025, which will set rate levels that will become effective June 1, 2025. Within the May 2025 annual formula rate filing, UGIU will utilize its currently effective depreciation rates for the period beginning January 1, 2024, and ending on the day before the effective date established by the Commission in this proceeding. UGIU will utilize the revised depreciation rates approved in the instant proceeding for the period beginning on the effective date approved by the Commission in this proceeding and ending on December 31, 2024. The transmission rate charged for each subsequent year will then be subject to a true-up in the May 2025 update, based on the previous calendar year actuals, which will reflect these updated depreciation rates until a new depreciation study is performed in accordance with UGIU's Implementation Protocols.

IV. REQUESTED EFFECTIVE DATE AND WAIVERS

UGIU respectfully requests that the revised tariff record be made effective as of October 1, 2024, sixty-one (61) days after the date of this filing. An effective date of October 1, 2024, will allow UGIU to implement its updated depreciation rates on the first day of its fiscal year, to synchronize its state-regulated and Commission-regulated depreciation accounting, which will provide administrative efficiencies.

Because no cost-of-service or rate design change is being made as part of this filing, UGIU respectfully requests that the Commission find good cause to waive Section 35.13 of the Commission's regulations, 18 C.F.R. § 35.13, including any requirement that the filing contain Statements AA through BM in support of the filing; any Period I-Period II data requirements, and any requirement in Section 35.13(a)(2)(iv) to determine if and the extent to which a proposed change constitutes a rate increase based on Period I-Period II rates and billing determinants.

Additionally, to the extent the Commission deems it necessary, UGIU respectfully requests that the Commission grant any additional waivers of its rules and regulations in order to implement the tariff changes proposed in this filing.

V. ADDITIONAL INFORMATION REQUIRED BY SECTION 35.13

A. Contents of Filing – Section 35.13(b)(1)

This filing includes, along with this transmittal letter, the following documents in addition to the tariff record:

1. Attachment A: Marked Tariff Attachment (OATT ATT H-8C, OATT Attachment H-8C – UGIU's Formula Rate Template) to be effective October 1, 2024;

2. Attachment B: Clean Tariff Attachment (OATT ATT H-8C, OATT Attachment H-8C – UGIU’s Formula Rate Template) to be effective October 1, 2024;
3. Attachment C: UGI Utilities, Inc. – Electric Division Depreciation Study dated March 28, 2024, prepared by Gannett Fleming Valuation and Rate Consultants, LLC; and
4. Attachment D: Illustrative Example of Depreciation Expense Differences showing the rate impact of the proposed changes.

B. The Name and Address of Persons to Whom a Copy of the Rate Change Has Been Posted – Section 35.13(b)(3)

On behalf of UGIU, PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission’s regulations,⁹ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/library/filing-order> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region¹⁰ alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission’s eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission’s regulations and Order No. 714.

C. Brief Description of Rate Change – Section 35.13(b)(4)

Section III of this transmittal letter and the Depreciation Study provide a detailed description of UGIU’s revised depreciation rates.

D. Statement of Reason for Rate Change – Section 35.13(b)(5)

As explained in Sections II and III above, UGIU is making this filing to update its depreciation rates in accordance with its formula rate implemental protocols. Further, the change will allow UGIU to better align its state-regulated and Commission-regulated depreciation rates, which simplifies UGIU’s depreciation accounting and creates administrative efficiencies within UGIU’s accounting software.

⁹ See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

¹⁰ PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

E. Requisite Agreement for Rate Change – Section 35.13(b)(6)

As explained in Sections II and III above, the revised depreciation rates are being made in accordance with UGIU's formula rate template and implementation protocols, which have been accepted by the Commission.

F. Statement Showing Expenses or Costs Included in Cost-of-Service Statements – Section 35.13(b)(7)

UGIU confirms that none of the costs proposed to be recovered in proposed tariff sheets have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

G. Rate Comparison – Section 35.13(c)(1)

Section III above and Attachment D discuss the impact of the revised depreciation rates on UGIU's annual transmission revenue requirement and transmission rates.

H. Comparison With Other Rates – Section 35.13(c)(2)

Section 35.13(c)(2) requires "[a] comparison of the rate change and the utility's other rates for similar wholesale for resale and transmission services."¹¹ UGIU has no rates other than the rate in its Formula Rate for similar transmission services.

I. Installed or Modified Facilities – Section 35.13(c)(3)

No facilities were installed or modified in order to supply service pursuant to the revised Formula Rate and depreciation rates.

J. Cost-of-Service Information, Testimony, and Statements

UGIU believes that it has provided sufficient information for the Commission to review and accept the revised depreciation rates. To the extent that this filing does not contain information otherwise required for technical compliance with the Commission's regulations, UGIU respectfully requests that compliance with such regulation be waived.¹²

¹¹ 18 C.F.R. § 35.13(c)(2) (2024).

¹² See, e.g., *Westar Energy Inc.*, 131 FERC ¶ 61,183 (2010) (finding proposed depreciation rates to be reasonably and adequately supported by the depreciation study and granting waiver of the requirements of Section 35.13 of the Commission's regulations). See also *Kansas City Power & Light Co.*, 130 FERC ¶ 61,009, at PP 22 & 36 (2010) (granting waivers of Section 35.13).

K. Limited Scope of Filing

Section 3.f of the Implementation Protocols provides that UGIU must make a limited Section 205 filing to revise the depreciation and amortization rates and that, unless the Commission determines otherwise, the sole issue in such a filing is whether the changes included in the limited filing are just and reasonable, without inquiring into other aspects of the UGIU's formula rate. UGIU's use of a limited-scope, single issue filing to change the depreciation component of the rates is consistent with Commission precedent permitting limited filings that affect only one aspect of a formula rate, and in particular changes to depreciation rates, which the Commission has determined does not change the overall recovery in rates, but only the timing of recovery.¹³

VI. CONCLUSION

For the reasons set forth above, UGIU respectfully requests that the Commission accept the proposed revisions to UGIU's depreciation and amortization rates in OATT Attachment H-8C, effective October 1, 2024, without suspension, condition, modification, or a hearing.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Richard Bonnifield

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¹³ The Commission has determined that a filing limited to a change in depreciation rates is properly reviewed as a single-issue filing because the filing "only affects the timing of recovery of the costs and does not change the overall amount of recovery." *Ameren Ill. Co.*, 141 FERC ¶ 61,264 at P 32 (2012) (citing *Excel Energy Services, Inc.*, 121 FERC ¶ 61,284 at P 72 (2007) and *Mich. Elec. Transmission Co.*, 117 FERC ¶ 61,314 at P 17 (2006), *order on reh'g*, 118 FERC ¶ 61,139 (2007)). See also *Pub. Serv. Co. of N.M.*, Docket No. ER24-813-000, Limited-Scope, Single Issue Section 205 Filing to Revise Depreciation Rates in PNM's Transmission Formula Rate at 6 & nn. 31-34 (filed Jan. 3, 2023) (discussing single-issue filing precedent); *id.* Docket No. ER24-813-001, Letter Order (issued Mar. 15, 2024) (accepting depreciation rate filing).

The Honorable Debbie-Anne A. Reese
P a g e 8
August 1, 2024

Enclosures

cc: PJM Interconnection, LLC

Attachment A

Marked Tariff

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

Allocators

Wages & Salary Allocation Factor						
1	Transmission Wages Expense			p354.21.b		
2	Total Wages Expense			Attachment 5		
3	Less A&G Wages Expense			Attachment 5		
4	Total			(Line 2 - 3)		
5	Wages & Salary Allocator			(Line 1 / 4)		
Plant Allocation Factors						
6	Electric Plant in Service	(Note B)		p.207.104.g		
7	Common Plant In Service - Electric			(Line 24)		
8	Total Plant In Service			(Sum Lines 6 & 7)		
9	Accumulated Depreciation (Total Electric Plant)			p219.19.c		
10	Accumulated Intangible Amortization	(Note A)		p200.21.c		
11	Accumulated Common Amortization - Electric	(Note A)		Attachment 5		
12	Accumulated Common Plant Depreciation - Electric	(Note A)		Attachment 5		
13	Total Accumulated Depreciation			(Sum Lines 9 to 12)		
14	Net Plant			(Line 8 - Line 13)		
15	Transmission Gross Plant			(Line 29 - Line 28)		
16	Gross Plant Allocator			(Line 15 / Line 8)		
17	Transmission Net Plant			(Line 39 - Line 28)		
18	Net Plant Allocator			(Line 17 / Line 14)		

Plant Calculations

Plant In Service						
19	Transmission Plant In Service	(Note B)		p207.58.g		
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		
22	Total Transmission Plant In Service			(Line 19 - Line 20 + Line 21)		
23	General & Intangible			p205.5.g & p.207.99.g		
24	Common Plant (Electric Only)	(Notes A & B)		Attachment 5		
25	Total General & Common			(Line 23 + Line 24)		
26	Wage & Salary Allocation Factor			(Line 5)		
27	General & Common Plant Allocated to Transmission			(Line 25 * Line 26)		
28	Plant Held for Future Use (Including Land)	(Note C)		Attachment 5		
29	TOTAL Plant In Service			(Line 22 + Line 27 + Line 28)		
Accumulated Depreciation						
30	Transmission Accumulated Depreciation	(Note C)		Attachment 5		
31	Accumulated General Depreciation			Attachment 5		
32	Accumulated Intangible Amortization			(Line 10)		
33	Accumulated Common Amortization - Electric			(Line 11)		
34	Common Plant Accumulated Depreciation (Electric Only)			(Line 12)		
35	Total Accumulated Depreciation			(Sum Lines 31 to 34)		
36	Wage & Salary Allocation Factor			(Line 5)		
37	General & Common Allocated to Transmission			(Line 35 * Line 36)		
38	TOTAL Accumulated Depreciation			(Line 30 + Line 37)		
39	TOTAL Net Property, Plant & Equipment			(Line 29 - Line 38)		

Adjustment to Rate Base

Accumulated Deferred Income Taxes			
40	ADIT net of FASB 106 and 109	Attachment 1	
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I) Attachment 5	
42	Net Plant Allocation Factor	(Line 18)	
43	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 41 * Line 42) + Line 40	
Prepayments			
44	Prepayments (Account 165)	(Note A) Attachment 5	
45	Net Plant Allocation Factor	(Line 18)	
46	Total Prepayments Allocated to Transmission	(Line 44 * Line 45)	
Materials and Supplies			
47	Undistributed Stores Exp	(Note A) Attachment 5	
48	Wage & Salary Allocation Factor	(Line 5)	
49	Total Transmission Allocated	(Line 47 * Line 48)	
50	Transmission Materials & Supplies	Attachment 5	
51	Total Materials & Supplies Allocated to Transmission	(Line 49 + Line 50)	
Cash Working Capital			
52	Operation & Maintenance Expense	(Line 84)	
53	1/8th Rule	x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission	(Line 52 * Line 53)	
Network Credits			
55	Outstanding Network Credits	(Note N) From PJM	
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N) From PJM	
57	Net Outstanding Credits	(Line 55 - Line 56)	
58	TOTAL Adjustment to Rate Base	(Lines 43 + 46 + 51 + 54 - 57)	
59	Rate Base	(Line 39 + Line 58)	

O&M

Transmission O&M			
60	Transmission O&M	p.321.112.b	
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	
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O) PJM Data	
65	Plus Transmission Lease Payments	(Note A) Attachment 5	
66	Transmission O&M	(Lines 60 - 61 + 62 - 63 + 64 + 65)	
Allocated General & Common Expenses			
67	Common Plant O&M	(Note A) Attachment 5	
68	Total A&G	p.323.197.b	
69	Less Property Insurance Account 924	p.323.185.b	
70	Less Regulatory Commission Exp Account 928	(Note E) Attachment 5	
71	Less General Advertising Exp Account 930.1	Attachment 5	
72	Less EPRI Dues	(Note D) Attachment 5	
73	General & Common Expenses	(Lines 67 + 68 - Sum (69 to 72)	
74	Wage & Salary Allocation Factor	(Line 5)	
75	General & Common Expenses Allocated to Transmission	(Line 73 * Line 74)	
Directly Assigned A&G			
76	Regulatory Commission Exp Account 928	(Note G) Attachment 5	
77	General Advertising Exp Account 930.1	(Note K) Attachment 5	
78	Subtotal - Transmission Related	(Line 76 + Line 77)	
79	Property Insurance Account 924	(Line 69)	
80	General Advertising Exp Account 930.1	(Note F) Attachment 5	
81	Total	(Line 79 + Line 80)	
82	Net Plant Allocation Factor	(Line 18)	
83	A&G Directly Assigned to Transmission	(Line 81 * Line 82)	
84	Total Transmission O&M	(Lines 66 + 75 + 78 + 83)	

Depreciation & Amortization Expense					
Depreciation Expense					
85	Transmission Depreciation Expense		Attachment 5		
86	General Depreciation		Attachment 5		
87	Intangible Amortization	(Note A)	Attachment 5		
88	Total		(Line 86 + Line 87)		
89	Wage & Salary Allocation Factor		(Line 5)		
90	General Depreciation Allocated to Transmission		(Line 88 * Line 89)		
91	Common Depreciation - Electric Only	(Note A)	Attachment 5		
92	Common Amortization - Electric Only	(Note A)	Attachment 5		
93	Total		(Line 91 + Line 92)		
94	Wage & Salary Allocation Factor		(Line 5)		
95	Common Depreciation - Electric Only Allocated to Transmission		(Line 93 * Line 94)		
96	Total Transmission Depreciation & Amortization		(Line 85 + Line 90 + Line 95)		
Taxes Other than Income					
97	Taxes Other than Income		Attachment 2		
98	Total Taxes Other than Income		(Line 97)		
Return/Capitalization Calculations					
Long Term Interest					
99	Long Term Interest		p117.62.c through 67.c		
100	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8		
101	Long Term Interest		(Line 99 - Line 100)		
102	Preferred Dividends	enter positive	p118.29.c	-	
Common Stock					
103	Proprietary Capital		p112.16.c		
104	Less Preferred Stock	enter negative	(Line 113)		
105	Less Account 216.1	enter negative	p112.12.c		
106	Common Stock		(Sum Lines 103 to 105)		
Capitalization					
107	Long Term Debt		p112.18.c through 21.c		
108	Less Loss on Reacquired Debt	enter negative	p111.81.c		
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c		
110	Less ADIT associated with Gain or Loss	enter negative	Attachment 1		
111	Less LTD on Securitization Bonds	(Note P)	Attachment 8		
112	Total Long Term Debt		(Sum Lines 107 to 111)		
113	Preferred Stock		p112.3.c		
114	Common Stock		(Line 106)		
115	Total Capitalization		(Sum Lines 112 to 114)		
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)		
117	Preferred %	Preferred Stock	(Line 113 / Line 115)		
118	Common %	Common Stock	(Line 114 / Line 115)		
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)		
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)		
121	Common Cost	Common Stock	(Note J) Fixed		0.1130
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)		
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)		
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)		
125	Total Return (R)		(Sum Lines 122 to 124)		
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)		

Composite Income Taxes				
Income Tax Rates				
127	FIT=Federal Income Tax Rate		FIT for Year	
128	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year	
129	p	(percent of federal income tax deductible for state purposes)		
130	T	$T = 1 - \frac{[(1 - SIT) * (1 - FIT)]}{(1 - SIT * FIT * p)}$		
131	T / (1-T)			
ITC Adjustment (Note I)				
132	Amortized Investment Tax Credit	enter negative	p266.6.f	
133	1/(1-T)		(Line 131)	
134	Net Plant Allocation Factor		(Line 18)	
135	ITC Adjustment Allocated to Transmission		(Line 132 * Line 133 * Line 134)	
136	Income Tax Component =	$CIT = (T / (1 - T)) * \text{Investment Return} * (1 - (WCLTD / R))$	[Line 131 * 126 * (1-(122 / 125))]	
137	Total Income Taxes		(Line 135 + Line 136)	
REVENUE REQUIREMENT				
Summary				
138	Net Property, Plant & Equipment		(Line 39)	
139	Adjustment to Rate Base		(Line 58)	
140	Rate Base		(Line 59)	
141	O&M		(Line 84)	
142	Depreciation & Amortization		(Line 96)	
143	Taxes Other than Income		(Line 98)	
144	Investment Return		(Line 126)	
145	Income Taxes		(Line 137)	
146	Gross Revenue Requirement		(Sum Lines 141 to 145)	
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
147	Transmission Plant In Service		(Line 19)	
148	Excluded Transmission Facilities	(Note M)	Attachment 5	
149	Included Transmission Facilities		(Line 147 - Line 148)	
150	Inclusion Ratio		(Line 149 / Line 147)	
151	Gross Revenue Requirement		(Line 146)	
152	Adjusted Gross Revenue Requirement		(Line 150 x Line 151)	
Revenue Credits & Interest on Network Credits				
153	Revenue Credits		Attachment 3	
154	Interest on Network Credits	(Note N)	PJM Data	
155	Net Revenue Requirement		(Line 152 - Line 153 + Line 154)	
Net Plant Carrying Charge without ROE Increment				
156	Gross Revenue Requirement		(Line 146)	
157	Net Transmission Plant		(Line 19 - Line 30)	
158	Net Plant Carrying Charge		(Line 156 / Line 157)	
159	Net Plant Carrying Charge without Depreciation		(Line 156 - Line 85) / Line 157	
160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Lines 156 - 85 - 126 - 137) / Line 157	
Net Plant Carrying Charge with 100 Basis Point ROE Increment				
161	Gross Revenue Requirement Less Return and Taxes		(Line 146 - Line 144 - Line 145)	
162	Increased Return and Taxes		Attachment 4	
163	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 161 + Line 162)	
164	Net Transmission Plant		(Line 19 - Line 30)	
165	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 163 / Line 164)	
166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 162 - Line 85) / Line 164	
167	Net Revenue Requirement		(Line 155)	
168	Reconciliation Amount		Attachment 6	
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)	
Network Zonal Service Rate				
172	1 CP Peak	(Note L)	6593	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

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

		Only Transmission Related	Plant Related	Labor Related	Total ADIT
1	ADIT- 282				
2	ADIT-283				
3	ADIT-190				
4	Subtotal				
5	Wages & Salary Allocator				
6	Gross Plant Allocator				
7	ADIT				
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	ADIT-190	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
18					
19					
20					
21					
22					
23					
23					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55	Subtotal - p234	-	-	-	-
56	Less FASB 109 Above				
57	Less FASB 106 Above				
58	Total	-	-	-	-
59					
60	Instructions for Account 190:				
61	1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A				
62	2. ADIT items related only to Transmission are directly assigned to Column B				
63	3. ADIT Items elated Plant and not in Columns A & B are directly assigned to Column C				
64	4. ADIT items related to labor and not in Columns a & B are directly assigned to Column D				
65	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				
66	ADIT is not included in the formula, the associated ADIT amount shall be excluded				
67					

		(A) Gas, Prod Or Other Related	(B) Only Transmission Related	(C) Plant Related	(D) Labor Related
ADIT- 282					
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16	Subtotal - p275 (Form 1-F filer: see note 6 below)				
17	Less FASB 109 Above				
18	Less FASB 106 Above				
19	Total				
20					
21	Instructions for Account 282:				
22	1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A				
23	2. ADIT items related only to Transmission are directly assigned to Column B				
24	3. ADIT items related Plant and not in Columns A & B are directly assigned to Column C				
25	4. ADIT items related to labor and not in Columns A & B are directly assigned to Column D				
26					
27	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				
28					
29					
30					
31					
32					
33		Gas, Prod	Only	Plant	Labor
34	ADIT-283	Or Other	Transmission	Related	Related
35		Related	Related		
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59	Subtotal - p277	-	-	-	
60	Less FASB 109 Above				
61	Less FASB 106 Above				
62	Total	-	-	-	
63					
64	Instructions for Account 283:				
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					

UGI Utilities, Inc.
Attachment 2 - Taxes Other Than Income Worksheet

		Source: FERC Form 1 Pages 262-263	Allocator	Allocated Amount
Other Taxes			Gross Plant Allocator	
Plant Related				
1	Real property (State, Municipal or Local)			
2	Personal property			
3	Capital Stock Tax			
4	Gross Premium (insurance) Tax			
5	PURTA			
6	Corp License			
7				
8				
9	Total Plant Related			
10				
11				
12	Labor Related		Wages & Salary Allocator	
13				
14				
15	Federal FICA & Unemployment			
16	Unemployment			
17				
18				
19				
20	Total Labor Related			
21				
22				
23	Other Included		Gross Plant Allocator	
24				
25	Miscellaneous			
26				
27				
28				
29	Total Other Included			
30				
31	Total Included	Sum lines 9+20+29		
32				
33				
34	Currently Excluded			
35				
36	Gross Receipts			
37	Ultiity Regulatory Assessment			
38				
39				
40				
41	Total Excluded	-		
42				
43	Grand Total = Included + Excluded (line 31 + 41)			
44				
45	Total "Taxes Other Than Income Taxes" Acct. 408.1 (p115.14.g)			
46				
47	Difference	-		

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	
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)	-
12	Line 17g	-
13	Total Revenue Credits (Line 11 - Line 12)	-
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.	
17b	Costs associated with revenues in line 17a	
17c	Net Revenues (17a - 17b)	
17d	50% Share of Net Revenues (17c / 2)	
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)	-
17g	Line 17f less line 17a	-
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)	-

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

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

Return Calculation

59	Rate Base			(Line 39 + Line 58)
Long Term Interest				
99	Long Term Interest			p117.62.c through 67.c
100	Less LTD Interest on Securitization Bonds			Attachment 8
101	Long Term Interest			(Line 99 - Line 100)
102	Preferred Dividends	enter positive		p118.29.c
Common Stock				
103	Proprietary Capital			p112.16.c
104	Less Preferred Stock	enter negative		(Line 113)
105	Less Account 216.1	enter negative		p112.12.c
106	Common Stock			(Sum Lines 103 to 105)
Capitalization				
107	Long Term Debt			p112.18.c through 21.c
108	Less Loss on Reacquired Debt	enter negative		p111.81.c
109	Plus Gain on Reacquired Debt	enter positive		p113.61.c
112	Total Long Term Debt			(Sum Lines 107 to 111)
113	Preferred Stock			p112.3.c
114	Common Stock			(Line 106)
115	Total Capitalization			(Sum Lines 112 to 114)
116	Debt %	Total Long Term Debt		(Line 112 / Line 115)
117	Preferred %	Preferred Stock		(Line 113 / Line 115)
118	Common %	Common Stock		(Line 114 / Line 115)
119	Debt Cost	Total Long Term Debt		(Line 101 / Line 112)
120	Preferred Cost	Preferred Stock		(Line 102 / Line 113)
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)
123	Weighted Cost of Preferred	Preferred Stock		(Line 117 * Line 120)
124	Weighted Cost of Common	Common Stock		(Line 118 * Line 121)
125	Total Return (R)			(Sum Lines 122 to 124)
126	Investment Return = Rate Base * Rate of Return			(Line 59 * Line 125) #DIV/0!

Composite Income Taxes

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

UGI Utilities, Inc.

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
2	Total Wage Expense		p354.28.b				
3	Administrative and General Wage Expense		p354.27.b				
10	Accumulated Intangible Amortization	(Note A)					
11	Accumulated Common Amortization - Electric	(Note A)	p356				
	Accumulated General Depreciation - Electric	(Note A)	p219.28.c				
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356				
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356				
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p267.8.h				
Prepayments							
44	Prepayments (Account 165)	(Note A)	p111.57(c)				
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.16.c				
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.4.c				
67	Common Plant O&M	(Note A)	p356				
Depreciation Expense							
83	Depreciation		p336.7.b&c				
84	General Depreciation		p336.10.b&c				
87	Intangible Amortization	(Note A)	p336.1.d&e				
91	Common Depreciation - Electric Only	(Note A)	p336.11.b				
92	Common Amortization - Electric Only	(Note A)	p336.11.d				

Transmission / Non-transmission Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Transmission Related	Non-transmission Related	Details
15	Transmission Gross Plant		p207.58.g				
28	Plant Held for Future Use (Including Land)	(Note C)	p214				
30	Transmission Accumulated Depreciation	0	p219.25.c				
50	Materials and Supplies		p227.8.c				
83	Transmission Depreciation Expense		p336.7.b&c				
Excluded Transmission O&M Expenses							
PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded TOM		Details	
Acct 565				p. 321.96.b			
Portions of Acct 561				Company Records			
Other Excluded Expenses				Company Records			
63	Less Account 565 and other excluded expenses		Total				

CWIP & Expensed Lease Worksheet

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104.g				
7	Common Plant In Service - Electric	0	(Line 24)				
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g				
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5				
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5				

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			

Regulatory Expense Related to Transmission Cost Support

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

Safety Related Advertising Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Safety Related	Non-safety Related	Details
Directly Assigned A&G							
80	General Advertising Exp Account 930.1	(Note F)	p323.191.b		-	-	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									
12				Pennsylvania	Enter State	Enter State	Enter State	Enter State	Enter Calculation
8	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year		Enter %	Enter %	Enter %	Enter %	

Education and Out Reach Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Education & Outreach	Other	Details
Directly Assigned A&G							
77	General Advertising Exp Account 930.1	(Note K)	p323.191.b	-	0	0	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	0	
				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)	6593		PJM Interconnection Calculates the Rate

Statements BG/BH (Present and Proposed Revenues)

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

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)
			\$ - 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 - 10.5 - -
			Mar - 9.5 - -
			Apr - 8.5 - -
			May - 7.5 - -
			Jun - 6.5 - -
			Jul - 5.5 - -
			Aug - 4.5 - -
			Sep - 3.5 - -
			Oct - 2.5 - -
			Nov - 1.5 - -
			Dec - 0.5 - -
			Total - -
			New Transmission Plant Additions for Year 2 (weighted by months in service) -
3	April	Year 2	TO adds weighted Cap Adds to plant in service in Formula
			\$ - Input to Formula Line 21
4	May	Year 2	Post results of Step 3 on PJM web site
			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)
			\$ -
6	April	Year 3	TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)
			\$ - 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 - 9.5 - -
			Apr - 8.5 - -
			May - 7.5 - -
			Jun - 6.5 - -
			Jul - 5.5 - -
			Aug - 4.5 - -
			Sep - 3.5 - -
			Oct - 2.5 - -
			Nov - 1.5 - -
			Dec - 0.5 - -
			Total - -
			New Transmission Plant Additions for Year 3 (weighted by months in service) - 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 Add in Reconcillation											
(adjusted to include any Reconciliation amount from prior year)														
Remove all Cap Adds placed in service in Year 2														
For Reconciliation only – remove actual New Transmission Plant Additions for Year 2										-			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	-		7.5		-		-					
		Jun	-		6.5		-		-					
		Jul	-		5.5		-		-					
		Aug	-		4.5		-		-					
		Sep	-		3.5		-		-					
		Oct	-		2.5		-		-					
		Nov	-		1.5		-		-					
		Dec	-		0.5		-		-					
		Total					-		-					
New Transmission Plant Additions for Year 2 (weighted by months in service)										-			Input to Formula Line 21	
		-	Result of Formula for Reconciliation							Must run Appendix A with cap adds in line 21 and line 20				
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)											
			The Reconciliation in Step 8		The forecast in Prior Year									
			-		-		=		-					
Interest on Amount of Refunds or Surcharges														
Interest 35.19a for March Current Yr														Surcharge (Refund)
		Month	Yr		1/12 of Step 9		Interest Rate for March of Current Year		Months		Interest	Owed		
		Jun	Year 1		-		0.0000%		11.5		-			
		Jul	Year 1		-		0.0000%		10.5		-			
		Aug	Year 1		-		0.0000%		9.5		-			
		Sep	Year 1		-		0.0000%		8.5		-			
		Oct	Year 1		-		0.0000%		7.5		-			
		Nov	Year 1		-		0.0000%		6.5		-			
		Dec	Year 1		-		0.0000%		5.5		-			
		Jan	Year 2		-		0.0000%		4.5		-			
		Feb	Year 2		-		0.0000%		3.5		-			
		Mar	Year 2		-		0.0000%		2.5		-			
		Apr	Year 2		-		0.0000%		1.5		-			
		May	Year 2		-		0.0000%		0.5		-			
		Total			-									
										Amortization over				
					Balance		Interest		Rate Year		Balance			
		Jun	Year 2		-		0.0000%		-		-			
		Jul	Year 2		-		0.0000%		-		-			
		Aug	Year 2		-		0.0000%		-		-			
		Sep	Year 2		-		0.0000%		-		-			
		Oct	Year 2		-		0.0000%		-		-			
		Nov	Year 2		-		0.0000%		-		-			
		Dec	Year 2		-		0.0000%		-		-			
		Jan	Year 3		-		0.0000%		-		-			
		Feb	Year 3		-		0.0000%		-		-			
		Mar	Year 3		-		0.0000%		-		-			
		Apr	Year 3		-		0.0000%		-		-			
		May	Year 3		-				-					
Total with interest														
The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest										-				
Rev Req based on Year 3 data with estimated Cap Adds for Year 3								\$	-					
Revenue Requirement for Year 3										-				
10	May	Year 3	Post results of Sept 9 on PJM web site											
			\$	-	Post results of Step 3 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)											
			\$	-										

Attachment 7 - Transmission Enhancement Charge Worksheet

Fixed Charge Rate (FCR) if not a CIAC

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

FCR if a CIAC

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

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				Total	Incentive Charged	Revenue Credit
Schedule 12	(Yes or No)												
Life													
CIAC	(Yes or No)												
Increased ROE (Basis Points)													
FCR @ 11.3 ROE		#DIV/0!											
FCR for This Project	(FCR @ 11.3 ROE + FCR @ 11.3 ROE x Increased ROE/100 bp)	#DIV/0!											
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			
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		-	-		-	-	-	-				
....				\$
....				-
											\$	-	

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

100	Long Term Interest Less LTD Interest on Securitization Bonds	
111	Capitalization Less LTD on Securitization Bonds	

Calculation of the above Securitization Adjustments



UGI Utilities, Inc.
Attachment 9 – Depreciation Rates

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Number	Plant Type	Estimated Life	Mortality Curve	Remaining Life	Applied Depreciation Rate	Gross Depreciable Plant	Accumulated Depreciation	Depreciable Balance	Depreciation Expense
TRANSMISSION PLANT									
352	STRUCTURES AND IMPROVEMENTS	55	R3		1.94 2.00				
353	STATION EQUIPMENT	60	R3		1. 62 65				
353.2	STATION EQUIPMENT - SCADA	18	S3		3. 65 64				
354	TOWERS AND FIXTURES	70	R4		4.02 0.99				
354.7	REG AFUDC	40	SQ		2. 26 27				
355	POLES AND FIXTURES	55	R2		2. 34 40				
356	OVERHEAD CONDUCTORS AND DEVICES	57	R1.5		2.02 1.97				
357	UNDERGROUND CONDUIT	55	L3		0. 67 57				
358	UNDERGROUND CONDUCTORS AND DEVICES	45	R4		2.44 -				
359.1	ROADS AND TRAILS	40	R4		2. 80 75				
ELECTRIC GENERAL PLANT									
390.1	STRUCTURES AND IMPROVEMENTS	100	L0		3.48 7.38				
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20	SQ		40.89 6.55				
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5	SQ		28.04 64.25				
391.34	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE COSTS - 5 YEARS	5	SQ		19.17				
391.92	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	10	SQ		14.11				
391.93	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	15	SQ		6.86				
393	STORES EQUIPMENT	10	SQ		41.77 -				
394	TOOLS, SHOP AND GARAGE EQUIPMENT	20	SQ		5. 26 02				
395	LABORATORY EQUIPMENT	10	SQ		15.93 -				
397	COMMUNICATION EQUIPMENT	10	SQ		45.00 16.49				
398	MISCELLANEOUS EQUIPMENT	10	SQ		40.24 14.50				
392.1	TRANSPORTATION EQUIPMENT - AUTOMOBILES	7	L3		47.04 12.11				
392.2	TRANSPORTATION EQUIPMENT - LIGHT TRUCKS	11	L3		9.74 11.28				
392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	14	S3		7. 53 97				
396	POWER OPERATED EQUIPMENT	20	S0		8.39 7.26				
COMMON PLANT									
390.1	STRUCTURES AND IMPROVEMENTS	70	R1		3.01				
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20	SQ		5.35 4.95				
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5	SQ		25.67 49.63				
392.1	TRANSPORTATION EQUIPMENT - CARS	7	L2.5		-				
398	MISCELLANEOUS EQUIPMENT	40	SQ	-	11.48	-	-	-	-
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20	SQ		5.41 -				
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5	SQ		21. 14 66				
391.2	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE								
	SUCCESS FACTORS	4	SQ	-	25.93	-	-	-	-
	UNITE ERP	44 10	SQ		7. 09 14				
	TOTAL OFFICE FURNITURE AND EQUIPMENT - SOFTWARE								

391.3	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	10	SQ		9,547.62	
391.4	OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	15	SQ		6,724.0	

UGI Utilities, Inc.
Attachment 9 – Depreciation Rates

- Notes:
- 1) Columns (A), (B), (C), and (D) are fixed and cannot be changed absent Commission approval or acceptance.
 - 2) Column (E) is the average remaining life of the assets in the account based on their vintage.
 - 3) The mortality curve listed for account 390.1 is a truncated / interim survivor curve.
 - 4) Column (F) is the depreciation rate from the Mortality Curve specified based on data in Columns (C) and (D).
 - 5) Columns (G) and (H) are the depreciable gross plant investment and accumulated depreciation in the account or subaccount.
 - 6) Column (I) is the depreciable balance (future accruals) in the account or subaccount.
 - 7) Column (J) is column (F) multiplied by column (G) for those accounts that have an identified Mortality Curve.
 - 8) At least every 5 years, UGI Electric will file with the Commission a depreciation study supporting its existing Estimated Life and Mortality Curve for each account or subaccount.
 - 9) For those General Plant accounts that do not have Mortality Curves as indicated by "SQ" in Column (D), the calculation of Depreciation Expense is by the Gross Plant Method (i.e., Column (F) multiplied by Column (G))

Attachment B

Clean Tariff

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

Allocators

Wages & Salary Allocation Factor						
1	Transmission Wages Expense			p354.21.b		
2	Total Wages Expense			Attachment 5		
3	Less A&G Wages Expense			Attachment 5		
4	Total			(Line 2 - 3)		
5	Wages & Salary Allocator			(Line 1 / 4)		
Plant Allocation Factors						
6	Electric Plant in Service	(Note B)		p.207.104.g		
7	Common Plant In Service - Electric			(Line 24)		
8	Total Plant In Service			(Sum Lines 6 & 7)		
9	Accumulated Depreciation (Total Electric Plant)			p219.19.c		
10	Accumulated Intangible Amortization	(Note A)		p200.21.c		
11	Accumulated Common Amortization - Electric	(Note A)		Attachment 5		
12	Accumulated Common Plant Depreciation - Electric	(Note A)		Attachment 5		
13	Total Accumulated Depreciation			(Sum Lines 9 to 12)		
14	Net Plant			(Line 8 - Line 13)		
15	Transmission Gross Plant			(Line 29 - Line 28)		
16	Gross Plant Allocator			(Line 15 / Line 8)		
17	Transmission Net Plant			(Line 39 - Line 28)		
18	Net Plant Allocator			(Line 17 / Line 14)		

Plant Calculations

Plant In Service						
19	Transmission Plant In Service	(Note B)		p207.58.g		
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		
22	Total Transmission Plant In Service			(Line 19 - Line 20 + Line 21)		
23	General & Intangible			p205.5.g & p.207.99.g		
24	Common Plant (Electric Only)	(Notes A & B)		Attachment 5		
25	Total General & Common			(Line 23 + Line 24)		
26	Wage & Salary Allocation Factor			(Line 5)		
27	General & Common Plant Allocated to Transmission			(Line 25 * Line 26)		
28	Plant Held for Future Use (Including Land)	(Note C)		Attachment 5		
29	TOTAL Plant In Service			(Line 22 + Line 27 + Line 28)		
Accumulated Depreciation						
30	Transmission Accumulated Depreciation	(Note C)		Attachment 5		
31	Accumulated General Depreciation			Attachment 5		
32	Accumulated Intangible Amortization			(Line 10)		
33	Accumulated Common Amortization - Electric			(Line 11)		
34	Common Plant Accumulated Depreciation (Electric Only)			(Line 12)		
35	Total Accumulated Depreciation			(Sum Lines 31 to 34)		
36	Wage & Salary Allocation Factor			(Line 5)		
37	General & Common Allocated to Transmission			(Line 35 * Line 36)		
38	TOTAL Accumulated Depreciation			(Line 30 + Line 37)		
39	TOTAL Net Property, Plant & Equipment			(Line 29 - Line 38)		

Adjustment to Rate Base

Accumulated Deferred Income Taxes			
40	ADIT net of FASB 106 and 109	Attachment 1	
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I) Attachment 5	
42	Net Plant Allocation Factor	(Line 18)	
43	Accumulated Deferred Income Taxes Allocated To Transmission	(Line 41 * Line 42) + Line 40	
Prepayments			
44	Prepayments (Account 165)	(Note A) Attachment 5	
45	Net Plant Allocation Factor	(Line 18)	
46	Total Prepayments Allocated to Transmission	(Line 44 * Line 45)	
Materials and Supplies			
47	Undistributed Stores Exp	(Note A) Attachment 5	
48	Wage & Salary Allocation Factor	(Line 5)	
49	Total Transmission Allocated	(Line 47 * Line 48)	
50	Transmission Materials & Supplies	Attachment 5	
51	Total Materials & Supplies Allocated to Transmission	(Line 49 + Line 50)	
Cash Working Capital			
52	Operation & Maintenance Expense	(Line 84)	
53	1/8th Rule	x 1/8	12.5%
54	Total Cash Working Capital Allocated to Transmission	(Line 52 * Line 53)	
Network Credits			
55	Outstanding Network Credits	(Note N) From PJM	
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N) From PJM	
57	Net Outstanding Credits	(Line 55 - Line 56)	
58	TOTAL Adjustment to Rate Base	(Lines 43 + 46 + 51 + 54 - 57)	
59	Rate Base	(Line 39 + Line 58)	

O&M

Transmission O&M			
60	Transmission O&M	p.321.112.b	
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	
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O) PJM Data	
65	Plus Transmission Lease Payments	(Note A) Attachment 5	
66	Transmission O&M	(Lines 60 - 61 + 62 - 63 + 64 + 65)	
Allocated General & Common Expenses			
67	Common Plant O&M	(Note A) Attachment 5	
68	Total A&G	p.323.197.b	
69	Less Property Insurance Account 924	p.323.185.b	
70	Less Regulatory Commission Exp Account 928	(Note E) Attachment 5	
71	Less General Advertising Exp Account 930.1	Attachment 5	
72	Less EPRI Dues	(Note D) Attachment 5	
73	General & Common Expenses	(Lines 67 + 68 - Sum (69 to 72)	
74	Wage & Salary Allocation Factor	(Line 5)	
75	General & Common Expenses Allocated to Transmission	(Line 73 * Line 74)	
Directly Assigned A&G			
76	Regulatory Commission Exp Account 928	(Note G) Attachment 5	
77	General Advertising Exp Account 930.1	(Note K) Attachment 5	
78	Subtotal - Transmission Related	(Line 76 + Line 77)	
79	Property Insurance Account 924	(Line 69)	
80	General Advertising Exp Account 930.1	(Note F) Attachment 5	
81	Total	(Line 79 + Line 80)	
82	Net Plant Allocation Factor	(Line 18)	
83	A&G Directly Assigned to Transmission	(Line 81 * Line 82)	
84	Total Transmission O&M	(Lines 66 + 75 + 78 + 83)	

Depreciation & Amortization Expense					
Depreciation Expense					
85	Transmission Depreciation Expense		Attachment 5		
86	General Depreciation		Attachment 5		
87	Intangible Amortization	(Note A)	Attachment 5		
88	Total		(Line 86 + Line 87)		
89	Wage & Salary Allocation Factor		(Line 5)		
90	General Depreciation Allocated to Transmission		(Line 88 * Line 89)		
91	Common Depreciation - Electric Only	(Note A)	Attachment 5		
92	Common Amortization - Electric Only	(Note A)	Attachment 5		
93	Total		(Line 91 + Line 92)		
94	Wage & Salary Allocation Factor		(Line 5)		
95	Common Depreciation - Electric Only Allocated to Transmission		(Line 93 * Line 94)		
96	Total Transmission Depreciation & Amortization		(Line 85 + Line 90 + Line 95)		
Taxes Other than Income					
97	Taxes Other than Income		Attachment 2		
98	Total Taxes Other than Income		(Line 97)		
Return/Capitalization Calculations					
Long Term Interest					
99	Long Term Interest		p117.62.c through 67.c		
100	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8		
101	Long Term Interest		(Line 99 - Line 100)		
102	Preferred Dividends	enter positive	p118.29.c	-	
Common Stock					
103	Proprietary Capital		p112.16.c		
104	Less Preferred Stock	enter negative	(Line 113)		
105	Less Account 216.1	enter negative	p112.12.c		
106	Common Stock		(Sum Lines 103 to 105)		
Capitalization					
107	Long Term Debt		p112.18.c through 21.c		
108	Less Loss on Reacquired Debt	enter negative	p111.81.c		
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c		
110	Less ADIT associated with Gain or Loss	enter negative	Attachment 1		
111	Less LTD on Securitization Bonds	(Note P)	Attachment 8		
112	Total Long Term Debt		(Sum Lines 107 to 111)		
113	Preferred Stock		p112.3.c		
114	Common Stock		(Line 106)		
115	Total Capitalization		(Sum Lines 112 to 114)		
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)		
117	Preferred %	Preferred Stock	(Line 113 / Line 115)		
118	Common %	Common Stock	(Line 114 / Line 115)		
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)		
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)		
121	Common Cost	Common Stock	(Note J) Fixed		0.1130
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)		
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)		
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)		
125	Total Return (R)		(Sum Lines 122 to 124)		
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)		

Composite Income Taxes				
Income Tax Rates				
127	FIT=Federal Income Tax Rate		FIT for Year	
128	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year	
129	p	(percent of federal income tax deductible for state purposes)		
130	T	$T=1 - \frac{[(1 - SIT) * (1 - FIT)]}{(1 - SIT * FIT * p)}$		
131	T/ (1-T)			
ITC Adjustment				
		(Note I)		
132	Amortized Investment Tax Credit	enter negative	p266.6.f	
133	1/(1-T)		(Line 131)	
134	Net Plant Allocation Factor		(Line 18)	
135	ITC Adjustment Allocated to Transmission		(Line 132 * Line 133 * Line 134)	
136	Income Tax Component =	$CIT=(T/(1-T)) * Investment\ Return * (1-(WCLTD/R))$	[Line 131 * 126 * (1-(122 / 125))]	
137	Total Income Taxes		(Line 135 + Line 136)	
REVENUE REQUIREMENT				
Summary				
138	Net Property, Plant & Equipment		(Line 39)	
139	Adjustment to Rate Base		(Line 58)	
140	Rate Base		(Line 59)	
141	O&M		(Line 84)	
142	Depreciation & Amortization		(Line 96)	
143	Taxes Other than Income		(Line 98)	
144	Investment Return		(Line 126)	
145	Income Taxes		(Line 137)	
146	Gross Revenue Requirement		(Sum Lines 141 to 145)	
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
147	Transmission Plant In Service		(Line 19)	
148	Excluded Transmission Facilities	(Note M)	Attachment 5	
149	Included Transmission Facilities		(Line 147 - Line 148)	
150	Inclusion Ratio		(Line 149 / Line 147)	
151	Gross Revenue Requirement		(Line 146)	
152	Adjusted Gross Revenue Requirement		(Line 150 x Line 151)	
Revenue Credits & Interest on Network Credits				
153	Revenue Credits		Attachment 3	
154	Interest on Network Credits	(Note N)	PJM Data	
155	Net Revenue Requirement		(Line 152 - Line 153 + Line 154)	
Net Plant Carrying Charge without ROE Increment				
156	Gross Revenue Requirement		(Line 146)	
157	Net Transmission Plant		(Line 19 - Line 30)	
158	Net Plant Carrying Charge		(Line 156 / Line 157)	
159	Net Plant Carrying Charge without Depreciation		(Line 156 - Line 85) / Line 157	
160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Lines 156 - 85 - 126 - 137) / Line 157	
Net Plant Carrying Charge with 100 Basis Point ROE Increment				
161	Gross Revenue Requirement Less Return and Taxes		(Line 146 - Line 144 - Line 145)	
162	Increased Return and Taxes		Attachment 4	
163	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 161 + Line 162)	
164	Net Transmission Plant		(Line 19 - Line 30)	
165	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 163 / Line 164)	
166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 162 - Line 85) / Line 164	
167	Net Revenue Requirement		(Line 155)	
168	Reconciliation Amount		Attachment 6	
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)	
Network Zonal Service Rate				
172	1 CP Peak	(Note L)	6593	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

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

		Only Transmission Related	Plant Related	Labor Related	Total ADIT
1	ADIT- 282				
2	ADIT-283				
3	ADIT-190				
4	Subtotal				
5	Wages & Salary Allocator				
6	Gross Plant Allocator				
7	ADIT				
8					
9					
10					
11					
12					
13					
14					
15					
16					
17	ADIT-190	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
18					
19					
20					
21					
22					
23					
23					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55	Subtotal - p234	-	-	-	-
56	Less FASB 109 Above				
57	Less FASB 106 Above				
58	Total	-	-	-	-
59					
60	Instructions for Account 190:				
61	1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A				
62	2. ADIT items related only to Transmission are directly assigned to Column B				
63	3. ADIT Items elated Plant and not in Columns A & B are directly assigned to Column C				
64	4. ADIT items related to labor and not in Columns a & B are directly assigned to Column D				
65	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				
66	ADIT is not included in the formula, the associated ADIT amount shall be excluded				
67					

		(A) Gas, Prod Or Other Related	(B) Only Transmission Related	(C) Plant Related	(D) Labor Related
ADIT- 282					
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16	Subtotal - p275 (Form 1-F filer: see note 6 below)				
17	Less FASB 109 Above				
18	Less FASB 106 Above				
19	Total				
20					
21	Instructions for Account 282:				
22	1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column A				
23	2. ADIT items related only to Transmission are directly assigned to Column B				
24	3. ADIT items related Plant and not in Columns A & B are directly assigned to Column C				
25	4. ADIT items related to labor and not in Columns A & B are directly assigned to Column D				
26					
27	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				
28					
29					
30					
31					
32					
33		Gas, Prod	Only	Plant	Labor
34	ADIT-283	Or Other	Transmission	Related	Related
35		Related	Related		
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59	Subtotal - p277	-	-	-	
60	Less FASB 109 Above				
61	Less FASB 106 Above				
62	Total	-	-	-	
63					
64	Instructions for Account 283:				
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					

UGI Utilities, Inc.
Attachment 2 - Taxes Other Than Income Worksheet

		Source: FERC Form 1 Pages 262-263	Allocator	Allocated Amount
Other Taxes			Gross Plant Allocator	
Plant Related				
1	Real property (State, Municipal or Local)			
2	Personal property			
3	Capital Stock Tax			
4	Gross Premium (insurance) Tax			
5	PURTA			
6	Corp License			
7				
8				
9	Total Plant Related			
10				
11				
12	Labor Related		Wages & Salary Allocator	
13				
14				
15	Federal FICA & Unemployment			
16	Unemployment			
17				
18				
19				
20	Total Labor Related			
21				
22				
23	Other Included		Gross Plant Allocator	
24				
25	Miscellaneous			
26				
27				
28				
29	Total Other Included			
30				
31	Total Included	Sum lines 9+20+29		
32				
33				
34	Currently Excluded			
35				
36	Gross Receipts			
37	Ultiity Regulatory Assessment			
38				
39				
40				
41	Total Excluded	-		
42				
43	Grand Total = Included + Excluded (line 31 + 41)			
44				
45	Total "Taxes Other Than Income Taxes" Acct. 408.1 (p115.14.g)			
46				
47	Difference			-

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	
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)	-
12	Line 17g	-
13	Total Revenue Credits (Line 11 - Line 12)	-
14	Revenue Adjustment to determine Revenue Credit 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.	
17b	Costs associated with revenues in line 17a	
17c	Net Revenues (17a - 17b)	
17d	50% Share of Net Revenues (17c / 2)	
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)	-
17g	Line 17f less line 17a	-
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)	-

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

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

Return Calculation				
59	Rate Base		(Line 39 + Line 58)	
Long Term Interest				
99	Long Term Interest		p117.62.c through 67.c	
100	Less LTD Interest on Securitization Bonds		Attachment 8	
101	Long Term Interest		(Line 99 - Line 100)	
102	Preferred Dividends	enter positive	p118.29.c	
Common Stock				
103	Proprietary Capital		p112.16.c	
104	Less Preferred Stock	enter negative	(Line 113)	
105	Less Account 216.1	enter negative	p112.12.c	
106	Common Stock		(Sum Lines 103 to 105)	
Capitalization				
107	Long Term Debt		p112.18.c through 21.c	
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	
112	Total Long Term Debt		(Sum Lines 107 to 111)	
113	Preferred Stock		p112.3.c	
114	Common Stock		(Line 106)	
115	Total Capitalization		(Sum Lines 112 to 114)	
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	
118	Common %	Common Stock	(Line 114 / Line 115)	
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	
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)	
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	
125	Total Return (R)		(Sum Lines 122 to 124)	
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)	#DIV/0!
Composite Income Taxes				
Income Tax Rates				
127	FIT=Federal Income Tax Rate			
128	SIT=State Income Tax Rate or Composite			
129	p = percent of federal income tax deductible for state purposes			
130	T	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		
131	T/ (1-T)			
ITC Adjustment				
132	Amortized Investment Tax Credit	enter negative		
133	1/(1-T)			
134	Net Plant Allocation Factor			
135	ITC Adjustment Allocated to Transmission	(Note I)		
137	Income Tax Component =	CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =		
138	Total Income Taxes			

UGI Utilities, Inc.

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Electric Portion	Non-electric Portion	Details
Plant Allocation Factors							
2	Total Wage Expense		p354.28.b				
3	Administrative and General Wage Expense		p354.27.b				
10	Accumulated Intangible Amortization	(Note A)					
11	Accumulated Common Amortization - Electric	(Note A)	p356				
	Accumulated General Depreciation - Electric	(Note A)	p219.28.c				
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356				
Plant In Service							
24	Common Plant (Electric Only)	(Notes A & B)	p356				
Accumulated Deferred Income Taxes							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p267.8.h				
Prepayments							
44	Prepayments (Account 165)	(Note A)	p111.57(c)				
Materials and Supplies							
47	Undistributed Stores Exp	(Note A)	p227.16.c				
Allocated General & Common Expenses							
65	Plus Transmission Lease Payments	(Note A)	p200.4.c				
67	Common Plant O&M	(Note A)	p356				
Depreciation Expense							
83	Depreciation		p336.7.b&c				
84	General Depreciation		p336.10.b&c				
87	Intangible Amortization	(Note A)	p336.1.d&e				
91	Common Depreciation - Electric Only	(Note A)	p336.11.b				
92	Common Amortization - Electric Only	(Note A)	p336.11.d				

Transmission / Non-transmission Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Transmission Related	Non-transmission Related	Details
15	Transmission Gross Plant		p207.58.g				
28	Plant Held for Future Use (Including Land)	(Note C)	p214				
30	Transmission Accumulated Depreciation	0	p219.25.c				
50	Materials and Supplies		p227.8.c				
83	Transmission Depreciation Expense		p336.7.b&c				
Excluded Transmission O&M Expenses							
PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded TOM		Details	
Acct 565				p. 321.96.b			
Portions of Acct 561				Company Records			
Other Excluded Expenses				Company Records			
63	Less Account 565 and other excluded expenses		Total				

CWIP & Expensed Lease Worksheet

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
Plant Allocation Factors							
6	Electric Plant in Service	(Note B)	p207.104.g				
7	Common Plant In Service - Electric	0	(Line 24)				
Plant In Service							
19	Transmission Plant In Service	(Note B)	p207.58.g				
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5				
Accumulated Depreciation							
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5				

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			

Regulatory Expense Related to Transmission Cost Support

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

Safety Related Advertising Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Safety Related	Non-safety Related	Details
Directly Assigned A&G							
80	General Advertising Exp Account 930.1	(Note F)	p323.191.b		-	-	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									
12				Pennsylvania	Enter State	Enter State	Enter State	Enter State	Enter Calculation
8	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year		Enter %	Enter %	Enter %	Enter %	

Education and Out Reach Cost Support

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Education & Outreach	Other	Details
Directly Assigned A&G							
77	General Advertising Exp Account 930.1	(Note K)	p323.191.b	-	0	0	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	0	
				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)	6593		PJM Interconnection Calculates the Rate

Statements BG/BH (Present and Proposed Revenues)

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

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)
			\$ - 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 - 10.5 - -
			Mar - 9.5 - -
			Apr - 8.5 - -
			May - 7.5 - -
			Jun - 6.5 - -
			Jul - 5.5 - -
			Aug - 4.5 - -
			Sep - 3.5 - -
			Oct - 2.5 - -
			Nov - 1.5 - -
			Dec - 0.5 - -
			Total - -
			New Transmission Plant Additions for Year 2 (weighted by months in service) -
3	April	Year 2	TO adds weighted Cap Adds to plant in service in Formula
			\$ - Input to Formula Line 21
4	May	Year 2	Post results of Step 3 on PJM web site
			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)
			\$ -
6	April	Year 3	TO populates the formula with Year 2 data from FERC Form 1 for Year 2 (e.g., 2006)
			\$ - 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 - 9.5 - -
			Apr - 8.5 - -
			May - 7.5 - -
			Jun - 6.5 - -
			Jul - 5.5 - -
			Aug - 4.5 - -
			Sep - 3.5 - -
			Oct - 2.5 - -
			Nov - 1.5 - -
			Dec - 0.5 - -
			Total - -
			New Transmission Plant Additions for Year 3 (weighted by months in service) - 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 Add in Reconcillation										
			(adjusted to include any Reconciliation amount from prior year)										
			Remove all Cap Adds placed in service in Year 2										
			For Reconciliation only – remove actual New Transmission Plant Additions for Year 2										
			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	-		7.5		-		-			
			Jun	-		6.5		-		-			
			Jul	-		5.5		-		-			
			Aug	-		4.5		-		-			
			Sep	-		3.5		-		-			
			Oct	-		2.5		-		-			
			Nov	-		1.5		-		-			
			Dec	-		0.5		-		-			
			Total					-		-			
			New Transmission Plant Additions for Year 2 (weighted by months in service)										
			-	Result of Formula for Reconciliation									
			Must run Appendix A with cap adds in line 21 and line 20										
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)										
			The Reconciliation in Step 8		The forecast in Prior Year								
			-		-		=						
			Interest on Amount of Refunds or Surcharges										
			Interest 35.19a for March Current Yr										
			Month	Yr	1/12 of Step 9		Interest Rate for March of Current Year		Months		Interest		
			Jun	Year 1	-		0.0000%		11.5		-		
			Jul	Year 1	-		0.0000%		10.5		-		
			Aug	Year 1	-		0.0000%		9.5		-		
			Sep	Year 1	-		0.0000%		8.5		-		
			Oct	Year 1	-		0.0000%		7.5		-		
			Nov	Year 1	-		0.0000%		6.5		-		
			Dec	Year 1	-		0.0000%		5.5		-		
			Jan	Year 2	-		0.0000%		4.5		-		
			Feb	Year 2	-		0.0000%		3.5		-		
			Mar	Year 2	-		0.0000%		2.5		-		
			Apr	Year 2	-		0.0000%		1.5		-		
			May	Year 2	-		0.0000%		0.5		-		
			Total		-								
					Balance		Interest		Amortization over Rate Year		Balance		
			Jun	Year 2	-		0.0000%		-		-		
			Jul	Year 2	-		0.0000%		-		-		
			Aug	Year 2	-		0.0000%		-		-		
			Sep	Year 2	-		0.0000%		-		-		
			Oct	Year 2	-		0.0000%		-		-		
			Nov	Year 2	-		0.0000%		-		-		
			Dec	Year 2	-		0.0000%		-		-		
			Jan	Year 3	-		0.0000%		-		-		
			Feb	Year 3	-		0.0000%		-		-		
			Mar	Year 3	-		0.0000%		-		-		
			Apr	Year 3	-		0.0000%		-		-		
			May	Year 3	-				-				
			Total with interest										
			The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest										
			Rev Req based on Year 3 data with estimated Cap Adds for Year 3										
			Revenue Requirement for Year 3										
10	May	Year 3	Post results of Sept 9 on PJM web site										
			\$ -	Post results of Step 3 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)										
			\$ -										

Attachment 7 - Transmission Enhancement Charge Worksheet

Fixed Charge Rate (FCR) if not a CIAC

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

FCR if a CIAC

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

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				Total	Incentive Charged	Revenue Credit
Schedule 12	(Yes or No)												
Life													
CIAC	(Yes or No)												
Increased ROE (Basis Points)													
FCR @ 11.3 ROE		#DIV/0!											
FCR for This Project	(FCR @ 11.3 ROE + FCR @ 11.3 ROE x Increased ROE/100 bp)	#DIV/0!											
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			
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		-	-		-	-	-	-				
....				\$
....				-
											\$	-	

Attachment 8 - Company Exhibit - Securitization Workpaper

Line #

100	Long Term Interest Less LTD Interest on Securitization Bonds	
111	Capitalization Less LTD on Securitization Bonds	

Calculation of the above Securitization Adjustments



UGI Utilities, Inc.									
Attachment 9 – Depreciation Rates									
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Number	Plant Type	Estimated	Mortality	Remaining	Applied	Gross Depreciable	Accumulated	Depreciable	Depreciation
		Life	Curve	Life	Depreciation Rate	Plant	Depreciation	Balance	Expense
TRANSMISSION PLANT									
352	STRUCTURES AND IMPROVEMENTS	55	R3		2.00				
353	STATION EQUIPMENT	60	R3		1.65				
353.2	STATION EQUIPMENT - SCADA	18	S3		3.64				
354	TOWERS AND FIXTURES	70	R4		0.99				
354.7	REG AFUDC	40	SQ		2.27				
355	POLES AND FIXTURES	55	R2		2.40				
356	OVERHEAD CONDUCTORS AND DEVICES	57	R1.5		1.97				
357	UNDERGROUND CONDUIT	55	L3		0.57				
358	UNDERGROUND CONDUCTORS AND DEVICES	45	R4		-				
359.1	ROADS AND TRAILS	40	R4		2.75				
ELECTRIC GENERAL PLANT									
390.1	STRUCTURES AND IMPROVEMENTS	100	L0		7.38				
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20	SQ		6.55				
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5	SQ		64.25				
391.34	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE COSTS - 5 YEARS	5	SQ		19.17				
391.92	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	10	SQ		14.11				
391.93	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	15	SQ		6.86				
393	STORES EQUIPMENT	10	SQ		-				
394	TOOLS, SHOP AND GARAGE EQUIPMENT	20	SQ		5.02				
395	LABORATORY EQUIPMENT	10	SQ		-				
397	COMMUNICATION EQUIPMENT	10	SQ		16.49				
398	MISCELLANEOUS EQUIPMENT	10	SQ		14.50				
392.1	TRANSPORTATION EQUIPMENT - AUTOMOBILES	7	L3		12.11				
392.2	TRANSPORTATION EQUIPMENT - LIGHT TRUCKS	11	L3		11.28				
392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	14	S3		7.97				
396	POWER OPERATED EQUIPMENT	20	S0		7.26				
COMMON PLANT									
390.1	STRUCTURES AND IMPROVEMENTS	70	R1		3.01				
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20	SQ		4.95				
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5	SQ		49.63				
392.1	TRANSPORTATION EQUIPMENT - CARS	7	L2.5		-				
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20	SQ		-				
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	5	SQ		21.66				
391.2	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE								
	UNITE ERP	10	SQ		7.14				
	TOTAL OFFICE FURNITURE AND EQUIPMENT - SOFTWARE								
391.3	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	10	SQ		7.62				
391.4	OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	15	SQ		6.40				

UGI Utilities, Inc.
Attachment 9 – Depreciation Rates

Notes:

- 1) Columns (A), (B), (C), and (D) are fixed and cannot be changed absent Commission approval or acceptance.
- 2) Column (E) is the average remaining life of the assets in the account based on their vintage.
- 3) The mortality curve listed for account 390.1 is a truncated / interim survivor curve.
- 4) Column (F) is the depreciation rate from the Mortality Curve specified based on data in Columns (C) and (D).
- 5) Columns (G) and (H) are the depreciable gross plant investment and accumulated depreciation in the account or subaccount.
- 6) Column (I) is the depreciable balance (future accruals) in the account or subaccount.
- 7) Column (J) is column (F) multiplied by column (G) for those accounts that have an identified Mortality Curve.
- 8) At least every 5 years, UGI Electric will file with the Commission a depreciation study supporting its existing Estimated Life and Mortality Curve for each account or subaccount.
- 9) For those General Plant accounts that do not have Mortality Curves as indicated by "SQ" in Column (D), the calculation of Depreciation Expense is by the Gross Plant Method (i.e., Column (F) multiplied by Column (G))

Attachment C

UGI Utilities, Inc. – Electric Division Depreciation Study
(prepared by Gannett Fleming Valuation and Rate Consultants, LLC)

UGI UTILITIES, INC. - ELECTRIC DIVISION

ANNUAL DEPRECIATION REPORT TO THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
(CODE 111100-ADR-2024)

MARCH 2024

UGI UTILITIES, INC. - ELECTRIC DIVISION
ANNUAL DEPRECIATION REPORT TO THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
(CODE 111100-ADR-2024)

MARCH 2024

EXECUTIVE SUMMARY

UGI Utilities, Inc. – Electric Division is a regulated public utility engaged in the distribution and transmission of electricity. The regulations of the Pennsylvania Public Utility Commission require that utilities providing electric service and having gross intrastate revenues in excess of \$20 million per year submit an Annual Depreciation Report. This report is prepared in response to the requirements related to the monitoring of depreciation practices set forth in 52 Pa. Code Chapter 73.9(a). In accordance with the requirements, the report presents an explanation of the methods used; a comparison of the annual depreciation and book reserves by function at September 30, 2021, September 30, 2022 and September 30, 2023; a summary of the calculation of remaining life depreciation accrual rates as of September 30, 2023; a summary of plant activity including fiscal year 2023 retirements expressed as a percent of the beginning-of-year plant balance; a summary of the depreciation reserve activity, including the reserve expressed as a percent of the end-of-year plant balance; an explanation of any unusual plant or reserve entries; the net salvage amortization amount for fiscal year 2024 based on October 1, 2018 through September 30, 2023 experience; an explanation of exclusions from the experienced net salvage; and the calculation of remaining life accruals as of December 31, 2023, using the accrual rates determined at September 30, 2023.

The annual accrual rate calculations were based on the same group procedures and bases as those used in last year's Annual Depreciation Report. The service life estimates, based on a study incorporating data through fiscal year 2021, are the same as those used in last year's report.

Table 1 presents a comparison of the annual depreciation expense and book reserves by function at September 30, 2021, September 30, 2022 and September 30, 2023. The changes in accrual rates are mainly the result of changes in the relative proportion of account balances within a functional plant category. The composite annual depreciation accrual rate for depreciable electric transmission, distribution and general plant subject to regulation (excluding common plant and information services) is 2.62 percent as of September 30, 2023, in comparison to 2.64 percent and 2.27 percent as of September 30, 2022 and September 30, 2021, respectively.

Table 2 summarizes the calculated annual depreciation accrual rates by account as of September 30, 2023. Tables 3 and 4 present summaries of the plant and reserve activity, respectively, for the year ended September 30, 2023. A review of any unusual plant or reserve entries is presented in the section "2023 Plant and Reserve Activity". Table 5 sets forth the annual net salvage amortization amounts for 2024 as determined by the experienced net salvage during the prior five-year period October 1, 2018 through September 30, 2023.

On March 28, 1996, UGI Utilities, Inc. filed a petition with the Pennsylvania Public Utility Commission (PUC or Commission) seeking an exemption from the Commission's regulation at 52 Pa. Code Chapter 73.4(6), which requires utilities to use calendar year data to prepare Annual Depreciation Reports. UGI petitioned to use

fiscal year data, ended September 30, to compile its Annual Depreciation Reports. On June 20, 1996, the Commission conditionally granted UGI's request. The Commission ordered that UGI is permitted to use fiscal year data to compile its Annual Depreciation Reports, subject to UGI also providing to the PUC depreciation schedules as of December 31, based on the accrual rates calculated as of September 30. Table 6 presents the annual depreciation accruals resulting from multiplying the original cost balances surviving at December 31, 2023, by the annual accrual rates calculated as of September 30, 2023.

REMAINING LIFE DEPRECIATION ACCRUAL RATES

The annual depreciation accrual rates to be used during fiscal year 2025 are calculated as of September 30, 2023 and are based on the straight line remaining life method using the average service life procedure for property installed prior to 1982 and the equal life group procedure for property installed subsequent to 1981. The annual depreciation accrual rates for depreciable plant as of September 30, 2023, are set forth in column 9 in Table 2. The annual accrual rate for depreciable plant equals the pro forma annual accrual in column 7 divided by the original cost in column 4.

For the purpose of calculating the composite remaining life accrual rates as of September 30, 2023, the book reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account as of September 30, 2023. Descriptions of the derivation of remaining life accruals at a given point in time for the vintages calculated by the average service life (ASL) procedure and for the vintages calculated by the equal life group (ELG) procedure follow. An example of the calculation is presented on pages 4 through 6.

UGI UTILITIES, INC. - ELECTRIC DIVISION

ACCOUNT 364 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF SEPTEMBER 30, 2023

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 59-R2.5						
NET SALVAGE PERCENT.. 0						
1919	6,555.46	6,410	6,269	286	1.31	218
1920	5,315.99	5,175	5,061	255	1.57	162
1921	63.46	61	60	3	1.83	2
1922	46.87	45	44	3	2.11	1
1923	203.56	195	191	13	2.38	5
1924	125.36	120	117	8	2.65	3
1926	1,503.55	1,422	1,391	113	3.20	35
1927	1,180.99	1,112	1,088	93	3.46	27
1928	1,338.43	1,254	1,226	112	3.71	30
1929	853.45	796	778	75	3.95	19
1930	3,031.98	2,817	2,755	277	4.18	66
1931	371.99	344	336	36	4.41	8
1932	2,942.03	2,711	2,651	291	4.63	63
1933	6,759.16	6,204	6,067	692	4.85	143
1934	5,981.64	5,468	5,348	634	5.07	125
1935	12,404.20	11,292	11,043	1,361	5.29	257
1936	14,859.72	13,472	13,175	1,685	5.51	306
1937	7,013.47	6,332	6,193	820	5.73	143
1938	3,634.64	3,268	3,196	439	5.95	74
1939	5,503.32	4,928	4,820	683	6.17	111
1940	7,459.10	6,650	6,504	955	6.40	149
1941	15,334.32	13,611	13,311	2,023	6.63	305
1942	10,678.82	9,435	9,227	1,452	6.87	211
1943	14,832.50	13,048	12,761	2,072	7.10	292
1944	13,329.35	11,671	11,414	1,915	7.34	261
1945	15,662.95	13,648	13,348	2,315	7.59	305
1946	21,476.10	18,622	18,212	3,264	7.84	416
1947	14,970.28	12,918	12,634	2,336	8.09	289
1948	24,334.95	20,891	20,431	3,904	8.35	468
1949	17,992.46	15,367	15,029	2,963	8.61	344
1950	16,558.45	14,063	13,753	2,805	8.89	316
1951	32,890.96	27,779	27,167	5,724	9.17	624
1952	24,582.86	20,641	20,187	4,396	9.46	465
1953	21,913.98	18,289	17,886	4,028	9.76	413
1954	26,626.01	22,081	21,595	5,031	10.07	500
1955	41,603.08	34,277	33,522	8,081	10.39	778
1956	28,000.82	22,913	22,409	5,592	10.72	522
1957	26,244.46	21,320	20,851	5,393	11.07	487
1958	45,108.54	36,377	35,576	9,533	11.42	835
1959	45,395.63	36,317	35,517	9,879	11.80	837
1960	37,092.36	29,435	28,787	8,305	12.18	682
1961	52,167.56	41,044	40,140	12,028	12.58	956
1962	43,969.26	34,281	33,526	10,443	13.00	803

UGI UTILITIES, INC. - ELECTRIC DIVISION

ACCOUNT 364 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF SEPTEMBER 30, 2023

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 59-R2.5						
NET SALVAGE PERCENT.. 0						
1963	60,524.31	46,747	45,718	14,806	13.43	1,102
1964	61,318.62	46,904	45,871	15,448	13.87	1,114
1965	100,947.89	76,430	74,747	26,201	14.33	1,828
1966	76,907.49	57,615	56,347	20,560	14.80	1,389
1967	57,053.49	42,268	41,337	15,716	15.29	1,028
1968	82,110.50	60,135	58,811	23,300	15.79	1,476
1969	132,674.18	95,998	93,884	38,790	16.31	2,378
1970	158,711.29	113,412	110,915	47,796	16.84	2,838
1971	214,070.26	150,973	147,649	66,421	17.39	3,819
1972	155,491.74	108,185	105,803	49,689	17.95	2,768
1973	233,918.45	160,491	156,958	76,960	18.52	4,156
1974	312,731.79	211,438	206,783	105,949	19.11	5,544
1975	243,290.39	162,014	158,447	84,843	19.71	4,305
1976	264,340.78	173,299	169,484	94,857	20.32	4,668
1977	287,235.73	185,290	181,211	106,025	20.94	5,063
1978	314,992.21	199,834	195,434	119,558	21.57	5,543
1979	380,766.22	237,366	232,140	148,626	22.22	6,689
1980	273,837.85	167,644	163,953	109,885	22.88	4,803
1981	264,016.34	158,679	155,185	108,831	23.54	4,623
1982	281,034.11	185,426	181,344	99,690	21.40	4,658
1983	313,727.88	203,296	198,820	114,908	22.00	5,223
1984	324,545.87	206,411	201,867	122,679	22.61	5,426
1985	304,354.50	189,826	185,647	118,708	23.23	5,110
1986	371,973.14	227,350	222,345	149,628	23.85	6,274
1987	442,903.96	265,122	259,285	183,619	24.48	7,501
1988	463,097.81	271,283	265,310	197,788	25.10	7,880
1989	689,060.77	394,625	385,937	303,124	25.74	11,776
1990	660,457.03	369,460	361,326	299,131	26.38	11,339
1991	727,841.63	397,402	388,653	339,189	27.02	12,553
1992	971,497.75	517,225	505,837	465,661	27.67	16,829
1993	744,917.60	386,240	377,736	367,182	28.32	12,965
1994	957,283.84	485,726	475,032	482,252	28.64	16,838
1995	1,299,098.39	640,456	626,355	672,743	29.31	22,953
1996	1,258,317.96	602,105	588,849	669,469	29.97	22,338
1997	947,732.22	439,558	429,880	517,852	30.64	16,901
1998	925,206.79	415,233	406,091	519,116	31.32	16,575
1999	772,784.19	335,079	327,702	445,082	32.00	13,909
2000	701,723.65	293,531	287,068	414,656	32.68	12,688
2001	947,912.72	381,819	373,413	574,500	33.36	17,221
2002	807,188.17	312,382	305,504	501,684	34.06	14,729
2003	971,536.96	360,440	352,504	619,033	34.75	17,814
2004	1,098,289.18	391,870	383,242	715,047	35.15	20,343
2005	1,120,238.50	381,329	372,934	747,304	35.85	20,845

UGI UTILITIES, INC. - ELECTRIC DIVISION

ACCOUNT 364 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF SEPTEMBER 30, 2023

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 59-R2.5						
NET SALVAGE PERCENT.. 0						
2006	1,079,870.73	349,662	341,964	737,907	36.55	20,189
2007	878,019.58	269,464	263,531	614,489	37.26	16,492
2008	1,075,995.80	311,824	304,959	771,037	37.98	20,301
2009	1,063,413.68	289,887	283,505	779,909	38.69	20,158
2010	1,001,646.53	256,922	251,265	750,382	39.13	19,177
2011	1,376,477.25	328,703	321,466	1,055,011	39.85	26,475
2012	857,245.10	189,280	185,113	672,132	40.58	16,563
2013	1,168,241.14	237,971	232,732	935,509	41.05	22,790
2014	1,672,725.89	309,789	302,968	1,369,758	41.78	32,785
2015	1,555,444.73	260,381	254,648	1,300,797	42.26	30,781
2016	1,787,541.71	266,701	260,829	1,526,713	42.75	35,713
2017	2,224,237.57	289,151	282,785	1,941,453	43.50	44,631
2018	1,667,145.10	185,220	181,142	1,486,003	44.00	33,773
2019	4,177,425.05	385,159	376,679	3,800,746	44.28	85,834
2020	2,996,131.00	218,118	213,316	2,782,815	44.58	62,423
2021	3,032,374.13	160,109	156,584	2,875,790	44.89	64,063
2022	3,888,198.34	126,755	123,965	3,764,233	44.58	84,438
2023	2,540,651.10	28,963	28,325	2,512,326	43.17	58,196
	56,498,362.65	16,140,079	15,784,730	40,713,633		1,093,660

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 37.2 1.94

For vintages prior to 1982, for which the ASL procedure is applicable, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life (expectancy) of the vintage. The average remaining life is derived directly from the estimated survivor curve in accordance with the average service life procedure.

For vintages beginning with 1982, for which the ELG procedure is applicable, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the composite remaining life for the surviving original cost of that vintage. The composite remaining life is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} = \frac{\sum \left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life} \right)}{\sum \frac{\text{Book Cost}}{\text{Life}}}.$$

The book costs and lives of the several equal life groups which are summed in the foregoing equation are defined by the estimated survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining Life} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum (\text{Book Cost} - \text{Calc. Reserve})}{\sum \text{Whole Life Annual Accrual.}}$$

The composite remaining life calculations were made using computer software that utilizes detailed ELG calculations of whole life future accruals and annual accruals in order to derive the vintage composite remaining lives for the ELG vintages.

The annual accrual rate for each account is equal to the sum of the remaining life annual accruals divided by the total original cost. The composite remaining life is calculated by dividing the sum of the future book accruals by the sum of the remaining life annual accruals.

2023 PLANT AND RESERVE ACTIVITY

Tables 3 and 4 present summaries by account of the plant and reserve activity for fiscal year 2023. Table 3 sets forth the original cost as of October 1, 2022, the beginning of the fiscal year; additions; retirements; transfers or adjustments; the balance at the end of the year, September 30, 2023; and the retirements expressed as a percent of the beginning plant balance.

Table 4 sets forth the book depreciation reserve balance at the beginning of the year, October 1, 2022; annual accruals; amortization of net salvage; retirements; gross salvage; cost of removal; transfers or adjustments; the balance at the end of the year, September 30, 2023; and the book reserve as a percent of the plant balance as of September 30, 2023.

There were no extraordinary events occurring in the past year which significantly affected the amount of depreciation reserve or annual depreciation expense for the Electric Division of UGI Utilities, Inc. As a result, there were no proposed changes to the depreciation methods or parameters. The 2023 plant and reserve activity for each account is within the ranges typically experienced.

AMORTIZATION OF NET SALVAGE

The amortization amount for net salvage for fiscal year 2024 is \$943,051 based on the net salvage experienced during the five-year period, October 1, 2018 through September 30, 2023. The calculation of the amortization amount by plant account is set forth in Table 5. The tabulation sets forth the gross salvage, cost of removal, net salvage and the amortization amount, which is one-fifth of the total net salvage for the five-year period.

The data in Table 5 for the fiscal years 2019 through 2022 are the same data that were submitted with last year's Annual Depreciation Report in March 2023. There were no exclusions from the 2023 net salvage experience used in the determination of the 2024 net salvage amortization amounts.

The exclusion or inclusion of gross salvage related to a retirement is largely driven by the extent to which the asset or group of assets has lived its full life and had the opportunity for complete recovery of the original cost. In the case of vehicles, an account that typically experiences salvage, the salvage is included in the five year net salvage amortization because the presumption is that the vehicle has lived a life contemplated by the survivor curve estimate allowing for full recovery under either ELG or ASL.

In the case of the sale of utility property for continued use in utility operations, the life of the facility is not over and the recovery of cost is not complete. Thus, the salvage proceeds are required to make the company whole and are excluded from the five-year net salvage amortization since it represents the recovery of original cost.

UGI UTILITIES INC. - ELECTRIC DIVISION

TABLE 1. ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS BY FUNCTION RELATED TO ELECTRIC PLANT AT SEPTEMBER 30, 2021, SEPTEMBER 30, 2022 AND SEPTEMBER 30, 2023

	<u>2021</u>	<u>2022</u>	<u>2023</u>
TRANSMISSION PLANT			
ORIGINAL COST (DEPRECIABLE)	58,155,388	70,096,572	70,886,668
BOOK ACCRUED DEPRECIATION	19,500,284	20,645,122	21,532,305
BOOK RESERVE % OF O.C.	33.53%	29.45%	30.38%
ORIGINAL COST DEPRECIATED	38,655,104	49,451,450	49,354,363
ANNUAL DEPRECIATION EXPENSE	1,107,200	1,361,493	1,392,922
ANNUAL % OF O.C.	1.90%	1.94%	1.96%
DISTRIBUTION PLANT			
ORIGINAL COST (DEPRECIABLE)	187,404,727	202,597,287	221,939,479
BOOK ACCRUED DEPRECIATION	64,563,649	67,794,128	70,030,931
BOOK RESERVE % OF O.C.	34.45%	33.46%	31.55%
ORIGINAL COST DEPRECIATED	122,841,078	134,803,159	151,908,548
ANNUAL DEPRECIATION EXPENSE	4,038,712	4,396,625	4,966,434
ANNUAL % OF O.C.	2.16%	2.17%	2.24%
GENERAL PLANT			
ORIGINAL COST (DEPRECIABLE)	8,191,974	14,830,298	16,975,977
BOOK ACCRUED DEPRECIATION	2,856,708	3,213,888	3,691,743
BOOK RESERVE % OF O.C.	34.87%	21.67%	21.75%
ORIGINAL COST DEPRECIATED	5,335,266	11,616,410	13,284,234
ANNUAL DEPRECIATION EXPENSE	619,642	1,833,290	1,757,598
ANNUAL % OF O.C.	7.56%	12.36%	10.35%
TOTAL COMPANY (ELECTRIC)			
ORIGINAL COST (DEPRECIABLE)	253,752,089	287,524,157	309,802,124
BOOK ACCRUED DEPRECIATION	86,920,641	91,653,138	95,254,979
BOOK RESERVE % OF O.C.	34.25%	31.88%	30.75%
ORIGINAL COST DEPRECIATED	166,831,448	195,871,019	214,547,145
ANNUAL DEPRECIATION EXPENSE	5,765,554	7,591,408	8,116,954
ANNUAL % OF O.C.	2.27%	2.64%	2.62%
OTHER PLANT (PRIOR TO ALLOCATION)*			
ORIGINAL COST	257,956,718	271,669,274	335,665,567
BOOK ACCRUED DEPRECIATION	75,177,287	91,637,178	113,036,664
BOOK RESERVE % OF O.C.	29.14%	33.73%	33.68%
ORIGINAL COST DEPRECIATED	182,779,431	180,032,095	222,628,903
ANNUAL DEPRECIATION EXPENSE	21,375,505	20,998,219	26,218,448
ANNUAL % OF O.C.	8.29%	7.73%	7.81%
TOTAL COMPANY (INCL. OTHER PLANT)			
ORIGINAL COST (DEPRECIABLE)	511,708,807	559,193,431	645,467,690
BOOK ACCRUED DEPRECIATION	162,097,928	183,290,316	208,291,643
BOOK RESERVE % OF O.C.	31.68%	32.78%	32.27%
ORIGINAL COST DEPRECIATED	349,610,879	375,903,115	437,176,047
ANNUAL DEPRECIATION EXPENSE	27,141,059	28,589,627	34,335,402
ANNUAL % OF O.C.	5.30%	5.11%	5.32%
NONDEPRECIABLE PLANT			
LAND AND LAND RIGHTS	9,750,879	9,750,879	9,750,879
TOTAL ELECTRIC AND OTHER PLANT	<u>521,459,686</u>	<u>568,944,310</u>	<u>655,218,569</u>

* COMMON PLANT AND INFORMATION SERVICES (IS) ASSETS ARE ALLOCATED TO GAS AND ELECTRIC DIVISIONS FOR RATEMAKING PURPOSES.

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF SEPTEMBER 30, 2023

ACCOUNT		PROBABLE RETIREMENT YEAR	SURVIVOR CURVE	ORIGINAL COST	BOOK RESERVE	FUTURE BOOK ACCRUALS	ANNUAL ACCRUAL AMOUNT	COMPOSITE REMAINING LIFE	ANNUAL ACCRUAL RATE PERCENT
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ELECTRIC PLANT									
TRANSMISSION PLANT									
352	STRUCTURES AND IMPROVEMENTS		55 - R3	5,507,599	562,547	4,945,052	110,402	44.8	2.00
353	STATION EQUIPMENT		60 - R3	29,675,677	10,652,110	19,023,567	489,573	38.9	1.65
353.2	STATION EQUIPMENT - SCADA		18 - S3	3,223,982	1,987,359	1,236,633	117,281	10.5	3.64
354	TOWERS AND FIXTURES		70 - R4	4,126,489	2,380,845	1,745,644	40,702	42.9	0.99
354.7	REG AFUDC		40 - SQ	(172,296)	(25,557)	(146,739)	(3,913)	37.5	2.27
355	POLES AND FIXTURES		55 - R2	16,400,306	2,221,573	14,178,733	393,483	36.0	2.40
356	OVERHEAD CONDUCTORS AND DEVICES		57 - R1.5	11,166,228	3,652,178	7,514,050	219,451	34.2	1.97
357	UNDERGROUND CONDUIT		55 - L3	2,092	1,884	208	12	17.3	0.57
358	UNDERGROUND CONDUCTORS AND DEVICES		45 - R4	12,486	34,671	(22,185)	0	0.0	-
359	ROADS AND TRAILS		40 - R4	944,095	64,695	879,400	25,931	33.9	2.75
TOTAL TRANSMISSION PLANT				70,886,668	21,532,305	49,354,363	1,392,922	35.4	1.96
DISTRIBUTION PLANT									
361	STRUCTURES AND IMPROVEMENTS		50 - R3	1,638,641	69,134	1,569,507	39,568	39.7	2.41
362	STATION EQUIPMENT		40 - S1	13,964,728	1,176,619	12,788,109	463,588	27.6	3.32
364	POLES, TOWERS AND FIXTURES		59 - R2.5	56,498,363	15,784,730	40,713,633	1,093,660	37.2	1.94
365	OVERHEAD CONDUCTORS AND DEVICES		58 - R1.5	62,015,919	14,892,190	47,123,729	1,359,351	34.7	2.19
365.7	REG AFUDC		40 - SQ	(711,827)	(97,283)	(614,544)	(16,388)	37.5	2.30
366	UNDERGROUND CONDUIT		65 - R3	9,774,497	2,531,910	7,242,587	156,686	46.2	1.60
367	UNDERGROUND CONDUCTORS AND DEVICES		42 - R1.5	16,830,741	4,338,848	12,491,893	513,853	24.3	3.05
368.1	TRANSFORMERS		45 - S1	18,909,397	8,349,423	10,559,974	394,109	26.8	2.08
368.2	TRANSFORMER INSTALLATIONS		39 - R2	11,346,560	6,078,620	5,267,940	238,549	22.1	2.10
369	SERVICES		53 - R2	16,620,533	7,810,976	8,809,557	283,418	31.1	1.71
370.1	METERS		34 - R1	2,928,049	2,115,576	812,473	47,496	17.1	1.62
370.2	METER INSTALLATIONS		75 - R4	2,006,290	801,807	1,204,483	25,446	47.3	1.27
370.3	ELECTRONIC METERS		20 - S3	5,160,791	4,138,066	1,022,725	133,414	7.7	2.59
371	INSTALLATIONS ON CUSTOMER PREMISES		30 - O1	2,227,559	710,974	1,516,585	125,637	12.1	5.64
371.5	INSTALLATIONS ON CUSTOMER PREMISES - DUSK TO DAWN LIGHTS		23 - R1	347,706	336,713	10,993	1,336	8.2	0.38
373	STREET LIGHTING AND SIGNAL SYSTEMS		28 - L0	2,381,532	992,628	1,388,904	106,711	13.0	4.48
TOTAL DISTRIBUTION PLANT				221,939,479	70,030,931	151,908,548	4,966,434	30.6	2.24
GENERAL PLANT									
390.1	STRUCTURES AND IMPROVEMENTS								
	FORTY FORT	6-2032	* 100 - L0	4,510,436	925,360	3,585,076	424,900	8.4	9.42
	PLYMOUTH		FULLY ACCRUED	15,111	15,111	0	0	-	-
	IDETOWN	6-2046	* 100 - L0	49,926	11,325	38,601	1,926	20.0	3.86
	NANTICOKE		FULLY ACCRUED	76,179	76,179	0	0	-	-
	EMPIRE YARD		FULLY ACCRUED	19,895	19,895	0	0	-	-
	SYSTEM CONTROL CENTER	7-2056	* 100 - L0	1,901,207	323,936	1,577,271	58,227	27.1	3.06
SUBTOTAL ACCOUNT 390.1				6,572,754	1,371,806	5,200,948	485,053	10.7	7.38

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF SEPTEMBER 30, 2023

ACCOUNT (1)	PROBABLE RETIREMENT YEAR (2)	SURVIVOR CURVE (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE BOOK ACCRUALS (6)	ANNUAL ACCRUAL AMOUNT (7)	COMPOSITE REMAINING LIFE (8)	ANNUAL ACCRUAL RATE PERCENT (9)
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE		20 - SQ	72,731	23,164	49,567	4,762	10.4	6.55
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT		5 - SQ	620,474	236,966	383,508	398,640	1.0	64.25
391.34 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE COSTS - 5 YEARS		5 - SQ	91,908	33,934	57,974	17,622	3.3	19.17
391.92 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS		10 - SQ	162,246	27,912	134,334	22,898	5.9	14.11
391.93 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS		15 - SQ	3,167,553	232,709	2,934,844	217,396	13.5	6.86
393 STORES EQUIPMENT		10 - SQ	3,217	4,995	(1,778)	0	0.0	-
394 TOOLS, SHOP AND GARAGE EQUIPMENT		20 - SQ	1,937,264	705,939	1,231,325	97,201	12.7	5.02
395 LABORATORY EQUIPMENT		10 - SQ	97,830	97,830	0	0	0.0	-
397 COMMUNICATION EQUIPMENT		10 - SQ	1,025,328	305,936	719,392	169,111	4.3	16.49
398 MISCELLANEOUS EQUIPMENT		10 - SQ	445,170	86,371	358,799	64,570	5.6	14.50
TOTAL GENERAL PLANT			14,196,475	3,127,562	11,068,913	1,477,253	7.5	10.41
SPECIAL DEPRECIABLE PLANT								
392.1 TRANSPORTATION EQUIPMENT - AUTOMOBILES		7 - L3	302,097	175,081	127,016	36,576	3.5	12.11
392.2 TRANSPORTATION EQUIPMENT - LIGHT TRUCKS		11 - L3	1,434,551	275,066	1,159,485	161,870	7.2	11.28
392.4 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS		14 - S3	866,222	92,898	773,324	69,078	11.2	7.97
396 POWER OPERATED EQUIPMENT		20 - S0	176,632	21,136	155,496	12,821	12.1	7.26
TOTAL SPECIAL DEPRECIABLE PLANT			2,779,502	564,181	2,215,321	280,345	7.9	10.09
TOTAL DEPRECIABLE PLANT			309,802,124	95,254,979	214,547,145	8,116,954	26.4	2.62
NONDEPRECIABLE PLANT								
301 ORGANIZATION			1,602	0				
302.1 FRANCHISES AND CONSENTS - PERPETUAL			6,436	0				
350.1 LAND AND LAND RIGHTS - LAND			1,210,203	0				
350.2 LAND AND LAND RIGHTS - LAND RIGHTS			935,484	0				
360.1 LAND AND LAND RIGHTS - LAND			294,162	0				
360.2 LAND AND LAND RIGHTS - LAND RIGHTS			14,336	0				
389.1 LAND AND LAND RIGHTS - LAND			202,584	14,257				
TOTAL NONDEPRECIABLE PLANT			2,664,807	14,257				
TOTAL ELECTRIC PLANT			312,466,931	95,269,236				
OTHER PLANT (PRIOR TO ALLOCATION)**								
COMMON PLANT								
301 ORGANIZATION (NONDEPRECIABLE)			138,964					
389.1 LAND AND LAND RIGHTS - LAND (NONDEPRECIABLE)			6,947,108					
390.1 STRUCTURES AND IMPROVEMENTS	1-2069 9-2073	* 70 - R1 * 70 - R1	36,156,489	3,894,679	32,261,810	1,012,046	31.9	2.80
UGI HEADQUARTERS BUILDING - DENVER			13,203,749	226,805	12,976,944	474,477	27.3	3.59
READING DATA CENTER			49,360,238	4,121,484	45,238,754	1,486,523	30.4	3.01
SUBTOTAL ACCOUNT 390.1								
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY		FULLY ACCRUED	0	10,628	(10,628)	0	-	-
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE		20 - SQ	4,388,345	894,925	3,493,420	217,345	16.1	4.95
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT		5 - SQ	1,353,581	345,301	1,008,280	671,840	1.5	49.63
392.1 TRANSPORTATION EQUIPMENT - CARS		7 - L2.5	22,225	22,225	0	0	-	-
TOTAL COMMON PLANT			62,210,461	5,394,563	49,729,826	2,375,708	20.9	3.83

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF SEPTEMBER 30, 2023

ACCOUNT (1)	PROBABLE RETIREMENT YEAR (2)	SURVIVOR CURVE (3)	ORIGINAL COST (4)	BOOK RESERVE (5)	FUTURE BOOK ACCRUALS (6)	ANNUAL ACCRUAL AMOUNT (7)	COMPOSITE REMAINING LIFE (8)	ANNUAL ACCRUAL RATE PERCENT (9)
INFORMATION SERVICES (IS)								
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE		20 - SQ	30,143	30,143	0	0	0.0	-
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT		5 - SQ	29,762,158	16,483,728	13,278,430	6,446,926	2.1	21.66
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE								
SUCCESS FACTORS	9-2024	SQUARE	2,803,866	2,102,900	700,966	700,966	1.0	25.00
UNITE ERP	9-2034	SQUARE	10,695,816	2,291,961	8,403,855	763,987	11.0	7.14
TOTAL OFFICE FURNITURE AND EQUIPMENT - SOFTWARE			13,499,683	4,394,861	9,104,821	1,464,953	6.2	10.85
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS		10 - SQ	61,331,127	28,480,389	32,850,738	4,672,258	6.2	7.62
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS		15 - SQ	175,918,067	58,252,980	117,665,087	11,253,603	10.5	6.40
TOTAL INFORMATION SERVICES			280,541,178	107,642,101	172,899,076	23,842,740	7.3	8.50
TOTAL OTHER PLANT			342,751,639	113,036,664	222,628,902	26,218,448		
TOTAL ELECTRIC PLANT AND OTHER PLANT			655,218,569	208,305,900	437,176,047	34,335,402		

* LIFE SPAN PROCEDURE IS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE.

** COMMON PLANT AND INFORMATION SERVICES (IS) ASSETS ARE ALLOCATED TO GAS AND ELECTRIC DIVISIONS FOR RATEMAKING PURPOSES.

*** REGULATORY ASSET DEPRECIATED OVER FOUR YEARS.

**** REGULATORY ASSET DEPRECIATED OVER FOURTEEN YEARS.

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 3. SUMMARY OF PLANT IN SERVICE ACTIVITY FOR THE YEAR ENDED SEPTEMBER 30, 2023

ACCOUNT		PLANT BALANCE AT BEGINNING OF YEAR		ADDITIONS		RETIREMENTS		TRANSFERS AND ADJUSTMENTS		PLANT BALANCE AT END OF YEAR		PERCENT OF ORIGINAL COST RETIRED	
(1)		(2)		(3)		(4)		(5)		(6)		(7)	
ELECTRIC PLANT													
DEPRECIABLE PLANT													
352	STRUCTURES AND IMPROVEMENTS	4,402,653	1,123,543	(18,597)	0	5,507,599	0.42						
353	STATION EQUIPMENT	32,360,583	(2,499,744)	(185,162)	0	29,675,677	0.57						
353.2	STATION EQUIPMENT - SCADA	2,959,824	290,539	(26,371)	0	3,223,992	0.89						
354	TOWERS AND FIXTURES	4,126,489	0	0	0	4,126,489	0.00						
354.7	REG AFUDC	(172,296)	0	0	0	(172,296)	0.00						
355	POLES AND FIXTURES	14,882,875	1,632,721	(115,290)	0	16,400,306	0.77						
356	OVERHEAD CONDUCTORS AND DEVICES	10,927,059	296,580	(57,411)	0	11,166,228	0.53						
357	UNDERGROUND CONDUIT	2,092	0	0	0	2,092	0.00						
358	UNDERGROUND CONDUCTORS AND DEVICES	12,486	0	0	0	12,486	0.00						
359	ROADS AND TRAILS	594,807	349,288	0	0	944,095	0.00						
361	STRUCTURES AND IMPROVEMENTS	841,098	797,543	0	0	1,638,641	0.00						
362	STATION EQUIPMENT	11,738,256	2,226,472	0	0	13,964,728	0.00						
364	POLES, TOWERS AND FIXTURES	54,086,465	2,910,284	(498,386)	0	56,498,363	0.92						
365	OVERHEAD CONDUCTORS AND DEVICES	54,600,016	7,740,612	(324,709)	0	62,015,919	0.59						
365.7	REG AFUDC	(711,827)	0	0	0	(711,827)	0.00						
366	UNDERGROUND CONDUIT	8,799,940	988,465	(13,908)	0	9,774,497	0.16						
367	UNDERGROUND CONDUCTORS AND DEVICES	14,773,688	2,220,336	(163,283)	0	16,830,741	1.11						
368.1	TRANSFORMERS	16,660,208	2,250,821	(1,632)	0	18,909,397	0.01						
368.2	TRANSFORMER INSTALLATIONS	11,197,561	443,417	(294,418)	0	11,346,560	2.63						
369	SERVICES	15,753,385	886,829	(19,681)	0	16,620,533	0.12						
370.1	METERS	2,949,899	10,545	(32,395)	0	2,928,049	1.10						
370.2	METER INSTALLATIONS	1,972,304	36,176	(2,190)	0	2,006,290	0.11						
370.3	ELECTRONIC METERS	5,037,891	137,191	(14,291)	0	5,160,791	0.28						
371	INSTALLATIONS ON CUSTOMER PREMISES	2,219,114	240,007	(231,562)	0	2,227,559	10.43						
371.5	INSTALLATIONS ON CUSTOMER PREMISES - DUSK TO DAWN LIGHTS	347,706	0	0	0	347,706	0.00						
373	STREET LIGHTING AND SIGNAL SYSTEMS	2,331,583	118,268	(68,319)	0	2,381,532	2.93						
390.1	STRUCTURES AND IMPROVEMENTS	4,826,770	1,745,984	0	0	6,572,754	0.00						
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	66,068	6,663	0	0	72,731	0.00						
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	369,215	251,259	0	0	620,474	0.00						
391.34	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE COSTS - 5 YEARS	91,908	0	0	0	91,908	0.00						
391.92	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	662,056	107,883	(607,693)	0	162,246	91.79						
391.93	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	3,269,693	(102,140)	0	0	3,167,553	0.00						
392.1	TRANSPORTATION EQUIPMENT - CARS	302,097	0	0	0	302,097	0.00						
392.2	TRANSPORTATION EQUIPMENT - LIGHT TRUCKS	1,394,971	39,580	0	0	1,434,551	0.00						
392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	490,636	375,586	0	0	866,222	0.00						
393	STORES EQUIPMENT	14,618	(11,401)	0	0	3,217	0.00						
394	TOOLS, SHOP AND GARAGE EQUIPMENT	1,634,223	303,041	0	0	1,937,264	0.00						
395	LABORATORY EQUIPMENT	97,830	0	0	0	97,830	0.00						
396	POWER OPERATED EQUIPMENT	176,632	0	0	0	176,632	0.00						
397	COMMUNICATION EQUIPMENT	1,023,287	2,041	0	0	1,025,328	0.00						
398	MISCELLANEOUS EQUIPMENT	410,294	34,876	0	0	445,170	0.00						
399	OTHER TANGIBLE PROPERTY	0	0	0	0	0	0.00						
TOTAL DEPRECIABLE PLANT		287,524,157	24,953,265	(2,675,298)	0	309,802,124	0.93						

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 3. SUMMARY OF PLANT IN SERVICE ACTIVITY FOR THE YEAR ENDED SEPTEMBER 30, 2023

ACCOUNT (1)	PLANT BALANCE AT BEGINNING OF YEAR (2)	ADDITIONS (3)	RETIREMENTS (4)	TRANSFERS AND ADJUSTMENTS (5)	PLANT BALANCE AT END OF YEAR (6)	PERCENT OF ORIGINAL COST RETIRED (7)
NONDEPRECIABLE PLANT						
301 ORGANIZATION	1,602	0	0	0	1,602	0.00
302.1 FRANCHISES AND CONSENTS - PERPETUAL	6,436	0	0	0	6,436	0.00
350.1 LAND AND LAND RIGHTS - LAND	1,210,203	0	0	0	1,210,203	0.00
350.2 LAND AND LAND RIGHTS - LAND RIGHTS	935,484	0	0	0	935,484	0.00
360.1 LAND AND LAND RIGHTS - LAND	294,162	0	0	0	294,162	0.00
360.2 LAND AND LAND RIGHTS - LAND RIGHTS	14,336	0	0	0	14,336	0.00
389.1 LAND AND LAND RIGHTS - LAND	202,584	0	0	0	202,584	0.00
TOTAL NONDEPRECIABLE PLANT	2,664,807	0	0	0	2,664,807	0.00
TOTAL ELECTRIC PLANT	290,188,964	24,953,265	(2,675,298)	0	312,466,931	0.92
OTHER PLANT (PRIOR TO ALLOCATION)*						
COMMON PLANT						
301 ORGANIZATION (NONDEPRECIABLE)	138,964	0	0	0	138,964	0.00
389.1 LAND AND LAND RIGHTS - LAND (NONDEPRECIABLE)	6,947,108	0	0	0	6,947,108	0.00
390.1 STRUCTURES AND IMPROVEMENTS	35,781,259	13,551,012	0	27,967	49,360,238	0.00
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	0	0	0	0	-	0.00
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	5,149,957	53,424	0	(815,036)	4,388,345	0.00
391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,442,199	0	0	(88,618)	1,353,581	0.00
392.1 TRANSPORTATION EQUIPMENT - CARS	71,637	0	(49,412)	0	22,225	68.98
398 MISCELLANEOUS EQUIPMENT	0	0	0	0	-	0.00
TOTAL COMMON PLANT	49,531,124	13,604,436	(49,412)	(875,687)	62,210,461	0.10
INFORMATION SERVICES (IS)						
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	30,702	(559)	0	0	30,143	0.00
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	20,341,486	9,420,672	0	0	29,762,158	0.00
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	13,499,682	0	0	1	13,499,683	0.00
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	54,302,404	7,028,723	0	0	61,331,127	0.00
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	141,049,948	34,868,119	0	0	175,918,067	0.00
TOTAL INFORMATION SERVICES	229,224,222	51,316,955	0	1	280,541,178	0.00
TOTAL OTHER PLANT	278,755,346	64,921,391	(49,412)	(875,686)	342,751,639	
TOTAL ELECTRIC AND OTHER PLANT	568,944,310	89,874,656	(2,724,710)	(875,686)	655,218,570	

* COMMON PLANT AND INFORMATION SERVICES (IS) ASSETS ARE ALLOCATED TO GAS AND ELECTRIC DIVISIONS FOR RATEMAKING PURPOSES.

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 4. SUMMARY OF BOOK RESERVE ACTIVITY FOR THE YEAR ENDED SEPTEMBER 30, 2023

ACCOUNT (1)	BOOK RESERVE AT BEGINNING OF YEAR (2)	ANNUAL ACCRUAL (3)	AMORTIZATION OF NET SALVAGE (4)	RETIREMENTS (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	TRANSFERS AND ADJUSTMENTS (8)	BOOK RESERVE AT END OF YEAR (9)	BOOK RESERVE AS A PERCENT OF ORIGINAL COST (10)
DEPRECIABLE PLANT									
352 STRUCTURES AND IMPROVEMENTS	494,676	86,432	36	(18,597)	0	0	0	562,547	10.21
353 STATION EQUIPMENT	10,356,230	519,058	(8,800)	(185,162)	0	(29,216)	0	10,652,110	35.90
353.2 STATION EQUIPMENT - SCADA	1,905,293	108,437	0	(26,371)	0	0	0	1,987,359	61.64
354 TOWERS AND FIXTURES	2,338,477	42,090	278	0	0	0	0	2,380,845	57.70
354.7 REG AFUDC	(22,111)	(3,446)	0	0	0	0	0	(25,557)	14.83
355 POLES AND FIXTURES	2,004,780	357,867	32,277	(115,290)	0	(58,061)	0	2,221,573	13.55
356 OVERHEAD CONDUCTORS AND DEVICES	3,483,603	223,549	28,336	(57,411)	0	(25,899)	0	3,652,178	32.71
357 UNDERGROUND CONDUIT	1,870	14	0	0	0	0	0	1,884	90.06
358 UNDERGROUND CONDUCTORS AND DEVICES	0	0	0	0	0	0	0	34,671	277.68
359 ROADS AND TRAILS	47,633	17,062	0	0	0	0	0	64,695	6.85
361 STRUCTURES AND IMPROVEMENTS	44,028	24,885	221	0	0	0	0	69,134	4.22
362 STATION EQUIPMENT	826,377	452,775	14,174	0	0	(116,707)	0	1,176,619	8.43
364 POLES, TOWERS AND FIXTURES	15,595,028	1,039,543	433,587	(498,386)	0	(785,042)	0	15,784,730	27.94
365 OVERHEAD CONDUCTORS AND DEVICES	14,111,065	1,201,216	107,712	(324,709)	0	(203,094)	0	14,892,190	24.01
365.7 REG AFUDC	(83,047)	(14,236)	0	0	0	0	0	(97,283)	13.67
366 UNDERGROUND CONDUIT	2,409,839	143,316	3,599	(13,908)	0	(10,936)	0	2,531,910	25.90
367 UNDERGROUND CONDUCTORS AND DEVICES	4,069,839	455,838	13,098	(163,283)	0	(36,644)	0	4,338,848	25.78
368.1 TRANSFORMERS	8,046,476	328,451	6,252	(1,632)	0	(30,124)	0	8,349,423	44.15
368.2 TRANSFORMER INSTALLATIONS	6,195,958	226,242	36,292	(294,418)	0	(85,454)	0	6,078,620	53.57
369 SERVICES	7,527,834	285,098	71,171	(19,681)	0	(53,446)	0	7,810,976	47.00
370.1 METERS	2,073,283	59,754	(40,937)	(32,395)	55,871	0	0	2,115,576	72.25
370.2 METER INSTALLATIONS	778,252	25,251	4,188	(2,190)	0	(3,694)	0	801,807	39.96
370.3 ELECTRONIC METERS	4,010,096	141,801	460	(14,291)	0	0	0	4,138,066	80.18
371 INSTALLATIONS ON CUSTOMER PREMISES	873,689	95,325	18,239	(231,562)	0	(44,717)	0	710,974	31.92
371.5 INSTALLATIONS ON CUSTOMER PREMISES - DUSK TO DAWN LIGHTS	334,801	1,912	0	0	0	0	0	336,713	96.84
373 STREET LIGHTING AND SIGNAL SYSTEMS	980,610	100,324	16,136	(68,319)	0	(36,123)	0	992,628	41.68
389.1 LAND AND LAND RIGHTS - LAND	14,257	0	0	0	0	0	0	14,257	7.04
390.1 STRUCTURES AND IMPROVEMENTS	1,193,834	177,953	35	0	0	(16)	0	1,371,806	20.87
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	15,334	7,830	0	0	0	0	0	23,164	31.85
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	130,617	106,349	0	0	0	0	0	236,966	38.19
391.34 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE COSTS - 5 YEARS	15,553	18,381	0	0	0	0	0	33,934	36.92
391.92 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	635,605	0	0	(607,693)	0	0	0	27,912	17.20
391.93 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	8,992	223,717	0	0	0	0	0	232,709	7.35
392.1 TRANSPORTATION EQUIPMENT - CARS	123,694	51,387	0	0	0	0	0	175,081	57.96
392.2 TRANSPORTATION EQUIPMENT - LIGHT TRUCKS	140,850	136,757	(2,541)	0	0	0	0	275,066	19.17
392.4 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	35,877	57,021	0	0	0	0	0	92,898	10.72
393 STORES EQUIPMENT	4,135	860	0	0	0	0	0	4,995	155.27
394 TOOLS, SHOP AND GARAGE EQUIPMENT	615,343	90,596	0	0	0	0	0	705,939	36.44
395 LABORATORY EQUIPMENT	83,568	14,262	0	0	0	0	0	97,830	100.00
396 POWER OPERATED EQUIPMENT	6,317	14,819	0	0	0	0	0	21,136	11.97
397 COMMUNICATION EQUIPMENT	152,259	153,684	13	0	0	0	0	305,936	29.84
398 MISCELLANEOUS EQUIPMENT	51,910	43,529	7,890	0	0	(16,958)	0	86,371	19.40
TOTAL DEPRECIABLE PLANT	91,667,395	7,015,703	741,716	(2,675,236)	55,871	(1,536,151)	0	95,269,236	30.75

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 4. SUMMARY OF BOOK RESERVE ACTIVITY FOR THE YEAR ENDED SEPTEMBER 30, 2023

ACCOUNT (1)	BOOK RESERVE AT BEGINNING OF YEAR (2)	ANNUAL ACCRUAL (3)	AMORTIZATION OF NET SALVAGE (4)	RETIREMENTS (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	TRANSFERS AND ADJUSTMENTS (8)	BOOK RESERVE AT END OF YEAR (9)	BOOK RESERVE AS A PERCENT OF ORIGINAL COST (10)
OTHER PLANT (PRIOR TO ALLOCATION)*									
COMMON PLANT									
390.1 STRUCTURES AND IMPROVEMENTS	3,018,983	1,088,637	0	0	0	0	3,864	4,121,484	8.35
390.2 STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	10,628	0	0	0	0	0	0	10,628	-
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,011,569	336,644	0	0	0	0	(453,288)	894,925	20.39
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	272,031	161,888	0	0	0	0	(88,618)	345,301	25.51
392.1 TRANSPORTATION EQUIPMENT - CARS	71,637	0	0	(49,412)	0	0	0	22,225	100.00
398 MISCELLANEOUS EQUIPMENT	0	0	0	0	0	0	0	0	-
TOTAL COMMON PLANT	4,384,848	1,597,169	0	(49,412)	0	0	(538,042)	5,394,563	9.79
INFORMATION SERVICES (IS)									
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	28,853	1,290	0	0	0	0	0	30,143	100.00
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	13,083,477	3,400,251	0	0	0	0	0	16,483,728	55.38
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	2,929,907	1,464,954	0	0	0	0	0	4,394,861	32.56
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	22,617,829	5,862,560	0	0	0	0	0	28,480,389	48.44
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	48,592,264	9,660,716	0	0	0	0	0	58,252,980	33.11
TOTAL INFORMATION SERVICES	87,252,330	20,389,771	0	0	0	0	0	107,642,101	38.37
TOTAL OTHER PLANT	91,637,178	21,986,940	0	(49,412)	0	0	(538,042)	113,036,664	
TOTAL ELECTRIC AND OTHER PLANT	183,304,573	29,002,643	741,716	(2,724,710)	55,871	(1,536,151)	(538,042)	208,305,900	

* COMMON PLANT AND INFORMATION SERVICES (IS) ASSETS ARE ALLOCATED TO GAS AND ELECTRIC DIVISIONS FOR RATEMAKING PURPOSES.

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 5. CALCULATION OF NET SALVAGE ACCRUAL FOR THE YEAR 2024

ACCOUNT (1)	2019		2020		2021		2022		2023		NET SALVAGE (12)*	NET SALVAGE (13)=(12)/5	
	GROSS SALVAGE (2)	COST OF REMOVAL (3)	GROSS SALVAGE (4)	COST OF REMOVAL (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	GROSS SALVAGE (8)	COST OF REMOVAL (9)	GROSS SALVAGE (10)	COST OF REMOVAL (11)			
ELECTRIC PLANT													
DISTRIBUTION PLANT													
352	0	0	0	0	0	0	0	0	0	0	181	36	
353	(8,271)	(746)	0	0	0	3,803	0	9,341	0	29,216	33,343	6,669	
353.2	0	0	0	0	0	0	0	0	0	0	0	0	
354	0	0	0	0	0	1,390	0	0	0	0	1,390	278	
355	0	5,373	0	34,893	0	47,560	0	38,995	0	58,061	184,882	36,976	
356	0	4,011	0	61,830	0	41,849	0	15,510	0	25,899	149,099	29,820	
357	0	0	0	0	0	0	0	0	0	0	0	0	
358	0	0	0	0	0	0	0	0	0	0	0	0	
359	0	0	0	0	0	0	0	0	0	0	0	0	
361	0	0	0	0	0	0	0	1,103	0	0	1,103	221	
362	0	5,944	0	24,880	0	5,721	0	9,451	0	116,707	162,703	32,541	
364	0	178,476	0	695,428	0	628,085	0	441,244	0	785,042	2,728,275	545,655	
365	0	54,263	0	121,069	0	175,874	0	138,921	0	203,094	693,221	138,644	
366	0	3,977	0	9,269	0	49	0	500	0	10,936	24,731	4,946	
367	0	4,285	0	14,036	0	23,539	0	17,354	0	36,644	95,858	19,172	
368.1	0	235	0	3,020	0	4,895	0	7,807	0	30,124	46,081	9,216	
368.2	0	17,595	0	58,648	0	25,689	0	33,600	0	85,454	220,986	44,197	
369	0	88,722	0	81,584	0	72,000	0	39,522	0	53,446	335,274	67,055	
370.1	0	0	(59,469)	0	(76,928)	0	(68,289)	0	(55,871)	0	(260,557)	(52,111)	
370.2	0	6,489	0	3,781	0	3,263	0	3,331	0	3,694	20,558	4,112	
370.3	0	0	0	0	0	0	0	2,299	0	2,299	460	0	
371	0	7,910	0	9,609	0	30,601	0	32,911	0	44,717	125,748	25,150	
371.5	0	0	0	0	0	0	0	0	0	0	0	0	
373	0	7,411	0	19,433	0	14,719	0	28,409	0	36,123	106,095	21,219	
390.1	0	0	0	0	0	0	0	174	0	16	190	38	
390.2	0	0	0	0	0	0	0	0	0	0	0	0	
391	0	0	0	0	0	0	0	0	0	0	0	0	
391.1	0	0	0	0	0	0	0	0	0	0	0	0	
391.34	0	0	0	0	0	0	0	0	0	0	0	0	
391.92	0	0	0	0	0	0	0	0	0	0	0	0	
391.93	0	0	0	0	0	0	0	0	0	0	0	0	
392.1	0	0	0	0	0	0	0	0	0	0	0	0	
392.2	0	0	(13,693)	0	(112)	0	0	1,099	0	0	(12,706)	(2,541)	
392.4	0	0	0	0	0	0	0	0	0	0	0	0	
393	0	0	0	0	0	0	0	0	0	0	0	0	
394	0	0	0	0	0	0	0	0	0	0	0	0	
395	0	0	0	0	0	0	0	0	0	0	0	0	
396	0	0	0	0	0	0	0	0	0	0	0	0	
397	0	0	0	0	0	63	0	0	0	20	83	17	
398	0	0	0	419	0	8,277	0	30,752	0	16,958	56,406	11,281	
TOTAL ELECTRIC	(8,271)	383,945	(73,162)	1,137,899	(77,040)	1,087,377	(68,289)	852,504	(55,871)	1,536,151	4,715,243	943,051	

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 5. CALCULATION OF NET SALVAGE ACCRUAL FOR THE YEAR 2024

ACCOUNT (1)	2019		2020		2021		2022		2023		NET SALVAGE ACCRUAL (13)=(12)/5	
	GROSS SALVAGE (2)	COST OF REMOVAL (3)	GROSS SALVAGE (4)	COST OF REMOVAL (5)	GROSS SALVAGE (6)	COST OF REMOVAL (7)	GROSS SALVAGE (8)	COST OF REMOVAL (9)	GROSS SALVAGE (10)	COST OF REMOVAL (11)		NET SALVAGE (12)*
OTHER PLANT (PRIOR TO ALLOCATION) **												
COMMON PLANT												
390.2	0	0	0	0	0	0	0	0	0	0	0	0
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
392.1	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
INFORMATION SERVICES												
391	0	0	0	0	0	0	0	0	0	0	0	0
391.1	0	0	0	0	0	0	0	0	0	0	0	0
391.2	0	0	0	0	0	0	0	0	0	0	0	0
391.3	0	0	0	0	0	0	0	0	0	0	0	0
391.4	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER PLANT												
	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ELECTRIC AND OTHER PLANT												
	(8,271)	383,945	(73,162)	1,137,899	(77,040)	1,087,377	(68,289)	852,504	(55,871)	1,536,151	4,715,243	943,051

* COLUMN (12) EQUALS THE SUMMATION OF COLUMNS (2) THROUGH (11).

** COMMON PLANT AND INFORMATION SERVICES (IS) ASSETS ARE ALLOCATED TO GAS AND ELECTRIC DIVISIONS FOR RATEMAKING PURPOSES.

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 6. ORIGINAL COST, CALCULATED ANNUAL ACCRUAL RATES AND AMOUNTS
RELATED TO ELECTRIC PLANT IN SERVICE AS OF DECEMBER 31, 2023

ACCOUNT		ORIGINAL COST AS OF 12/31/2023	ANNUAL ACCRUAL RATE PERCENT	ANNUAL ACCRUAL AMOUNT
(1)		(2)	(3)	(4)
DEPRECIABLE PLANT				
TRANSMISSION PLANT				
352	STRUCTURES AND IMPROVEMENTS	5,507,599	2.00	110,152
353	STATION EQUIPMENT	29,689,797	1.65	489,882
353.2	STATION EQUIPMENT - SCADA	3,223,992	3.64	117,353
354	TOWERS AND FIXTURES	4,126,489	0.99	40,852
354.7	REG AFUDC	(172,296)	2.27	(3,911)
355	POLES AND FIXTURES	16,360,019	2.40	392,640
356	OVERHEAD CONDUCTORS AND DEVICES	11,150,099	1.97	219,657
357	UNDERGROUND CONDUIT	2,092	0.57	12
358	UNDERGROUND CONDUCTORS AND DEVICES	12,486	-	0
359	ROADS AND TRAILS	1,026,411	2.75	28,226
TOTAL TRANSMISSION PLANT		70,926,688	1.97	1,394,863
DISTRIBUTION PLANT				
361	STRUCTURES AND IMPROVEMENTS	1,638,641	2.41	39,491
362	STATION EQUIPMENT	13,983,485	3.32	464,252
364	POLES, TOWERS AND FIXTURES	56,219,563	1.94	1,090,660
365	OVERHEAD CONDUCTORS AND DEVICES	63,155,193	2.19	1,383,099
365.7	REG AFUDC	(711,827)	2.30	(16,372)
366	UNDERGROUND CONDUIT	9,785,502	1.60	156,568
367	UNDERGROUND CONDUCTORS AND DEVICES	16,966,414	3.05	517,476
368.1	TRANSFORMERS	19,228,230	2.08	399,947
368.2	TRANSFORMER INSTALLATIONS	11,294,874	2.10	237,192
369	SERVICES	16,761,610	1.71	286,624
370.1	METERS	2,923,978	1.62	47,368
370.2	METER INSTALLATIONS	2,159,424	1.27	27,425
370.3	ELECTRONIC METERS	5,206,770	2.59	134,855
371	INSTALLATIONS ON CUSTOMER PREMISES	2,279,027	5.64	128,537
371.5	INSTALLATIONS ON CUSTOMER PREMISES - DUSK TO DAWN LIGHTS	347,706	0.38	1,321
373	STREET LIGHTING AND SIGNAL SYSTEMS	2,410,607	4.48	107,995
TOTAL DISTRIBUTION PLANT		223,649,198	2.24	5,006,438
GENERAL PLANT				
390.1	STRUCTURES AND IMPROVEMENTS	6,353,673	7.38	468,901
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	72,731	6.55	4,764
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	620,474	64.25	398,655
391.34	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE COSTS - 5 YEARS	91,908	19.17	17,619
391.92	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	162,246	14.11	22,893
391.93	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	3,167,913	6.86	217,319
393	STORES EQUIPMENT	3,217	-	0
394	TOOLS, SHOP AND GARAGE EQUIPMENT	1,834,110	5.02	92,072
395	LABORATORY EQUIPMENT	67,458	-	0
397	COMMUNICATION EQUIPMENT	879,850	16.49	145,087
398	MISCELLANEOUS EQUIPMENT	445,170	14.50	64,550
TOTAL GENERAL PLANT		13,698,751	10.45	1,431,860
SPECIAL DEPRECIABLE PLANT				
392.1	TRANSPORTATION EQUIPMENT - CARS	302,097	12.11	36,584
392.2	TRANSPORTATION EQUIPMENT - TRUCKS	1,434,551	11.28	161,817
392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	866,222	7.97	69,038
396	POWER OPERATED EQUIPMENT	176,632	7.26	12,823
TOTAL SPECIAL DEPRECIABLE PLANT		2,779,501	10.08	280,262
TOTAL DEPRECIABLE PLANT		311,054,138	2.61	8,113,423
NONDEPRECIABLE PLANT				
301	ORGANIZATION	1,602		
302.1	FRANCHISES AND CONSENTS - PERPETUAL	6,436		
350.1	LAND AND LAND RIGHTS - LAND	1,210,203		
350.2	LAND AND LAND RIGHTS - LAND RIGHTS	935,484		
360.1	LAND AND LAND RIGHTS - LAND	294,162		
360.2	LAND AND LAND RIGHTS - LAND RIGHTS	14,336		
389.1	LAND AND LAND RIGHTS - LAND	202,584		
TOTAL NONDEPRECIABLE PLANT		2,664,808		
TOTAL ELECTRIC PLANT		313,718,946		

UGI UTILITIES, INC. - ELECTRIC DIVISION

TABLE 6. ORIGINAL COST, CALCULATED ANNUAL ACCRUAL RATES AND AMOUNTS
RELATED TO ELECTRIC PLANT IN SERVICE AS OF DECEMBER 31, 2023

ACCOUNT	ORIGINAL COST AS OF 12/31/2023	ANNUAL ACCRUAL RATE PERCENT	ANNUAL ACCRUAL AMOUNT
(1)	(2)	(3)	(4)
OTHER PLANT (PRIOR TO ALLOCATION)*			
COMMON PLANT			
301 ORGANIZATION (NONDEPRECIABLE)	138,964		
389.1 LAND AND LAND RIGHTS - LAND (NONDEPRECIABLE)	6,947,108		
390.1 STRUCTURES AND IMPROVEMENTS	48,713,394	3.01	1,466,273
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	4,388,345	4.95	217,223
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	1,353,581	49.63	671,782
392.1 TRANSPORTATION EQUIPMENT - CARS	0	-	0
TOTAL COMMON PLANT	61,541,390	3.83	2,355,278
INFORMATION SERVICES (IS)			
391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	0	-	0
391.1 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	16,201,943	21.66	3,509,341
391.2 OFFICE FURNITURE AND EQUIPMENT - SOFTWARE	13,499,683	10.85	1,464,716
391.3 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	56,861,589	7.62	4,332,853
391.4 OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	133,520,144	6.40	8,545,289
TOTAL INFORMATION SERVICES	220,083,359	8.11	17,852,199
TOTAL OTHER PLANT	281,624,749	7.18	20,207,477
TOTAL ELECTRIC AND OTHER PLANT	595,343,694		28,320,900

* COMMON PLANT AND INFORMATION SERVICES (IS) ASSETS ARE ALLOCATED TO GAS AND ELECTRIC DIVISIONS FOR RATEMAKING PURPOSES

Attachment D

Illustrative Example of Depreciation Expense Differences

UGI Utilities, Inc.

Attachment 9 - Depreciation Rates

(A)	(B)	(C)	(D)	(E)	(C) * (E)	(D) * (E)	(F) - (G)
Number	Plant Type	Existing Rate	New Rate	Gross Depreciable Plant (Dec. 31, 2023 Balance in'000s)	Existing Rate Depreciation Expense	New Rate Depreciation Expense	Depreciation Expense Difference
TRANSMISSION PLANT							
352	STRUCTURES AND IMPROVEMENTS	1.91	2.00	\$ 5,508	\$ (105)	\$ (110)	\$ (5)
353	STATION EQUIPMENT	1.62	1.65	29,690	(481)	(490)	(9)
353.2	STATION EQUIPMENT - SCADA	3.65	3.64	3,224	(118)	(117)	0
354	TOWERS AND FIXTURES	1.02	0.99	4,126	(42)	(41)	1
354.7	REG AFUDC	2.26	2.27	(172)	4	4	0
355	POLES AND FIXTURES	2.34	2.40	16,360	(383)	(393)	(10)
356	OVERHEAD CONDUCTORS AND DEVICES	2.02	1.97	11,150	(225)	(220)	6
357	UNDERGROUND CONDUIT	0.67	0.57	2	(0)	(0)	0
358	UNDERGROUND CONDUCTORS AND DEVICES	2.44	-	12	(0)	-	0
359.1	ROADS AND TRAILS	2.80	2.75	1,026	(29)	(28)	1
ELECTRIC GENERAL PLANT							
390.1	STRUCTURES AND IMPROVEMENTS	3.48	7.38	6,354	(221)	(469)	(248)
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	10.89	6.55	73	(8)	(5)	3
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	28.01	64.25	620	(174)	(398)	(225)
391.34	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE COSTS - 5 YEARS	-	19.17	-	-	-	-
391.92	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	6.60	14.11	3,422	(226)	(483)	(257)
391.93	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	-	6.86	-	-	-	-
393	STORES EQUIPMENT	11.77	-	3	(0)	-	0
394	TOOLS, SHOP AND GARAGE EQUIPMENT	5.26	5.02	1,834	(96)	(92)	4
395	LABORATORY EQUIPMENT	15.93	-	67	(11)	-	11
397	COMMUNICATION EQUIPMENT	15.00	16.49	880	(132)	(145)	(13)
398	MISCELLANEOUS EQUIPMENT	10.24	14.50	445	(46)	(65)	(19)
392.1	TRANSPORTATION EQUIPMENT - AUTOMOBILES	17.01	12.11	302	(51)	(37)	15
392.2	TRANSPORTATION EQUIPMENT - LIGHT TRUCKS	9.74	11.28	1,435	(140)	(162)	(22)
392.4	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS	7.53	7.97	866	(65)	(69)	(4)
396	POWER OPERATED EQUIPMENT	8.39	7.26	177	(15)	(13)	2
COMMON PLANT							
390.1	STRUCTURES AND IMPROVEMENTS	3.01	3.01	4,925	(148)	(148)	-
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	5.35	4.95	444	(24)	(22)	2
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	25.67	49.63	137	(35)	(68)	(33)
392.1	TRANSPORTATION EQUIPMENT - CARS	-	-	-	-	-	-
398	MISCELLANEOUS EQUIPMENT	11.48	-	-	-	-	-
					-	-	-
391	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	5.41	-	-	-	-	-
391.1	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	21.14	21.66	1,638	(346)	(355)	(9)
391.2	OFFICE FURNITURE AND EQUIPMENT - SOFTWARE				-	-	
	SUCCESS FACTORS	25.93	-	283	(74)	-	74
	UNITE ERP	7.09	7.14	1,081	(77)	(77)	(1)
	TOTAL OFFICE FURNITURE AND EQUIPMENT - SOFTWARE				-	-	
391.3	OFFICE FURNITURE AND EQUIPMENT - SYSTEM DEV. COSTS - 10 YEARS	9.54	7.62	5,749	(548)	(438)	110
391.4	OFFICE FURNITURE & EQUIPMENT - SYSTEM DEV. COSTS - 15 YEARS	6.72	6.40	13,499	(907)	(864)	43
					\$ (4,723)	\$ (5,304)	\$ (581)

Note: Gross Depreciation Plant (column E) represents the Electric Transmission portion of the applicable gross plant balance.