

**ATTACHMENT H-8C**

<b>UGI Utilities, Inc.</b>	<b>Estimate</b>
	<b>2013</b>

**Formula Rate -- Appendix A**

Notes      FERC Form 1 Page #      or  
Instruction

**Allocators**

<b>Wages &amp; Salary Allocation Factor</b>			
1	Transmission Wages Expense		1,139,000
2	Total Wages Expense	Attachment 5	5,668,693
3	Less A&G Wages Expense	Attachment 5	1,248,170
4	Total	(Line 2 - 3)	4,420,523
5	<b>Wages &amp; Salary Allocator</b>	(Line 1 / 4)	<b>25.7662%</b>
<b>Plant Allocation Factors</b>			
6	Electric Plant in Service	(Note B) p207.104.g	157,488,222
7	Common Plant In Service - Electric	(Line 24)	1,946,386
8	Total Plant In Service	(Sum Lines 6 & 7)	159,434,608
9	Accumulated Depreciation (Total Electric Plant)	p219.19.c	62,423,746
10	Accumulated Intangible Amortization	(Note A) p200.21.c	215,412
11	Accumulated Common Amortization - Electric	(Note A) Attachment 5	0
12	Accumulated Common Plant Depreciation - Electric	(Note A) Attachment 5	1,163,038
13	Total Accumulated Depreciation	(Sum Lines 9 to 12)	63,802,196
14	Net Plant	(Line 8 - Line 13)	95,632,412
15	Transmission Gross Plant	(Line 29 - Line 28)	40,110,176
16	<b>Gross Plant Allocator</b>	(Line 15 / Line 8)	<b>25.1578%</b>
17	Transmission Net Plant	(Line 39 - Line 28)	24,252,377
18	<b>Net Plant Allocator</b>	(Line 17 / Line 14)	<b>25.3600%</b>

**Plant Calculations**

<b>Plant In Service</b>			
19	Transmission Plant In Service	(Note B) p207.58.g	37,866,961
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	593,455
22	<b>Total Transmission Plant In Service</b>	(Line 19 - Line 20 + Line 21)	<b>38,460,416</b>
23	General & Intangible	p205.5.g & p207.99.g	4,456,427
24	Common Plant (Electric Only)	(Notes A & B) Attachment 5	1,946,386
25	Total General & Common	(Line 23 + Line 24)	6,402,813
26	Wage & Salary Allocation Factor	(Line 5)	25.76618%
27	<b>General &amp; Common Plant Allocated to Transmission</b>	(Line 25 * Line 26)	<b>1,649,760</b>
28	<b>Plant Held for Future Use (Including Land)</b>	(Note C) Attachment 5	<b>0</b>
29	<b>TOTAL Plant In Service</b>	(Line 22 + Line 27 + Line 28)	<b>40,110,176</b>
<b>Accumulated Depreciation</b>			
30	Transmission Accumulated Depreciation	(Note C) Attachment 5	14,969,229
31	Accumulated General Depreciation	Attachment 5	2,070,140
32	Accumulated Intangible Amortization	(Line 10)	215,412
33	Accumulated Common Amortization - Electric	(Line 11)	0
34	Common Plant Accumulated Depreciation (Electric Only)	(Line 12)	1,163,038
35	Total Accumulated Depreciation	(Sum Lines 31 to 34)	3,448,590
36	Wage & Salary Allocation Factor	(Line 5)	25.76618%
37	<b>General &amp; Common Allocated to Transmission</b>	(Line 35 * Line 36)	<b>888,570</b>
38	<b>TOTAL Accumulated Depreciation</b>	(Line 30 + Line 37)	<b>15,857,799</b>
39	<b>TOTAL Net Property, Plant &amp; Equipment</b>	(Line 29 - Line 38)	<b>24,252,377</b>

**Adjustment To Rate Base**

<b>Accumulated Deferred Income Taxes</b>				
40	ADIT net of FASB 106 and 109		Attachment 1	-6,321,258
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	Attachment 5	0
42	Net Plant Allocation Factor		(Line 18)	25.36%
43	<b>Accumulated Deferred Income Taxes Allocated To Transmission</b>		(Line 41 * Line 42) + Line 40	<b>-6,321,258</b>
<b>Prepayments</b>				
44	Prepayments (Account 165)	(Note A)	Attachment 5	681,225
45	Net Plant Allocation Factor		(Line 18)	25.36%
46	<b>Total Prepayments Allocated to Transmission</b>		(Line 44 * Line 45)	<b>172,759</b>
<b>Materials and Supplies</b>				
47	Undistributed Stores Exp	(Note A)	Attachment 5	65,739
48	Wage & Salary Allocation Factor		(Line 5)	25.77%
49	Total Transmission Allocated		(Line 47 * Line 48)	16,938
50	Transmission Materials & Supplies		Attachment 5	282,643
51	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 49 + Line 50)	<b>299,582</b>
<b>Cash Working Capital</b>				
52	Operation & Maintenance Expense		(Line 84)	4,297,116
53	1/8th Rule		x 1/8	12.5%
54	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 52 * Line 53)	<b>537,140</b>
<b>Network Credits</b>				
55	Outstanding Network Credits	(Note N)	From PJM	0
56	Less Accumulated Depreciation Associated with Facilities with Outstanding Network Credits	(Note N)	From PJM	0
57	Net Outstanding Credits		(Line 55 - Line 56)	0
58	<b>TOTAL Adjustment to Rate Base</b>		(Lines 43 + 46 + 51 + 54 - 57)	<b>-5,311,778</b>
59	<b>Rate Base</b>		(Line 39 + Line 58)	<b>18,940,599</b>

**O&M**

<b>Transmission O&amp;M</b>				
60	Transmission O&M		p321.112.b	7,620,283
61	Less extraordinary property loss		Attachment 5	
62	Plus amortized extraordinary property loss		Attachment 5	
63	Less Account 565 and other excluded transmission expenses		Attachment 5	4,960,662
64	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note O)	PJM Data	0
65	Plus Transmission Lease Payments	(Note A)	Attachment 5	0
66	<b>Transmission O&amp;M</b>		(Lines 60 - 61 + 62 - 63 + 64 + 65)	<b>2,659,621</b>
<b>Allocated General &amp; Common Expenses</b>				
67	Common Plant O&M	(Note A)	Attachment 5	127,595
68	Total A&G		p323.197.b	6,227,963
69	Less Property Insurance Account 924		p323.185b	19,925
70	Less Regulatory Commission Exp Account 928	(Note E)	Attachment 5	0
71	Less General Advertising Exp Account 930.1		Attachment 5	32
72	Less EPRI Dues	(Note D)	Attachment 5	0
73	<b>General &amp; Common Expenses</b>		(Lines 67 + 68 - Sum (69 to 72))	<b>6,335,601</b>
74	Wage & Salary Allocation Factor		(Line 5)	25.7662%
75	<b>General &amp; Common Expenses Allocated to Transmission</b>		(Line 73 * Line 74)	<b>1,632,442</b>
<b>Directly Assigned A&amp;G</b>				
76	Regulatory Commission Exp Account 928	(Note G)	Attachment 5	0
77	General Advertising Exp Account 930.1	(Note K)	Attachment 5	0
78	<b>Subtotal - Transmission Related</b>		(Line 76 + Line 77)	<b>0</b>
79	Property Insurance Account 924		(Line 69)	19,925
80	General Advertising Exp Account 930.1	(Note F)	Attachment 5	0
81	Total		(Line 79 + Line 80)	19,925
82	Net Plant Allocation Factor		(Line 18)	25.36%
83	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 81 * Line 82)	<b>5,053</b>
84	<b>Total Transmission O&amp;M</b>		(Lines 66 + 75 + 78 + 83)	<b>4,297,116</b>

**Depreciation & Amortization Expense**

Depreciation Expense				
85	Transmission Depreciation Expense		Attachment 5	691,140
86	General Depreciation		Attachment 5	118,983
87	Intangible Amortization	(Note A)	Attachment 5	0
88	Total		(Line 86 + Line 87)	118,983
89	Wage & Salary Allocation Factor		(Line 5)	25.7662%
90	<b>General Depreciation Allocated to Transmission</b>		(Line 88 * Line 89)	<b>30,657</b>
91	Common Depreciation - Electric Only	(Note A)	Attachment 5	206,213
92	Common Amortization - Electric Only	(Note A)	Attachment 5	111,039
93	Total		(Line 91 + Line 92)	317,252
94	Wage & Salary Allocation Factor		(Line 5)	25.7662%
95	<b>Common Depreciation - Electric Only Allocated to Transmission</b>		(Line 93 * Line 94)	<b>81,744</b>
96	<b>Total Transmission Depreciation &amp; Amortization</b>		<b>(Line 85 + Line 90 + Line 95)</b>	<b>803,541</b>

**Taxes Other than Income**

97	Taxes Other than Income		Attachment 2	229,566
98	<b>Total Taxes Other than Income</b>		<b>(Line 97)</b>	<b>229,566</b>

**Return / Capitalization Calculations**

Long Term Interest				
99	Long Term Interest		p117.62.c through 67.c	36,582,272
100	Less LTD Interest on Securitization Bonds	(Note P)	Attachment 8	0
101	<b>Long Term Interest</b>		(Line 99 - Line 100)	36,582,272
102	<b>Preferred Dividends</b>	enter positive	p118.29.c	0
Common Stock				
103	Proprietary Capital		p112.16.c	819,338,617
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-319,533,257
106	<b>Common Stock</b>		(Sum Lines 103 to 105)	499,805,360
Capitalization				
107	Long Term Debt		p112.18.c through 21.c	642,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	-145,316
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
110	Less ADIT associated with Gain or Loss	enter negative	Attachment 1	-10,769
111	Less LTD on Securitization Bonds	(Note P)	Attachment 8	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	641,843,915
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	499,805,360
115	<b>Total Capitalization</b>		(Sum Lines 112 to 114)	1,141,649,275
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	56.2%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	43.8%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0570
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	0.0000
121	Common Cost	Common Stock	(Note J) Fixed	0.1130
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)	0.0320
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0495
125	<b>Total Return ( R )</b>		(Sum Lines 122 to 124)	<b>0.0815</b>
126	<b>Investment Return = Rate Base * Rate of Return</b>		<b>(Line 59 * Line 125)</b>	<b>1,543,922</b>

**Composite Income Taxes**

Income Tax Rates				
127	FIT=Federal Income Tax Rate		FIT for Year	35.00%
128	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year	9.99%
129	p		(percent of federal income tax deductible for state purposes)	0.00%
130	T		$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	41.49%
131	T/(1-T)			70.92%
ITC Adjustment				
132	Amortized Investment Tax Credit	(Note I)	enter negative p266.6.f	-22,241
133	1/(1-T)		1 / (1-T)	170.92%
134	Net Plant Allocation Factor		(Line 18)	25.3600%
135	<b>ITC Adjustment Allocated to Transmission</b>		(Line 132 * Line 133 * Line 134)	<b>-9,640</b>
136	<b>Income Tax Component =</b>		$CIT=(T/1-T) * Investment\ Return * (1-(WCLTI[Line\ 131 * 126 * (1-(122 / 125))])$	<b>664,533</b>
137	<b>Total Income Taxes</b>		<b>(Line 135 + Line 136)</b>	<b>654,892</b>

**REVENUE REQUIREMENT**

Summary				
138	Net Property, Plant & Equipment		(Line 39)	24,252,377
139	Adjustment to Rate Base		(Line 58)	-5,311,778
140	<b>Rate Base</b>		(Line 59)	<b>18,940,599</b>
141	O&M		(Line 84)	4,297,116
142	Depreciation & Amortization		(Line 96)	803,541
143	Taxes Other than Income		(Line 98)	229,566
144	Investment Return		(Line 126)	1,543,922
145	Income Taxes		(Line 137)	654,892
146	<b>Gross Revenue Requirement</b>		<b>(Sum Lines 141 to 145)</b>	<b>7,529,038</b>
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
147	Transmission Plant In Service		(Line 19)	37,866,961
148	Excluded Transmission Facilities	(Note M)	Attachment 5	6,767,297
149	Included Transmission Facilities		(Line 147 - Line 148)	31,099,664
150	Inclusion Ratio		(Line 149 / Line 147)	82.13%
151	Gross Revenue Requirement		(Line 146)	7,529,038
152	<b>Adjusted Gross Revenue Requirement</b>		(Line 150 x Line 151)	<b>6,183,505</b>
Revenue Credits & Interest on Network Credits				
153	<b>Revenue Credits</b>		Attachment 3	92,901
154	<b>Interest on Network Credits</b>	(Note N)	PJM Data	0
155	<b>Net Revenue Requirement</b>		<b>(Line 152 - Line 153 + Line 154)</b>	<b>6,090,604</b>
Net Plant Carrying Charge without ROE increment				
156	Gross Revenue Requirement		(Line 146)	7,529,038
157	Net Transmission Plant		(Line 19 - Line 30)	22,897,732
158	Net Plant Carrying Charge		(Line 156 / Line 157)	32.8812%
159	Net Plant Carrying Charge without Depreciation		(Line 156 - Line 85) / Line 157	29.8628%
160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes		(Lines 156 - 85 - 126 - 137) / Line 157	20.2600%
Net Plant Carrying Charge with 100 Basis Point ROE increment				
161	Gross Revenue Requirement Less Return and Taxes		(Line 146 - Line 144 - Line 145)	5,330,224
162	Increased Return and Taxes		Attachment 4	2,340,521
163	Net Revenue Requirement per 100 Basis Point increase in ROE		(Line 161 + Line 162)	7,670,744
164	Net Transmission Plant		(Line 19 - Line 30)	22,897,732
165	Net Plant Carrying Charge per 100 Basis Point increase in ROE		(Line 163 / Line 164)	33.5000%
166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation		(Line 162 - Line 85) / Line 164	30.4816%
167	<b>Net Revenue Requirement</b>		(Line 155)	<b>6,090,604</b>
168	Reconciliation Amount		Attachment 6	630,304
169	Plus any increased ROE calculated on Attachment 7 other than PJM Sch. 12 projects		Attachment 7	-
170	Facility Credits under Section 30.9 of the PJM OATT		Attachment 5	-
171	<b>Net Zonal Revenue Requirement</b>		(Sum Lines 167 to 170)	<b>6,720,908</b>
Network Zonal Service Rate				
172	1 CP Peak	(Note L)	6593	6,593
173	Rate (\$/MW-Year)	(Note L)	(Line 171 / Line 172)	1,019
174	<b>Network Service Rate (\$/MW/Year)</b>	<b>(Note L)</b>	<b>(Line 173)</b>	<b>1,019</b>

**Notes**

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

**END**

UGI Utilities, Inc.

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

	Only Transmission Related	Plant Related	Labor Related	Total ADIT
1 ADIT- 282	0	(23,138,779)	0	
2 ADIT-283	0	0	276,620	
3 ADIT-190	(18,187)	(18,012)	(2,129,209)	
4 Subtotal	(18,187)	(23,156,791)	(1,852,588)	
5 Wages & Salary Allocator			25.7662%	
6 Gross Plant Allocator		25.1578%		
7 ADIT	(18,187)	(5,825,730)	(477,341)	(6,321,258)

	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
17 ADIT-190				
21 RESERVE FOR BAD DEBT - FIT	510,709			
22 RESERVE FOR BAD DEBT - STATE	161,950			
23 FIXED TRANSMISSION RIGHTS (FTR) - FIT		(13,808)		
24 FIXED TRANSMISSION RIGHTS (FTR) - STATE		(4,379)		
25 FV DERIVATIVES - GAS FUTURES - FIT	-			
26 FV DERIVATIVES - GAS FUTURES - STATE	-			
27 INJURIES & DAMAGES - FIT				-
28 INJURIES & DAMAGES - STATE				-
29 SFAS 112 WORKERS COMPENSATION/LTD CURRENT - FIT				69,568
30 SFAS 112 WORKERS COMPENSATION/LTD CURRENT - STATE				22,061
31 SFAS 112 LTD/STD (NON CURRENT) - FIT				-
32 SFAS 112 LTD/STD (NON CURRENT) - STATE				-
33 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				-
34 SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				-
35 SFAS 106 POST RETIREMENT BENEFIT (CURRENT) - FIT				8,949
36 SFAS 106 POST RETIREMENT BENEFIT (CURRENT) - STATE				2,838
37 PREPAID RETIREMENT INCOME COSTS (PRE-SFAS 158) - FIT				(1,443,102)
38 PREPAID RETIREMENT INCOME COSTS (PRE-SFAS 158) - STATE				(457,633)
39 RESTRICTED STOCK AWARDS - FIT				(12,980)
40 RESTRICTED STOCK AWARDS - STATE				(4,116)
41 ANNUAL BONUS PLAN - FIT				27,620
42 ANNUAL BONUS PLAN - STATE				8,759
43 VACATION ACCRUAL - FIT				85,118
44 VACATION ACCRUAL - STATE				26,992
45 TAX CUSHION - FIT	-			
46 TAX CUSHION - STATE	-			
47 VEBA - FIT				-
48 VEBA - STATE				-
49 FAS 143 ASSET RETIREMENT OBLIG - FIT			(13,675)	
50 FAS 143 ASSET RETIREMENT OBLIG- STATE			(4,337)	
51 CIAC RECEIPTS - NET REFUNDS - FIT	751,730			
52 CIAC RECEIPTS - NET REFUNDS - STATE	141,245			
53 IRPA - FIT	2,044,058			
54 IRPA - STATE	648,200			
55 FAS 158 - FIT	-			
56 FAS 158 - STATE	-			
57 MARK TO MARKET ENERGY PURCHASES- ST - FIT	12,607			
58 MARK TO MARKET ENERGY PURCHASES- ST - STATE	3,998			
59 NET OPERATING LOSS - FIT	68,701			
60 NET OPERATING LOSS - STATE	(196,286)			
61 UNDER/OVER RECOVERED BILLED ENERGY COSTS - FIT	(340,365)			
62 UNDER/OVER RECOVERED BILLED ENERGY COSTS - STATE	(107,932)			
63 UNDER/OVER RECOVERED UNBILLED ENERGY COSTS - FIT	1,243,521			
64 UNDER/OVER RECOVERED UNBILLED ENERGY COSTS - STATE	394,330			
65 INSURANCE RECEIVABLE - FIT				(348,130)
66 INSURANCE RECEIVABLE - STATE				(103,365)
67 Subtotal - p234	5,336,465	(18,187)	(18,012)	(2,117,422)
68 Less FASB 109 Above				
69 Less FASB 106 Above				11,787
70 Total	5,336,465	(18,187)	(18,012)	(2,129,209)

Instructions for Account 190:

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

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

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**ADIT- 282**

	(A) Gas, Prod Or Other Related	(B) Only Transmission Related	(C) Plant Related	(D) Labor Related
SFAS 109 RECOVERABLE UTILITY COSTS - FIT	(2,318,563)			
SFAS 109 RECOVERABLE UTILITY COSTS - STATE	(7,703,271)			
LIB. TAX DEPRECIATION ADR - FIT			-	
LIB. TAX DEPRECIATION ADR - STATE			-	
LIB. TAX DEPRECIATION - FIT - ACRS/MACRS			(23,138,779)	
LIB. TAX DEPRECIATION - STATE - ACRS/MACRS			-	
<b>Subtotal - p275 (Form 1-F filer: see note 6 below)</b>	<b>(10,021,834)</b>	<b>0</b>	<b>(23,138,779)</b>	<b>0</b>
<b>Less FASB 109 Above</b>	<b>(10,021,834)</b>			
<b>Less FASB 106 Above</b>			<b>0</b>	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>(23,138,779)</b>	<b>0</b>

**Instructions for Account 282:**

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

**ADIT-283**

	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related
LOSS OF REACQUIRED DEBT - FIT	(8,176)			
LOSS OF REACQUIRED DEBT - STATE	(2,593)			
REG LIABILITY - ENVIRONMENTAL - FIT	201,168			
REG LIABILITY - ENVIRONMENTAL - SIT	63,792			
INVENTORY RESERVE -FIT	4,852			-
INVENTORY RESERVE -STATE	1,539			-
SFAS 112 LTD/STD (NON CURRENT) - FIT				42,003
SFAS 112 LTD/STD (NON CURRENT) - STATE				13,320
SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - FIT				1,998,248
SFAS 106 POST RETIREMENT BENEFIT (NON CURRENT) - STATE				633,660
FAS 158 PENSION-FIT	2,156,518			
FAS 158 PENSION - STATE	683,241			
EXEC RETIREMENT PLAN - FIT				115,045
EXEC RETIREMENT PLAN - STATE				36,481
IRPA - FIT	(38,585)			
IRPA - STATE	(12,236)			
RESTRICTED STOCK AWARDS - FIT				52,973
RESTRICTED STOCK AWARDS - STATE				16,798
CAP PROGRAM OVER/UNDER - FIT	(6,094)			
CAP PROGRAM OVER/UNDER - STATE	(1,932)			
REGULATORY ASSET - PENSION - FIT	(2,730,685)			
REGULATORY ASSET - PENSION - FIT	(865,921)			
<b>Subtotal - p277</b>	<b>(555,111)</b>	<b>-</b>	<b>-</b>	<b>2,908,529</b>
<b>Less FASB 109 Above</b>				
<b>Less FASB 106 Above</b>				<b>2,631,908</b>
<b>Total</b>	<b>(555,111)</b>	<b>-</b>	<b>-</b>	<b>276,620</b>

**Instructions for Account 283:**

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

**UGI Utilities, Inc.**

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

		<i>Source:</i>		
<i>Other Taxes</i>		<i>Ferc Form 1 Pages 262-263</i>	<i>Allocator</i>	<i>Allocated Amount</i>
<b>Plant Related</b>			<b>Gross Plant Allocator</b>	
1	Real property (State, Municipal or Local)	135,410		
2	Personal property			
3	Capital Stock Tax	270,427		
4	Gross Premium (insurance) Tax	10,717		
5	PURTA	137,196		
6	Corp License			
7				
8				
9	<b>Total Plant Related</b>	553,750	25.1578%	139,311
10				
11				
12	<b>Labor Related</b>		<b>Wages &amp; Salary Allocator</b>	
13				
14				
15	Federal FICA & Unemployment	335,121		
16	Unemployment	15,163		
17				
18				
19				
20	<b>Total Labor Related</b>	350,284	25.7662%	90,255
21				
22				
23	<b>Other Included</b>		<b>Gross Plant Allocator</b>	
24				
25	Miscellaneous			
26				
27				
28				
29	<b>Total Other Included</b>	0	25.1578%	0
30				
31	<b>Total Included</b>	Sum lines 9+20+29	904,034	229,566
32				
33				
34	<b>Currently Excluded</b>			
35				
36	Gross Receipts Tax (GRT)	5,531,775		
37	Utility Regulatory Assessment	257,759		
38		-		
39		0		
40	Immaterial payroll tax reconciliations	69		
41	<b>Total Excluded</b>	5,789,603		
42				
43	<b>Grand Total = Included + Excluded (line 31 + 41)</b>	6,693,638		
44				
45	<b>Total "Taxes Other Than Income Taxes" Acct. 408.1 (p115.14.g)</b>	6,693,637		
46				
47	<b>Difference</b>		1	



**UGI Utilities, Inc.**

**Attachment 3 - Revenue Credit Workpaper**

<b>Account 454 - Rent from Electric Property</b>		
1	Rent from Electric Property - Transmission Related (Note 3)	25,632
2	Total Rent Revenues (Line 1)	25,632
<b>Account 456 - Other Electric Revenues (Note 1)</b>		
3	Schedule 1A	
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	-
5	Point to Point Service revenues received by the Transmission Owner for which the load is not included in the divisor	80,085
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)	105,717
12	Line 17g	12,816
13	Total Revenue Credits (Line 11 - Line 12)	92,901
<b>Revenue Adjustment to determine Revenue Credit</b>		
14	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or the associated load will be included in the peak on line 173 of Appendix A.	
15	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.	
16	Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 17a - 17g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).	
17a	Revenues included in lines 1-11 which are subject to 50/50 sharing.	25,632
17b	Costs associated with revenues in line 17a	
17c	Net Revenues (17a - 17b)	25,632
17d	50% Share of Net Revenues (17c / 2)	12,816
17e	Costs associated with revenues in line 17a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	
17f	Net Revenue Credit (17d + 17e)	12,816
17g	Line 17a less line 17f	12,816
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)	105,717

UGI Utilities, Inc.

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point Increase in ROE		
	100 Basis Point increase in ROE and Income Taxes	(Line 126 + Line 138)	2,340,521
B	100 Basis Point increase in ROE		1.00%

**Return Calculation**

59	Rate Base		(Line 39 + Line 58)	18,940,599
	Long Term Interest			
99	<b>Long Term Interest</b>		p117.62.c through 67.c	36,582,272
100	Less LTD Interest on Securitization Bonds		Attachment 8	0
101	Long Term Interest		(Line 99 - Line 100)	36,582,272
102	Preferred Dividends	enter positive	p118.29.c	0
	Common Stock			
103	Proprietary Capital		p112.16.c	819,338,617
104	Less Preferred Stock	enter negative	(Line 113)	0
105	Less Account 216.1	enter negative	p112.12.c	-319,533,257
106	Common Stock		(Sum Lines 103 to 105)	499,805,360
	Capitalization			
107	Long Term Debt		p112.18.c through 21.c	642,000,000
108	Less Loss on Reacquired Debt	enter negative	p111.81.c	-145,316
109	Plus Gain on Reacquired Debt	enter positive	p113.61.c	0
112	Total Long Term Debt		(Sum Lines 107 to 111)	641,854,684
113	Preferred Stock		p112.3.c	0
114	Common Stock		(Line 106)	499,805,360
115	Total Capitalization		(Sum Lines 112 to 114)	1,141,660,044
116	Debt %	Total Long Term Debt	(Line 112 / Line 115)	56.2%
117	Preferred %	Preferred Stock	(Line 113 / Line 115)	0.0%
118	Common %	Common Stock	(Line 114 / Line 115)	43.8%
119	Debt Cost	Total Long Term Debt	(Line 101 / Line 112)	0.0570
120	Preferred Cost	Preferred Stock	(Line 102 / Line 113)	0.0000
121	Common Cost	(Note J) Common Stock	Fixed plus 100 Basis Pts	0.1230
122	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 116 * Line 119)	0.0320
123	Weighted Cost of Preferred	Preferred Stock	(Line 117 * Line 120)	0.0000
124	Weighted Cost of Common	Common Stock	(Line 118 * Line 121)	0.0538
125	Total Return ( R )		(Sum Lines 122 to 124)	0.0859
126	Investment Return = Rate Base * Rate of Return		(Line 59 * Line 125)	1,626,827

**Composite Income Taxes**

	<b>Income Tax Rates</b>		
127	FIT=Federal Income Tax Rate		35.00%
128	SIT=State Income Tax Rate or Composite		9.99%
129	p = percent of federal income tax deductible for state purposes		0.00%
130	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	41.49%
131	T/ (1-T)		70.92%
	<b>ITC Adjustment</b>		
132	Amortized Investment Tax Credit	enter negative	-22,241
133	1/(1-T)		170.92%
134	Net Plant Allocation Factor		25.3600%
135	<b>ITC Adjustment Allocated to Transmission</b>	(Note I)	-9,640
137	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	723,334
138	<b>Total Income Taxes</b>		<b>713,693</b>

Cost Support

UGI Utilities, Inc.

Attachment 5 - Cost Support

**Electric / Non-electric Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Electric Portion	Non-electric Portion	Details
<b>Plant Allocation Factors</b>							
2	Total Wage Expense		p354.28.b		5,668,693		
3	Administrative and General Wage Expense		p354.27.b		1,248,170		
10	Accumulated Intangible Amortization	(Note A)		0	0	0	
11	Accumulated Common Amortization - Electric	(Note A)	p356	0	0	0	
	Accumulated General Depreciation - Electric	(Note A)	p219.28.c		2,070,140		
12	Accumulated Common Plant Depreciation - Electric	(Note A)	p356	21,236,394	1,163,038	20,073,356	
<b>Plant In Service</b>							
24	Common Plant (Electric Only)	(Notes A & B)	p356	30,400,769	1,946,386	28,454,383	
<b>Accumulated Deferred Income Taxes</b>							
41	Accumulated Investment Tax Credit Account No. 255	(Notes A & I)	p267.8.h	4,184,861	0	0	See Note I
<b>Prepayments</b>							
44	Prepayments (Account 165)	(Note A)	p111.57(c)	3,879,322	681,225	3,198,097	Analysis of Company Records
<b>Materials and Supplies</b>							
47	Undistributed Stores Exp	(Note A)	p227.16.c	761,351	65,739	695,612	Analysis of Company Records
<b>Allocated General &amp; Common Expenses</b>							
65	Plus Transmission Lease Payments	(Note A)	p200.4.c	0	0	0	
67	Common Plant O&M	(Note A)	p356	1,183,623	127,595	1,056,028	
<b>Depreciation Expense</b>							
85	Depreciation		p336.7.b&c	691,140	691,140		
86	General Depreciation		p336.10.b&c		118,983		
87	Intangible Amortization	(Note A)	p336.1.d&e		0		
91	Common Depreciation - Electric Only	(Note A)	p336.11.b	206,213	206,213		
92	Common Amortization - Electric Only	(Note A)	p336.11.d	111,039	111,039		

**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	37,866,961	31,099,664	6,767,297	Direct assignment to Transmission based upon plant records.
28	Plant Held for Future Use (Including Land)	(Note C)	p214	0	0	0	Specific identification based on plant records: The following plant investments are included:
30	Transmission Accumulated Depreciation	0	p219.25.c	62,423,746	14,969,229	47,454,517	Direct assignment to Transmission based upon plant records.
50	Materials and Supplies		p227.8.c	4,134,254	282,643	3,851,611	Direct assignment to Transmission based upon plant records.
83	Transmission Depreciation Expense		p336.7.b&c	691,140	691,140	0	Direct assignment to Transmission based upon plant records.

**Excluded Transmission O&M Expenses**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded TOM	Details
	Acct 565		p321.96.b	4,736,259	
	Portions of Acct 561		Company Records	224,403	Acct 561 expenses not recovered in OATT: 561002 (Scheduling and Dispatch), 561005 (RTO Scheduling and Dispatch), 561007 (Market Expansion) and 561008 (NERC & RFC Reliability)
	Other Excluded Expenses		Company Records		Description -- other expenses not recovered in OATT
63	Less Account 565 and other excluded expenses		Total	4,960,662	

Cost Support

**CWIP & Expensed Lease Worksheet**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	CWIP In Form 1 Amount	Expensed Lease in Form 1 Amount	Details
<b>Plant Allocation Factors</b>							
6	Electric Plant in Service	(Note B)	p207.104.g	157,488,222	0	0	See Form 1
7	Common Plant In Service - Electric	0	(Line 24)	1,946,386	0	0	See Line 7
<b>Plant In Service</b>							
19	Transmission Plant In Service	(Note B)	p207.58.g	37,866,961			See Line 15
24	Common Plant (Electric Only)	(Notes A & B)	Attachment 5	1,946,386	0	0	See Line 24
<b>Accumulated Depreciation</b>							
30	Transmission Accumulated Depreciation	(Note C)	Attachment 5	14,969,229	0	0	See Form 1

**EPRI Dues Cost Support**

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

**Regulatory Expense Related to Transmission Cost Support**

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

**Safety Related Advertising Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Safety Related	Non-safety Related	Details
<b>Directly Assigned A&amp;G</b>							
80	General Advertising Exp Account 930.1	(Note F)	p323.191.b	32	-	-	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
<b>Income Tax Rates</b>									
128	SIT=State Income Tax Rate or Composite	(Note I)	SIT for Year	Pennsylvania 9.99%	Enter State Enter %	Enter State Enter %	Enter State Enter %	Enter State Enter %	Enter Calculation Pennsylvania Only

**Education and Out Reach Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 or Company Records Amount	Education & Outreach	Other	Details
<b>Directly Assigned A&amp;G</b>							
77	General Advertising Exp Account 930.1	(Note K)	p323.191.b	32	0	0	None

Cost Support

**Excluded Plant Cost Support**

PJM Formula Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
148	Excluded Transmission Facilities	(Note M)	Attachment 5	6,767,297	
				Enter \$	None
<i>Add more lines if necessary</i>					

**Outstanding Network Credits Cost Support**

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

**Interest on Outstanding Network Credits Cost Support**

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

**PJM Load Cost Support**

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

**Statements BG/BH (Present and Proposed Revenues)**

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

**UGI Utilities, Inc.**

**Attachment 6 - Estimate and Reconciliation Worksheet**

Step Month Year Action

**Exec Summary**

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

**Detailed Example**

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

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

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

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

	<b>\$ 3,418,932</b>	Input to Formula Line 21
--	---------------------	--------------------------

- 4 May Year 2 Post results of Step 3 on PJM web site  

	<b>\$ 4,461,409</b>	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)  

	<b>\$ 4,461,409</b>
--	---------------------

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

	<b>\$ 5,374,771</b>	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	296,860	7.5	2,226,450
			Jun	310,130	6.5	2,015,845
			Jul	-	5.5	-
			Aug	71,250	4.5	320,625
			Sep	731,010	3.5	2,558,535
			Oct	-	2.5	-
			Nov	-	1.5	-
			Dec	-	0.5	-
			<b>Total</b>	<b>1,409,250</b>		<b>7,121,455</b>
			New Transmission Plant Additions for Year 3 (weighted by months in service)			593,455
						593,455 Input to Formula Line 21

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

Remove all Cap Adds placed in service in Year 2 <Actuals for Year 2013  
For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 433,375 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	90,653	7.5	679,898	56,658
Jun		6.5	-	-
Jul		5.5	-	-
Aug	15,470	4.5	69,615	5,801
Sep	177,491	3.5	621,219	51,768
Oct		2.5	-	-
Nov	149,761	1.5	224,642	18,720
Dec		0.5	-	-
<b>Total</b>	<b>433,375</b>		<b>1,595,373</b>	<b>132,948</b>
New Transmission Plant Additions for Year 2 (weighted by months in service)				132,948 Input to Formula Line 21

6,014,414 Result of Formula for Reconciliation Must run Appendix A with cap adds in line 21 and line 20

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

The Reconciliation in Step 8 6,014,414 - The forecast in Prior Year 5,405,660 = 608,754

Interest on Amount of Refunds or Surcharges

Interest 35.19a for March Current Yr		<span style="background-color: green;">0.2800% &lt;March 2014</span>		Surcharge (Refund)	
Month	Yr	1/12 of Step 9	Interest Rate for March of Current Year	Months	Interest Owed
Jun	Year 1	50,730	0.2800%	11.5	1,633
Jul	Year 1	50,730	0.2800%	10.5	1,491
Aug	Year 1	50,730	0.2800%	9.5	1,349
Sep	Year 1	50,730	0.2800%	8.5	1,207
Oct	Year 1	50,730	0.2800%	7.5	1,065
Nov	Year 1	50,730	0.2800%	6.5	923
Dec	Year 1	50,730	0.2800%	5.5	781
Jan	Year 2	50,730	0.2800%	4.5	639
Feb	Year 2	50,730	0.2800%	3.5	497
Mar	Year 2	50,730	0.2800%	2.5	355
Apr	Year 2	50,730	0.2800%	1.5	213
May	Year 2	50,730	0.2800%	0.5	71
<b>Total</b>		<b>608,754</b>			<b>618,981</b>

		Balance	Interest	Amortization over Rate Year	Balance
Jun	Year 2	618,981	0.2800%	52,525	568,189
Jul	Year 2	568,189	0.2800%	52,525	517,254
Aug	Year 2	517,254	0.2800%	52,525	466,177
Sep	Year 2	466,177	0.2800%	52,525	414,957
Oct	Year 2	414,957	0.2800%	52,525	363,594
Nov	Year 2	363,594	0.2800%	52,525	312,087
Dec	Year 2	312,087	0.2800%	52,525	260,435
Jan	Year 3	260,435	0.2800%	52,525	208,639
Feb	Year 3	208,639	0.2800%	52,525	156,698
Mar	Year 3	156,698	0.2800%	52,525	104,611
Apr	Year 3	104,611	0.2800%	52,525	52,379
May	Year 3	52,379	0.2800%	52,525	(0)
<b>Total with interest</b>				<b>630,304</b>	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest 630,304  
Rev Req based on Year 3 data with estimated Cap Adds for Year 4 \$ 6,090,604  
Revenue Requirement for Year 3 6,720,908

10 May Year 4 Post results of Sept 9 on PJM web site  
\$ 6,720,908 Post results of Step 3 on PJM web site

11 June Year 4 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2009 - May 31, 2010)  
\$ 6,720,908

Attachment 7 - Transmission Enhancement Charge Worksheet

Fixed Charge Rate (FCR) if not a CIAC

Formula Line			
A	159	Net Plant Carrying Charge without Depreciation	29.8628%
B	166	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	30.4816%
C		Line B less Line A	0.6189%

FCR if a CIAC

D	160	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	20.2600%
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The FCR resulting from Formula in a given year is used for that year only.  
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

Details		Project A				Project B						
Schedule 12	(Yes or No)											
Life												
CIAC	(Yes or No)											
Increased ROE (Basis Points)												
FCR @ 11.3 ROE		0.298627725										
(FCR @ 11.3 ROE + FCR @ 11.3 ROE x Increased ROE/100 bp)		0.298627725										
FCR for This Project Investment												
Annual Depreciation Exp												
In Service Month (1-12)												
			may be weighted average of small projects									
Invest Yr		Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit
FCR @ 11.3 ROE	2006	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2006	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2007	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2007	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2008	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2008	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2009	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2009	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2010	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2010	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2011	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2011	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2012	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2012	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2013	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2013	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2014	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2014	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2015	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2015	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2016	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2016	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2017	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2017	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2018	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2018	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2019	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2019	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2020	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2020	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2021	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2021	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2022	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2022	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2023	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2023	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2024	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2024	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
FCR @ 11.3 ROE	2025	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
W Increased ROE	2025	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
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**UGI Utilities, Inc.**

***Attachment 8 - Company Exhibit - Securitization Workpaper***

Line #	Long Term Interest		
<b>100</b>	<b>Less LTD Interest on Securitization Bonds</b>		<b>0</b>
	Capitalization		
<b>111</b>	<b>Less LTD on Securitization Bonds</b>		<b>0</b>

Calculation of the above Securitization Adjustments

