

On September 1, 2010, UGI will be holding a meeting to discuss planned changes to the customer choice programs for all three of UGI's natural gas distribution companies. These changes would be implemented consistent with the terms of three settlement agreements currently awaiting Commission approval in the 2010 purchased gas cost proceedings of UGI Utilities, Inc. ("UGI"), UGI Penn Natural Gas, Inc. ("PNG") and UGI Central Penn Gas, Inc. ("CPG").

The settlement agreement terms that would be reviewed at the meeting on September 1 include the implementation of mandatory capacity assignment programs for choice suppliers on the UGI and PNG systems, and planned modifications to the existing CPG mandatory capacity assignment rules. We will review details such as timing of the changes, capacity options over the next three years and projected costs associated with the released capacity. The projected costs are based on UGI's current portfolio of assets held for the core market needed to meet UGI's obligation as supplier of last resort.

As always, UGI is receptive to proposals to lower the costs associated with the supply and capacity portfolio while maintaining system reliability. For instance, UGI will investigate alternative capacity and supply portfolio options when existing contracts are nearing expiration or the need for additional capacity becomes apparent. In a similar fashion, UGI will seek to release capacity that is not being used to meet the requirements of its core market customers. Your input is not limited to collaborative meetings or PGG cases and we would welcome the opportunity to discuss your ideas at any time during the year.

If you are interested in participating in the meeting, you may do so in person or via a conference call. The meeting will be held at the Crowne Plaza Hotel in Wyomissing, PA, starting at 1:00 PM in the City Lights room. Please click on the link below for directions to the Crowne Plaza. Interested participants are required to register for this meeting by sending an email to bfitzpatrick@ugi.com. Dial-in information will be distributed at that time for those individuals unable to attend in person.

Directions to Crowne Plaza Hotel [Directions to Crowne Plaza Hotel](#)

Copies of this notice have been posted on company gas management websites and have been sent to the persons indicated on the [attached list](#). Should you have any questions concerning this meeting, changes to the choice programs or other supply matters, please feel free to contact Brian J. Fitzpatrick at (610)-796-3504.