

UGI UTILITIES, INC. - GAS DIVISION
GAS TARIFF
INCLUDING THE GAS SERVICE TARIFF NO. 7
AND
THE CHOICE SUPPLIER TARIFF NO. 7S

Rates and Rules
Governing the
Furnishing of
Gas Service and Choice Aggregation Service
in the
Territory Described Herein

Issued: January 28, 2020

Effective for service rendered on
and after March 28, 2020.

Issued By:

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Denver, PA 17517

<http://www.ugi.com/tariffs>

NOTICE

This tariff makes Increases/Decreases/Changes to existing rates
(see pages 2-2(b)).

LIST OF CHANGES MADE BY THIS SUPPLEMENT
(Page Numbers Refer to Official Tariff)

Table of Contents, Pages 3-4.

- Description of Territories has been revised from the former South, North and Central rate districts to a Consolidated rate district presentation and Pages 19(a) and 19(b) have been added as a pagination change

Rule 2, Contract for Gas Service, Page 26.

- Subsection 2.3 - Facilities and System Access has been modified to reflect the use of Maximum Daily Quantity ("MDQ") terminology.

Rule 5, Extension Regulation, Pages 35-35(a).

- Subsection 5.1 - Obligation to Extend or Expand has been modified to enhance the Company's standard line extension regulation, as contained in Subsection 5.1(b).
- Subsections 5.2, 5.3, and 5.4 have been added to page 35(a) as a pagination change.

Rule 10, Rider A, State Tax Adjustment Surcharge, Page 48.

- The State Tax Adjustment Surcharge rate has been reset to 0.00%.

Rule 13, Rider D, Merchant Function Charge, Page 55.

- The rate has increased for Residential PGC Customers to 2.17% and for Non-Residential PGC Customers to 0.28%.

Rule 15, Price To Compare, Page 57.

- The Price to Compare has changed as a result of the change to the Merchant Function Charge.

Rule 16, Rider F, Universal Service Program, Page 59.

- Annual Reconciliation - the CAP credit bad debt offset language has been updated and will be applied where CAP enrollment exceeds 25,297 CAP customers.

Rule 21, Gas Emergency Planning, Page 69.

- Subsection 21.2 - Priority-Based Curtailments. Subpart (3) has been expanded to include Rate N. Subpart (4) has been deleted.

Rate R - General Service - Residential, Page 85.

- The Customer Charge and Distribution Charge have been increased.

Rate RT - General Service - Residential Transportation, Page 86.

- The Customer Charge and Distribution Charge have been increased.

Rate GL - General Service - Gas Light Service, Page 88.

- The Distribution Charge has been increased.

Rate N - General Service - Non-Residential, Page 89.

- The Customer Charge and the Distribution Charge have been increased and have been changed to reflect a unified rate.

Rate NT - General Service - Non-Residential Transportation, Page 90.

- The Customer Charge and the Distribution Charge have been increased and have been changed to reflect a unified rate.

LIST OF CHANGES MADE BY THIS SUPPLEMENT - Continued
(Page Numbers Refer to Official Tariff)

Rate GBM - Gas Beyond The Mains (Piped Propane Service), Page 92.

- The Customer Charge and Distribution Charge have been increased in concert with the same change to Rate N/NT.

Rate DS - Delivery Service, Pages 94-95.

- The Distribution Charge has been increased/decreased and has been changed to reflect a unified rate.
- Clarifying language addressing the Minimum Monthly Bill has been added. Also, the term Maximum Daily Quantity ("MDQ") has been defined.

Rate NNS - No-Notice Service, Page 97.

- The unit cost per MCF has been recalculated and updated.

Rate MBS - Monthly Balancing Service, Page 98(a).

- The Rate MBS charged to Rates DS/IS, LFD, and XD has been recalculated and updated.

Rate LFD - Large Firm Delivery Service, Page 99.

- Availability language has been modified to remove extraneous language.

Choice Supplier Tariff

Cover Page

- Updated to reflect Supplement Number, Notice language, Issue and Effective dates.

Rule 4, Choice Supplier Obligations, Page 115.

- Subsection 4.12 - The residential and commercial Purchase of Receivable rates have been updated as a result of the change to the Merchant Function Charge.

Rule 10, Rate AG - Aggregation Service, Page 127.

- Failure to Comply with an OFO or DFD penalty charge language has been clarified for application.

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Description of Territories

(C)

ADAMS COUNTY

Townships

Cumberland Freedom

ARMSTRONG COUNTY

City

Parker

BEDFORD COUNTY

Boroughs

Bedford Everett

Townships

Bedford	Colerain	Monroe
Napier	Snake Spring Valley	West Providence

BERKS COUNTY

City

Reading

Boroughs

Adamstown (part)	Bally	Birdsboro
Boyertown	Centerpoint	Fleetwood
Hamburg	Kenhorst	Kutztown
Laureldale	Leesport	Lyons
Mohnton	Mt. Penn	New Morgan
Robesonia	St. Lawrence	Shillington
Shoemakersville	Sinking Spring	Topton
Wernersville	West Reading	Womelsdorf
Wyomissing	Wyomissing Hills	

Townships

Alsace	Amity	Bern
Caernarvon	Centre	Colebrookdale
Cumru	Douglass	Exeter
Heidelberg	Hereford	Jefferson

(C) Indicates Change

Description of Territories - Continued

(C)

Longswamp	Lower Alsace	Lower Heidelberg
Maiden Creek	Marion	Maxatawny
Muhlenberg	Ontelaunee	Perry
Richmond	Robeson	Rockland
Ruscombmanor	South Heidelberg	Spring
Tilden	Union	Washington
Windsor		

BLAIR COUNTY

Boroughs

Martinsburg	Roaring Spring	
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Townships

Huston	North Woodbury	Taylor
Woodbury		

BRADFORD COUNTY

Boroughs

Alba	Burlington	Canton
Sylvania	Troy	

Townships

Armenia	Burlington	Canton
Columbia	Granville	LeRoy
Ridgebury	Smithfield	South Creek
Springfield	Troy	Ulster
Wells	West Burlington	

BUCKS COUNTY

Boroughs

Perkasie	Quakertown	Richlandtown
Riegelsville	Sellersville	Silverdale
Trumbauersville		

Townships

Durham	East Rockhill	Haycock
Hilltown	Milford	Nockamixon
Richland	Springfield	West Rockhill

(C) Indicates Change

Description of Territories - Continued

(C)

CARBON COUNTY

Boroughs

Bowmanstown	East Side	Jim Thorpe
Lehighton	Palmerton	Weissport

Townships

Banks	East Penn	Kidder
Lower Towamensing	Mahoning (part)	Packer

CENTRE COUNTY

Boroughs

Philipsburg	South Philipsburg
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Township

Rush

CHESTER COUNTY

Borough

Oxford

Townships

East Coventry (part)	East Nottingham	Elk
Honey Brook (part)	Lower Oxford	North Coventry (part)
Upper Oxford	West Nottingham	

CLARION COUNTY

Boroughs

Callensburg	Silgo
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Townships

Ashland	Beaver	Clarion
Elk	Farmington	Highland
Knox	Licking	Limestone
Millcreek	Monroe	Paint
Perry	Piney	Richland
Salem	Toby	Washington

(C) Indicates Change

Description of Territories - Continued

(C)

CLEARFIELD COUNTY

Boroughs

Chester Hill	Clearfield and Environs	Curwensville
Wallaceton		

Townships

Boggs	Bradford	Decatur
Knox	Lawrence	Morris
Pike		

CLINTON COUNTY

City

Lock Haven

Boroughs

Avis	Beech Creek	Flemington
Mill Hall	Renovo	South Renovo

Townships

Allison	Bald Eagle	Beech Creek (portion)
Castanea	Chapman	Crawford
Dunnstable	Gallagher	Grugan
Noyes	Pine Creek	Wayne
Woodward		

COLUMBIA COUNTY

Boroughs

Berwick	Briar Creek	Centralia
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Town

Bloomsburg

Townships

Briar Creek	Conyngham	Hemlock
Mifflin	Montour	Scott
South Centre		

(C) Indicates Change

Description of Territories - Continued

(C)

CUMBERLAND COUNTY

Boroughs

Camp Hill	Carlisle	Lemoyne
Mechanicsburg	Mt. Holly Springs	New Cumberland
Shippensburg	Shiremanstown	West Fairview
Wormleysburg		

Townships

Dickinson	East Pennsboro	Hampden
Lower Allen	Middlesex	Monroe
North Middleton	Shippensburg	Silver Spring
Southampton	South Middleton	Upper Allen

DAUPHIN COUNTY

City

Harrisburg

Boroughs

Dauphin	Highspire	Hummelstown
Middletown	Paxtang	Penbrook
Royalton	Steelton	

Townships

Conewago	Derry (including Hershey)	East Hanover
Jackson	Jefferson	Lykens
Londonderry	Lower Paxton	Lower Swatara
Middle Paxton	Rush	South Hanover
Susquehanna	Swatara	West Hanover
Williams		

FOREST COUNTY

Borough

Tionesta

Townships

Barnett	Green	Harmony
Jenks	Tionesta	

(C) Indicates Change

Description of Territories - Continued

(C)

FRANKLIN COUNTY

Boroughs

Orrstown	Shippensburg	Waynesboro
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Townships

Greene (part)	Guilford (part)	Hamilton (part)
Letterkenny (Army Depot)	Southampton	Washington

FULTON COUNTY

Borough

McConnellsburg

Townships

Ayr (part)	Todd
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HUNTINGDON COUNTY

Boroughs

Huntingdon	Mapleton	Mill Creek
Mount Union		

Townships

Brady	Henderson	Juniata
Oneida	Shirley	Smithfield
Union	Walker	

JEFFERSON COUNTY

Borough

Summerville

Township

Barnett

JUNIATA COUNTY

Townships

Tuscarora	Lack	Milford
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(C) Indicates Change

Description of Territories - Continued (C)

Little Britain	Manheim	Manor
Mount Joy	Paradise	Penn
Pequea	Rapho	Strasburg
Upper Leacock	Warwick	West Cocalico
West Donegal	West Earl	West Hempfield
West Lampeter		

LEBANON COUNTY

City

Lebanon

Boroughs

Cleona	Cornwall	Myerstown
Palmyra	Richland	

Townships

Annville	Bethel	Cold Spring
East Hanover	Jackson	Millcreek
North Annville	North Cornwall	North Lebanon
North Londonderry	South Annville	South Lebanon
South Londonderry	Swatara	Union
West Cornwall	West Lebanon	

LEHIGH COUNTY

Cities

Allentown	Bethlehem (part)
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Boroughs

Alburtis	Catasauqua	Coopersburg
Coplay	Emmaus	Fountain Hill
Macungie	Slatington	

Townships

Hanover	Lower Macungie	North Whitehall
Salisbury	South Whitehall	Upper Macungie
Upper Milford	Upper Saucon	Washington
Weisenburg	Whitehall	

(C) Indicates Change

Description of Territories - Continued

(C)

LUZERNE COUNTY

Cities

Hazleton	Nanticoke	Pittston
Wilkes-Barre		

Boroughs

Ashley	Avoca	Conyngham
Courtdale	Dallas	Dupont
Duryea	Edwardsville	Exeter
Freeland	Forty Fort	Harvey's Lake
Hughestown	Kingston	Laflin (part)
Larksville	Laurel Run	Luzerne
Nescopeck	New Columbus	Nuangola
Pittston	Plymouth	Pringle
Shickshinny	Swoyersville	Sugar Notch
Warrior Run	West Hazleton	West Pittston
West Wyoming	White Haven	Wyoming
Yatesville		

Townships

Bear Creek	Buck	Butler
Conyngham	Dallas	Dennison
Dorrance	Exeter	Fairmount
Fairview	Foster	Franklin
Hanover	Hazel	Hollenback (part)
Hunlock	Huntington	Jackson
Jenkins (part)	Kingston	Lake
Lehman	Nescopeck	Newport
Pittston	Plains	Plymouth
Rice	Ross	Salem
Slocum	Sugarloaf	Union
Wilkes-Barre	Wright	

LYCOMING COUNTY

City

Williamsport

Boroughs

Duboistown	Hughesville	Jersey Shore
Montgomery	Montoursville	Muncy

(C) Indicates Change

Description of Territories - Continued (C)

Picture Rocks	Salladsburg	South Williamsport
	<u>Townships</u>	
Anthony	Armstrong	Bastress
Brady	Clinton	Eldred
Fairfield	Franklin	Hepburn
Jackson	Jordan	Limestone
Loyalsock	Lycoming	McNett
Mifflin (part)	Millcreek	Moreland
Muncy	Muncy Creek	Nippenose
Old Lycoming	Penn (part)	Piatt
Porter	Shrewsbury (part)	Susquehanna
Upper Fairchild	Washington	Wolf (part)
Woodward		

MCKEAN COUNTY

	<u>Boroughs</u>	
Eldred	Mount Jewett	Port Allegany
	<u>Townships</u>	
Annin	Ceres	Eldred
Hamlin	Keating	Liberty
Norwich	Otto	Sergeant

MIFFLIN COUNTY

	<u>Boroughs</u>	
Burnham	Juniata Terrace	Lewistown
McVeytown		
	<u>Townships</u>	
Armagh	Bratton	Brown
Decatur	Derry	Granville
Menno	Union	

MONROE COUNTY

	<u>Boroughs</u>	
Delaware Water Gap	East Stroudsburg	Mount Pocono
Stroudsburg		

(C) Indicates Change

Description of Territories - Continued (C)

Townships

Chestnuthill	Coolbaugh	Eldred
Hamilton	Middle Smithfield	Paradise
Pocono	Ross	Smithfield
Stroud	Tobyhanna	Tunkhannock

MONTGOMERY COUNTY

Townships

Douglass	New Hanover	Limerick (restricted)
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MONTOUR COUNTY

Borough

Danville

Townships

Cooper	Liberty (part)	Limestone
Mahoning	Valley	

NORTHAMPTON COUNTY

Cities

Bethlehem (part)	Easton
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Boroughs

Bangor	Bath	East Bangor
Freemansburg	Glendon	Hellertown
Nazareth	Northampton	North Catasauqua
Pen Argyl and Vicinity	Portland	Roseto
Stockertown	Tatamy	Walnutport
West Easton	Wilson	Wind Gap

Townships

Allen	Bethlehem	Bushkill
East Allen	Forks	Hanover
Lehigh	Lower Mount Bethel	Lower Nazareth
Lower Saucon	Palmer	Plainfield
Upper Mount Bethel	Upper Nazareth	Washington
Williams		

(C) Indicates Change

Description of Territories - Continued (C)

NORTHUMBERLAND COUNTY

Cities

Shamokin Sunbury

Boroughs

Kulpmont	Marion Heights	Milton
Mount Carmel	Northumberland	Riverside
Snydertown	Turbotville	Watsontown

Townships

Coal	Delaware	East Cameron
East Chillisquaque	Jordan	Lewis Twp.
Little Mahanoy	Lower Augusta	Mount Carmel
Point	Ralpho	Rockefeller
Shamokin	Turbot	Upper Augusta
Washington	West Cameron	West Chillisquaque
Zerbe		

PIKE COUNTY

Borough

Milford

Townships

Dingman	Lehman	Milford
Westfall		

POTTER COUNTY

Boroughs

Austin	Bingham	Coudersport
Galeton	Hebron	Oswayo
Shinglehouse	Ulysses	

Townships

Abbott	Allegany	Clara
Eulalia	Genesee	Harrison
Hector	Hebron	Homer
Keating	Oswayo	Pike

(C) Indicates Change

Description of Territories - Continued (C)

Pleasant Valley	Portage	Roulette
Sharon	Summit	Sweden
Sylvania	Ulysses	West Branch
Wharton		

SCHUYLKILL COUNTY

City

Pottsville

Boroughs

Ashland	Auburn	Cressona
Deer Lake	Frackville	Gilberton
Girardville	Gordon	Landingville
McAdoo	Mechanicsville	Middleport
Minersville	Mount Carbon	New Philadelphia
Orwigsburg	Palo Alto	Port Carbon
Port Clinton	Ringtown	St. Clair
Schuylkill Haven		

Townships

Blythe	Branch	Butler
Cass	East Union	East Norwegian
Foster	Hublely	Kline
Mahanoy (part)	New Castle	North Manheim
Norweigan	Ryan	South Manheim
Union	Upper Mahantongo	West Brunswick
West Mahanoy		

SNYDER COUNTY

Boroughs

Selinsgrove Shamokin Dam

Townships

Middlecreek Monroe Penn

SUSQUEHANNA COUNTY

Boroughs

Forest City Uniondale

(C) Indicates Change

Description of Territories - Continued

(C)

Townships

Auburn Clifford

TIOGA COUNTY

Boroughs

Blossburg	Elkland	Knoxville
Lawrenceville	Liberty	Mansfield
Roseville	Tioga	Wellsboro
Westfield		

Townships

Bloss	Brookfield	Charleston
Chatham	Clymer	Covington
Deerfield	Delmar	Duncan
Elkland	Farmington	Gaines
Hamilton	Jackson	Lawrence
Liberty	Middlebury	Nelson
Osceola	Putnam	Richmond
Rutland	Shippen	Sullivan
Tioga	Union	Ward
Westfield		

UNION COUNTY

Borough

Lewisburg

Townships

Buffalo (part)	East Buffalo (part)	Gregg
Kelly (part)	Lewis	Union (part)
West Buffalo (part)	White Deer	

VENANGO COUNTY

City

Oil City

Boroughs

Rouseville Sugarcreek

(C) Indicates Change

Description of Territories - Continued (C)

Townships

Clinton	Cornplanter	Cranberry
Pinegrove	President	Richland
Rockland		

WAYNE COUNTY

Boroughs

Bethany	Hawley	Honesdale
Waymart		

Townships

Berlin	Canaan	Cherry Ridge
Clinton	Dyberry	Oregon
Palmyra	Paupack	Texas

WYOMING COUNTY

Boroughs

Factoryville	Laceyville	Meshoppen
Nicholson	Tunkhannock	

Townships

Braintrim	Clinton	Eaton
Exeter	Falls	Forkston
Lemon	Mehoopany	Meshoppen
Monroe	Nicholson	North Branch
Northmoreland	Noxen	Overfield
Tunkhannock	Washington	Windham

YORK COUNTY

Townships

Fairview	Newberry	
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RULES AND REGULATIONS

2. CONTRACT FOR GAS SERVICE

2.1 Application for Service. Every Applicant for Gas Service must apply through the Company. Non-Residential Applicants may be required to sign a contract for service consistent with this Tariff.

2.2 Right to Reject. The Company may limit the amount and character of service it will supply. It may reject applications where service is not available, or which might affect service to existing Customers, or for other good and sufficient reasons at the Company's sole discretion.

2.3 Facilities and System Access. Each Customer with a Daily Firm Requirement ("DFR"), Maximum Daily Quantity ("MDQ"), or peak usage capability of 1,000 MCF per day or greater shall provide the Company with the opportunity to review plans for the development of all gas facilities to the Customer's premises (including pipelines, mains, service lines and appurtenances), in order to assure safety and reliability, as follows: (C)

- (a) If the Customer proposes to acquire, construct or contract for the use of service of gas facilities ("Customer gas facilities"), the Customer will provide advance notice to the Company in writing, at least sixty (60) days in advance of the earlier of the effective date of a contract or commencement date for construction of Customer gas facilities.
- (b) The Customer agrees to submit all design and construction specifications and drawings to the Company in advance of construction, which demonstrate compliance with all applicable requirements as to gas main and service construction and pipeline safety. If the Company determines that Customer gas facilities will encroach upon or interconnect with Company facilities, serve common gas utilization equipment with Company facilities or are in the immediate vicinity of Company facilities such that the safety of Company facilities may be adversely affected thereby, the Company shall have the right to approve the design and location of such Customer gas facilities. The Company shall act upon its right to approve such Customer gas facilities within ninety (90) days after the later of submission of all design and construction specifications and drawings to the Company, or Customer notification required under Rule 2.3(a), provided however, if the Company fails to respond in writing within the ninety (90) day time period the Customer may move forward with its project. Customer gas facilities will be deemed to encroach upon the Company's facilities when they would interfere with or prevent the Company from accessing, maintaining or operating its facilities or when the Customer gas facilities would be configured or located in a manner that would cause safety or reliability concerns with respect to the Company's facilities.
- (c) If the full sixty (60) day notice required in Rule 2.3(a) is not given by the Customer then the Customer shall be deemed to have granted the Company full authority to discontinue service upon discovery of any safety or reliability concerns. The Company will provide 24 hours' notice unless there are reliability or safety issues that must be addressed immediately. The Company shall not be liable for any costs or damages caused by such service discontinuance.

(C) Indicates Change

RULES AND REGULATIONS

5. EXTENSION REGULATION

5.1 Obligation to Extend or Expand.

(C)

(a) Under the rules set forth below and under normal conditions of construction and installation, upon written application, the Company will extend or expand its facilities within its service territory, provided that (a) the requested extension or expansion will not adversely affect the availability or deliverability of gas supply to existing customers and (b) the Company's investment in facilities is warranted by the Annual Base Revenue to be derived from the extension. The costs of extending or expanding facilities beyond the Company's Allowable Investment Amount shall be paid by the Extension Applicant as a contribution. Extension contributions may be excused, in whole or in part, in accordance with Rule 5.1(b). Upon request, the Company will provide Customers with a written explanation and reasonable detail of the cost-benefit analysis used in clause (b) above including estimated project costs, the Company's maximum allowable investment, and the Company's Annual Base Revenues. In addition, the Company will provide the Customer with a written timetable for the anticipated construction of the upgrade and written notice of completion.

(b) No contribution amount shall be required for an extension of facilities if all of the following conditions, as determined by the Company, are met:

(1) Service location is directly accessible from an existing or proposed (non-high pressure) Company main that would be extended up to one hundred fifty (150) feet;

(2) Service length is one hundred fifty (150) feet or less;

(3) Customer will utilize gas service as their primary heating source and be served under Rates R, RT, N or NT;

(4) Construction does not cross third party non-public property, private right-of-way or complex obstruction (stream, culvert, excessive hillside, etc.) and does not present any abnormal or unusual construction conditions or require unusual permitting requirements.

(5) Extensions not meeting all of the above conditions (1) through (4) shall have the Company's Allowable Investment Amount determined upon incremental investment amounts required beyond those permitted by the construction conditions stated above.

(C) Indicates Change

RULES AND REGULATIONS**5. EXTENSION REGULATION - Continued****(C)**

5.2 General

- (a) Annual Base Revenue. As used in this Section 5, the Annual Base Revenue is the anticipated annual base rate revenue from the extension or expansion, as determined by the Company, less the cost of fuel included in base rates. Where gas is used as a supplemental source of fuel for peak heating purposes, anticipated base revenues from such use shall be excluded from Annual Base Revenue.
- (b) Allowable Investment Amount. The Company's Allowable Investment Amount shall be the Annual Base Revenue divided by a predetermined rate of return.
- (a) Estimates and non-standard costs. Cost estimates used by the Company may be based on construction and installation conditions anticipated for the extension, including, but not limited to, the cost of installation and construction: non-street surface restoration, such as replacement or repair of sidewalks, driveways, landscaping or sod; street opening and restoration terms and fees; and any other local government fees required for the installation. The Company may determine cost estimates based on average experienced unit costs.
- (d) Surface Restoration. The Company will restore the street surface in accordance with applicable local government regulations and provide rough backfilling of the installation trench from the curb to the meter. The Extension Applicant will be required to perform or pay the Company's cost of non-street surface restoration.
- (e) Standard conditions of construction in a residential development, commercial park and industrial park include trenching provided by the developer.

5.3 Residential and Small Commercial Gas Service. For Gas Service to individually metered, single dwelling units, the Company will install required service facilities, including, as applicable, a meter, regulator, service-supply pipe and supply-main, provided the costs in excess of the Allowable Investment Amount shall be paid by the Extension Applicant.

5.4 Commercial and Industrial Gas Service (including apartment buildings and multi-unit housing)

(C) Indicates Change

RULES AND REGULATIONS

10. RIDER A

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge is applicable to the net monthly rates and minimum charges contained in this Tariff. The surcharge shown below will be recomputed when a tax rate used in the calculation changes and/or the Company implements a change in rates.

The recomputation of the surcharge will be submitted to the PUC within 10 days after the occurrence of a reason for surcharge recomputation shown above. If the recomputed surcharge is less than the one in effect the Company will, and if more may, submit a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after the filing.

Rider A - State Tax Adjustment Surcharge is 0.00%

(D)

This Rider applies to Rates R, RT, GL, N, NT, GBM, DS, and LFD.

(D) Indicates Decrease

RULES AND REGULATIONS

13. RIDER D

MERCHANT FUNCTION CHARGE

Applicability and Purpose

This Rider shall be applied to rates for each MCF (1,000 cubic feet) of gas supplied under Rate Schedules R and N of this Tariff and shall be reflected in the Price to Compare. The Rider is equal to the fixed percentage, established by the PUC in Company's last general base rate proceeding, of purchased gas costs which are expected to be uncollectible, and shall not be reconciled to reflect actual results. Rider D is intended to make Company's Price to Compare more comparable to the gas supply service prices offered of other Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses.

Rider D Charge

Rider D charges shall be equal to 2.17% for Residential PGC Customers and 0.28% (I) for Non-Residential PGC Customers of Rider B (Purchased Gas Costs).

The collection of the Rider D charges will be summarized by Rate Schedule sub-accounts in the Gas Operating Revenue FERC Account No. 480000 for Rate R and 481000 for Rates N. The associated costs are recorded in FERC Account Nos. 904001 and 904002.

(I) Indicates Increase

RULES AND REGULATIONS

15. PRICE TO COMPARE

The Price to Compare ("PTC") is composed of the Annual C-Factor, Annual E-Factor, Gas Procurement Charge and Merchant Function Charge. The PTC rate will change whenever any components of the PTC change. The current PTC rate is detailed below:

Price to Compare

	Rate R (CCF)	Rate N (MCF)	
Annual C-Factor	\$ 0.44897	\$ 4.4897	
Annual E-Factor	\$ 0.01904	\$ 0.1904	
Gas Procurement Charge	\$ 0.00660	\$ 0.0660	
Merchant Function Charge	<u>\$ 0.01016</u>	<u>\$ 0.0131</u>	(I)
Total Price to Compare	<u>\$ 0.48477</u>	<u>\$ 4.7592</u>	(I)

(I) Indicates Increase

RULES AND REGULATIONS

16. RIDER F - Continued

UNIVERSAL SERVICE PROGRAM

QUARTERLY ADJUSTMENT

Any time that the Company makes a change in base rates or PGC rate affecting residential customers, the Company shall recalculate the Rider USP rate pursuant to the calculation described above to reflect the Company's current data for the components used in the USP rate calculation. The Company shall file the updated rate with the PUC to be effective one (1) day after filing.

ANNUAL RECONCILIATION

(C)

On or before November 1 of each year, the Company shall file with the PUC data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended September. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the CAP quarterly rate adjustment to be effective December 1. Actual recoverable costs shall reflect actual CAP costs, actual application costs, actual pre-program arrearage forgiveness, actual LIURP and actual Hardship Administrative costs. Actual recoverable CAP credit costs and pre-program arrearage forgiveness shall be based upon actual CAP credits granted and pre-program arrearage forgiveness granted less a 9.2% adjustment for amounts granted to participants in excess of 25,297. The 9.2% adjustment related to CAP credits and pre-program arrearage forgiveness will be based on the following:

For each reconciliation period, the average annual CAP credit per participant will be determined by dividing the total actual CAP credits granted during the reconciliation period by the average monthly number of participants receiving CAP credits during the reconciliation period. The average monthly number of participants receiving CAP credits exceeding 25,297 will be multiplied by the average annual CAP credit granted per participant and then multiplied by 0.0920 in order to determine the amount of the CAP Credits which will not be recovered through Rider USP.

For each reconciliation period, the average pre-program arrearage forgiveness per participant will be determined by dividing the total actual pre-program arrearage forgiven during the reconciliation period by the number of participants receiving pre-program arrearage forgiveness. The number of participants receiving pre-program arrearage forgiveness exceeding 25,297 will be multiplied by the average pre-program arrearage forgiveness per participant and then multiplied by 0.0920 in order to determine the amount of the pre-program arrearage forgiveness which will not be recovered through Rider USP.

(C) Indicates Change

RULES AND REGULATIONS

21. GAS EMERGENCY PLANNING - Continued

(2) Firm large commercial and industrial service for plant protection under Rates LFD and XD.

(3) Firm commercial and industrial service under Rates N, NT, DS, LFD and XD, to the extent actual gas deliveries are being made to the Company's system on behalf of the Customer; all except for plant protection. (C)

21.3 Mandatory Reductions. In the event of an emergency under subsection 21.1, the Company may require each commercial and industrial retail and transportation Customer that is not a Priority 1 Customer to reduce its consumption of gas. In requiring mandatory reductions, the gas supplies available to the Company may be allocated to Customers in accordance with the priorities of use specified in subsection 21.2.

- (1) The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety.
- (2) The mandatory reduction shall be for a period specified by the Company and may be until further notice. The Company may change a Customer's authorized usage, upon notice, at any time during an emergency.
- (3) Mandatory reductions shall be for a maximum duration of five (5) consecutive business days, unless extended by PUC order.
- (4) Except as provided in 21.3(5), the minimum authorized usage may not be lower than the minimum usage of firm service necessary for plant protection use.
- (5) When all other service has been curtailed except for Priority 1 service and the Company continues to be unable to meet Priority 1 requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to Customers if curtailments to plant protection use are found to be necessary.
- (6) Consistent with its responsibility to maintain system integrity at all times, the Company shall provide periodic status updates and restore service as soon as practicable to any gas-fired electric generation facility that is deemed critical to electric system reliability by the electrical system's control area operator.
- (7) Transportation Customers and NGSSs are required to deliver, or cause to be delivered, natural gas supplies to the Company's system during an emergency, regardless of any mandatory gas consumption reductions imposed by the Company on such transportation Customers or NGSSs' Customers. Such natural gas delivery may be required up to the Customer's or NGS's applicable DFR, MDQ, DDR or otherwise specified daily delivery quantity as determined by the Company in its discretion.

(C) Indicates Change

RATE R

GENERAL SERVICE - RESIDENTIAL

AVAILABILITY

This rate applies to all Residential Customers in the entire gas service territory of the Company and available at one location, for the total requirements of any residential Customer. Residential Customers are customers receiving the Company's gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family.

MONTHLY RATE TABLE

Customer Charge: \$19.95 per customer (I)

Plus

Distribution Charge: \$0.42339/Ccf (I)

Plus

SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider B - Section 1307 (f) Purchased Gas Cost
Rider C - Extended TCJA Temporary Surcharge
Rider D - Merchant Function
Rider E - Gas Procurement Charge
Rider F - Universal Service Program
Rider G - Energy Efficiency and Conservation
Rider I - Distribution System Improvement Charge

MINIMUM CHARGE

Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve-month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12-month intervening period.

PAYMENT

In accordance with Section 8.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

(I) Indicates Increase

RATE RT

GENERAL SERVICE - RESIDENTIAL TRANSPORTATION

AVAILABILITY

This Rate applies to all Residential Customers in the entire gas service territory who are served by a qualified Choice Supplier receiving service under Rate AG and available at one location, for the total requirements of any residential Customer. Residential Customers are customers receiving the Company's gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family.

MONTHLY RATE TABLE

Customer Charge: \$19.95 per customer (I)

Plus

Distribution Charge: \$0.42339/Ccf (I)

Plus

SURCHARGES and RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider C - Extended TCJA Temporary Surcharge
- Rider F - Universal Service Program
- Rider G - Energy Efficiency and Conservation
- Rider I - Distribution System Improvement Charge

MINIMUM CHARGE

Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve-month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12-month intervening period.

(I) Indicates Increase

RATE GL

GENERAL SERVICE - GAS LIGHT SERVICE

AVAILABILITY

This service is available for street, highway, driveway or other lighting or sign illumination, where measurement by meter of the gas consumed is not practicable or economical. As used herein, "light" means a single lamp or sign having one (1) gas-flow orifice and one (1) or more mantles, and of a type approved by the Company.

MONTHLY RATE TABLE

Distribution Charge: \$4.2339/Mcf (I)

Plus

SURCHARGES and RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Section 1307(f) Purchased Gas Cost
- Rider C - Extended TCJA Temporary Surcharge
- Rider I - Distribution System Improvement Charge

Monthly usage is assumed to be 1.8 Mcf, however, for larger consumption input fixtures, the Company reserves the right to modify

BILLS DUE

All bills for continuing service are due each month when rendered, and the final due date stated on the bill shall be no less than fifteen (15) days from the date of presentation. Upon discontinuance of service, bills are due and payable upon presentation.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied to lights furnished, erected and maintained by the customer only when equipped with regulators and such devices as the Company considers necessary for turning lights on and off for maintenance and safety purposes.

(I) Indicates Increase

RATE N

GENERAL SERVICE - NON-RESIDENTIAL

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Non-Residential Customers, using gas for any purpose including gas purchased by another public utility for resale. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate N service may not be applied to supplement or back up any transportation service.

MONTHLY RATE TABLE

Customer Charge: \$30.00 per customer (I)

Plus

Distribution Charge: \$3.6671 per Mcf (I)

Plus

SURCHARGES and RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Section 1307(f) Purchased Gas Cost
- Rider C - Extended TCJA Temporary Surcharge
- Rider D - Merchant Function Rider
- Rider E - Gas Procurement Charge
- Rider G - Energy Efficiency and Conservation
- Rider H - Technology and Economic Development
- Rider I - Distribution System Improvement Charge

MINIMUM CHARGE

The Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve-month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12-month intervening period.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

(I) Indicates Increase

RATE NT

GENERAL SERVICE - NON-RESIDENTIAL TRANSPORTATION

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Customers who are served by a Choice Supplier receiving service under Rate AG, except residential Customers, using gas for any purpose. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate NT service may not be applied to supplement or back up any transportation or retail service.

MONTHLY RATE TABLE

Customer Charge: \$30.00 per customer (I)

Plus

Distribution Charge: \$3.6671 per Mcf (I)

Plus

SURCHARGES and RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider C - Extended TCJA Temporary Surcharge
- Rider G - Energy Efficiency and Conservation
- Rider H - Technology and Economic Development
- Rider I - Distribution System Improvement Charge

MINIMUM CHARGE

The Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve-month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12-month intervening period.

(I) Indicates Increase

RATE GBM

GAS BEYOND THE MAINS (Piped Propane Service)

APPLICABILITY

This Page is applicable to customers receiving Piped Propane service in accordance with the Commission's Final Order at Docket No. M-2008-2072850 entered on December 19, 2013.

AVAILABILITY

In accordance with the Commission's Final Order at Docket No. M-2008-2072850 entered on December 19, 2013, Rate GBM is available to small commercial customers until UGI obtains authority from the Commission to abandon such service no later than December 31, 2020, who are served by piped propane systems in existence as of December 19, 2013 ("Existing Propane Systems"), or through reasonable extensions of such Existing Propane Systems made consistent with the line extension provisions of this tariff.

MONTHLY RATE TABLE

Customer Charge: \$30.00 per customer (I)

Plus

Distribution Charge: \$3.6671 per Mcf (I)

Plus

GBM Commodity Rate: \$20.6806 per Mcf

Plus

SURCHARGES and RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider C - Extended TCJA Temporary Surcharge
- Rider D - Merchant Function Charge
- Rider G - Energy Efficiency and Conservation
- Rider I - Distribution System Improvement Charge

The GBM Commodity Rate (a) is designed to recover the full costs of propane acquired to provide GBM service without subsidies from non-GBM service customers, (b) shall be reconciled annually with the resulting over-under collection being recovered or refunded through an E-Factor applied over the next annual period, (c) shall be subject to quarterly PGC adjustments, effective on one day's notice, effective March 1, June 1 and September 1. To the extent there is an over or under recovery of propane costs at the time Rate GBM service is ended, the balance shall be recovered or refunded from all Rate R and N customers by inclusion in the subsequent PGC Gas Cost Adjustment charge calculation.

(I) Indicates Increase

RATE DS

DELIVERY SERVICE

AVAILABILITY

This service applies in the entire territory served by the Company. Firm Delivery Service shall be provided for all volumes supplied by the Customer for which the Company has available on system delivery capacity, subject to Section 21 - Gas Emergency Planning provisions of the Company's tariff, applicable rules and regulations of the PUC and any other governmental mandates.

The Customer must execute a Service Agreement for not less than (1) one year. The contract shall continue in force for consecutive (1) year periods unless cancelled by the Customer upon ninety (90) days written notice to Company prior to the expiration of a contract term.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable delivery service balancing provisions or in accordance with optionally elected and approved balancing or standby services.

Service under Rate DS is subject to the terms set forth under Section 22, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Capacity Charge if applicable, and the Distribution Charge as described below. The following are maximum rates.

Customer Charge: \$260.00

Plus

Capacity Charge: The Company's unitized weighted average cost of firm transportation capacity per elected MDQ.

Plus

Maximum Distribution Charge:
\$2.8033/MCF (all volumes)

(D)

Plus

SURCHARGES and RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider C - Extended TCJA Temporary Surcharge
- Rider G - Energy Efficiency and Conservation
- Rider H - Technology and Economic Development
- Rider I - Distribution System Improvement Charge
- Rider J - Gas Delivery Enhancement Rider

(D) Indicates Decrease

RATE DS - Continued

DELIVERY SERVICE

MINIMUM BILL

Monthly: The Minimum Monthly Bill shall be the Customer Charge and the Capacity Charge. (C)

The MDQ shall be the Company's contracted maximum firm delivery obligation to the Customer on any day. Service in excess of the MDQ is interruptible in accordance with the terms of Rate IS. (C)

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

RETAINAGE RATE

Company Use and Unaccounted For gas shall be retained in accordance with Section 22, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, AND IS, paragraph 22.1(j).

(C) Indicates Change

RATE NNS - Continued

NO-NOTICE SERVICE

EXCESS REQUIREMENT OPTION

The Excess Requirement Option is available on an interruptible basis to any delivery service Customer served under Rates XD, LFD. This Option shall extend the no-notice provisions of Rate NNS, on solely a best efforts basis, during periods where Customer's daily requirements exceed transportation contract service limits.

Customer must nominate a Daily Excess Requirement ("DER") under this Option in an amount no less than 5 Mcf per day and no greater than 25% of Customer's DFR or otherwise specified contract limit. On days where service under the Excess Requirement Option is required, Customer will have the right, subject to the terms and conditions set forth herein, to take gas in excess of Customer's DFR or otherwise specified contract limit provided such excess is no greater than the nominated DER amount.

Service taken in excess of the sum of Customer's DFR and DER on any day shall be considered Excess Take or Unauthorized Overrun as determined by Customer's Delivery Service Schedule and service agreement.

Unauthorized gas forwarded or returned to the Company by the Customer shall be considered imbalance gas and shall be subject to either the balancing provisions set forth under Section 22.2 of General Terms for Delivery Service for Rate Schedules DS, LFD, XD and IS or the Customer's otherwise applicable transportation balancing service.

MONTHLY RATE TABLE (Basic NNS Service)

\$0.0073 per Mcf (D)

or, if applicable \$0.1460 per Mcf per day of elected NNA (D)

plus

MONTHLY RATE TABLE (Excess Requirement Option)

\$4.50 per Mcf per day of elected DER.

(D) Indicates Decrease

RATE MBS - Continued

MONTHLY BALANCING SERVICE

MONTHLY RATE TABLE

Monthly Transportation Volume

Rate DS/IS	\$0.0197/Mcf x Monthly Billed Volumes	(D)
Rate LFD	\$0.0111/Mcf x Monthly Billed Volumes	(D)
Rate XD	\$0.0106/Mcf x Monthly Billed Volumes	(D)

The Company will update the average monthly imbalance utilized in the development of Rate MBS charges annually with the actual average monthly imbalance for the 12-month period ending September to determine the new Rate MBS charges effective December 1 each year. The Company shall include the new Rate MBS charges as part of its annual PGC compliance filing.

(D)Indicates Decrease

RATE LFD

LARGE FIRM DELIVERY SERVICE

AVAILABILITY

This Rate applies in the entire territory served by the Company. It is available to any Customer who executes a Service Agreement with the Company for an on system Daily Firm Requirement (DFR), as agreed to by Customer and Company in said agreement, for not less than fifty (50) MCF of gas per day of firm service. Volumes delivered under this Rate shall be metered separately from service under any of the Company's other rates, except as provided for in Rates IS, NNS, and MBS. In lieu of separate metering, the Company may accept contractual commitments specifying minimum volumes of service under Rate LFD.

Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized receipt point, as determined by the Company in its sole discretion, provided Company has available on-system and/or pipeline capacity available in such quantities to meet Customer requirements. The Company shall be under no obligation to maintain on-system facilities required for service beyond the term of an executed service agreement.

Unless otherwise agreed by the Customer and Company, the Customer must enter into a Service Agreement for a minimum term of two (2) years. The Service Agreement shall continue in force for consecutive two (2) year periods unless cancelled by Customer upon one (1) year written notice to the Company prior to the expiration of the then current Service Agreement term. The Customer shall remain liable for minimum bill requirements for the length of the Service Agreement under this Rate, including applicable penalties, in the event the Customer defaults on its Service Agreement before the end of its term.

Delivery Service shall be provided for all volumes provided by the Customer for (C) which the Company has available delivery capacity, subject to the curtailment provisions of the Company's Tariff, applicable rules and regulations of the PUC and any other governmental mandates.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable balancing provisions or in accordance with optionally elected and approved balancing or standby services.

The DFR shall be the Company's contracted maximum firm delivery obligation to the Customer on any day and shall be no less than fifty (50) MCF. Service in excess of the DFR is interruptible in accordance with the terms of Rate IS.

Service under Rate LFD is subject to the terms set forth under Section 22 - General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

(C) Indicates Change

UGI UTILITIES, INC. - GAS DIVISION
GAS CHOICE SUPPLIER TARIFF NO. 7S

Rates and Rules
Governing the
Furnishing of
Gas Aggregation Service

Issued: January 28, 2020

Effective for service rendered on and
after March 28, 2020.

Issued By:

Paul J. Szykman
Chief Regulatory Officer
1 UGI Drive
Denver, PA 17517

<http://www.ugi.com/tariffs>

NOTICE

This supplement makes Changes to existing rates(see pages 2-2(b)).

RULES AND REGULATIONS

4. CHOICE SUPPLIER OBLIGATIONS

- 4.12 If a Choice Supplier elects to participate in the Company's POR Program, the Choice Supplier must enter into a POR Agreement for the rate classes that it serves that will be included in the POR. The elected Rate Classes shall be one of the following: (1) RT only, (2) NT only, or (3) RT and NT. All receivables associated with basic natural gas supply services in the specific rate class, subject to the rate class elections made above, must be sold by the participating Supplier to the Utility. For the purposes of this provision, the phrase "basic natural gas supply services" shall include charges directly related to the physical delivery of natural gas to a retail customer but shall not include charges for "carbon-neutral" products, appliance maintenance service, energy efficiency services, termination or cancellation fees, security deposits or other products or services not directly related to the physical delivery of natural gas to a retail customers. Customer accounts that are billed for non-basic natural gas supply services will not be eligible for UGI's POR program. All of the NGS' customer accounts within the elected Rate Classes (subject to the volumetric limits contained in section 5.4) must be POR eligible accounts, with the exception of customers that purchase carbon-neutral products. NGSs may choose to use UGI consolidated billing for Non-POR eligible customers who are purchasing bundled "carbon-neutral" product offerings. The termination and reconnection provisions of Chapters 14 and 56 of the Public Utility Code and PUC regulations shall not be applicable to unpaid NGS charges for non-POR eligible accounts on consolidated billing. NGSs will be responsible for collecting unpaid NGS charges on non-POR eligible accounts on consolidated billing. UGI shall support rate-ready billing, and all NGS rates must conform to supported rate designs. For Purchased Customer Accounts, Company shall pay Choice Supplier an amount equal to 97.69% for residential amounts billed (inclusive of associated sales taxes) and 99.58% of non-residential amounts billed (also inclusive of taxes). Customer participation for NT shall be subject to Volumetric Eligibility pursuant to Section 5.4. (C)
- 4.13 All existing customers of Choice Suppliers who elect to participate in the Company's optional Purchase of Receivables program shall be provided notice by the Choice Supplier and Company that (a) the Company will be providing one bill for all Company and Choice Supplier charges, (b) all payments should be made to the Company, (c) any unpaid amounts shall be subject to late payment charges, (d) the Company may request a security deposit for amounts which include Choice Supplier charges and (e) the Company maintains the right to terminate service for any unpaid Company or Choice Supplier charges, pursuant to Pennsylvania Public Utility Code regulations. (C)

All new customers enrolling with Choice Suppliers who are participating in Company's optional Purchase of Receivables program shall be provided notice by the Choice Supplier prior to enrollment, and by Company upon enrollment, that (a) the Company will be providing one bill for all Company and Choice Supplier charges, (b) all payments should be made to the Company, (c) any unpaid amounts shall be subject to late payment charges, (d) the Company may request a security deposit for amounts which include Choice Supplier charges and (e) the Company maintains the right to terminate service for any unpaid Company or Choice Supplier charges, pursuant to Pennsylvania Public Utility Code regulations.

(C) Indicates Change

RULES AND REGULATIONS

10. RATE AG - AGGREGATION SERVICE - CONTINUED

PENALTIES

Failure to Deliver DDR:

The difference in price between the highest published index price for the Texas Eastern, M-3 and the lowest published index price for Texas Eastern, M-2 as published in *Platts' Gas Daily* on the table "Daily Price Survey" corresponding to the date the failure to deliver occurred, plus the applicable transportation charges from Texas Eastern M-2 to M-3, but shall not be lower than \$0.25/per Dth, applied to the difference between the DDR and the delivered volumes, plus all incremental costs incurred by Company as a result of the failure to deliver the DDR.

The Company may not charge for delivering in excess or under of the DDR if the overdelivery or underdelivery is anticipated to benefit the distribution system's daily balancing position as determined by Company in its sole discretion.

Failure to Comply with an OFO or DFD:

(C)

The Company has the right to issue Operational Flow Orders and Daily Flow Directives at any time. Failure to comply with any OFO or DFD shall result in a penalty charge of Fifty Dollars (\$50) per Dth or the highest of the charges calculated in compliance with Section 22.4 Maximum Daily Excess Balancing Charge for any delivery region, whichever is greater.

NOTICE

A Choice Supplier must provide Company, or any PUC-authorized alternative Supplier of Last Resort and its Rate RT and NT Customer(s) with ninety (90) days advance written notice of its intention to exit the market. In the event a Choice Supplier discontinues service or exits the market before its contract for natural gas supply service to a Rate RT and NT Customer expires and such Customer returns to its Supplier of Last Resort, Choice Supplier shall provide all contract billing data required by Company or other PUC-approved Supplier of Last Resort to render bills to Choice Supplier's customers for the period between Choice Supplier's default or exit from the market and the customer's next meter reading date.

BALANCING

Company will balance the daily difference, if any, between the anticipated Customer use, as communicated through the DDR, and the actual usage of Choice Supplier's customers. For this service, the Choice Supplier shall pay to Company the applicable Balancing Fees shown in this rate schedule, per MCF of Aggregation Pool usage, as measured at the meter.

(C) Indicates Change