

Open Season

Market-Based Storage in the Heart of the PA Marcellus Shale Region

Open Season starts 8:00AM Feb 12, 2018

Open Season bids due 12:00PM Feb 21, 2018

Contracts awarded on 12:00PM Feb 23, 2018



www.ugistorage.com

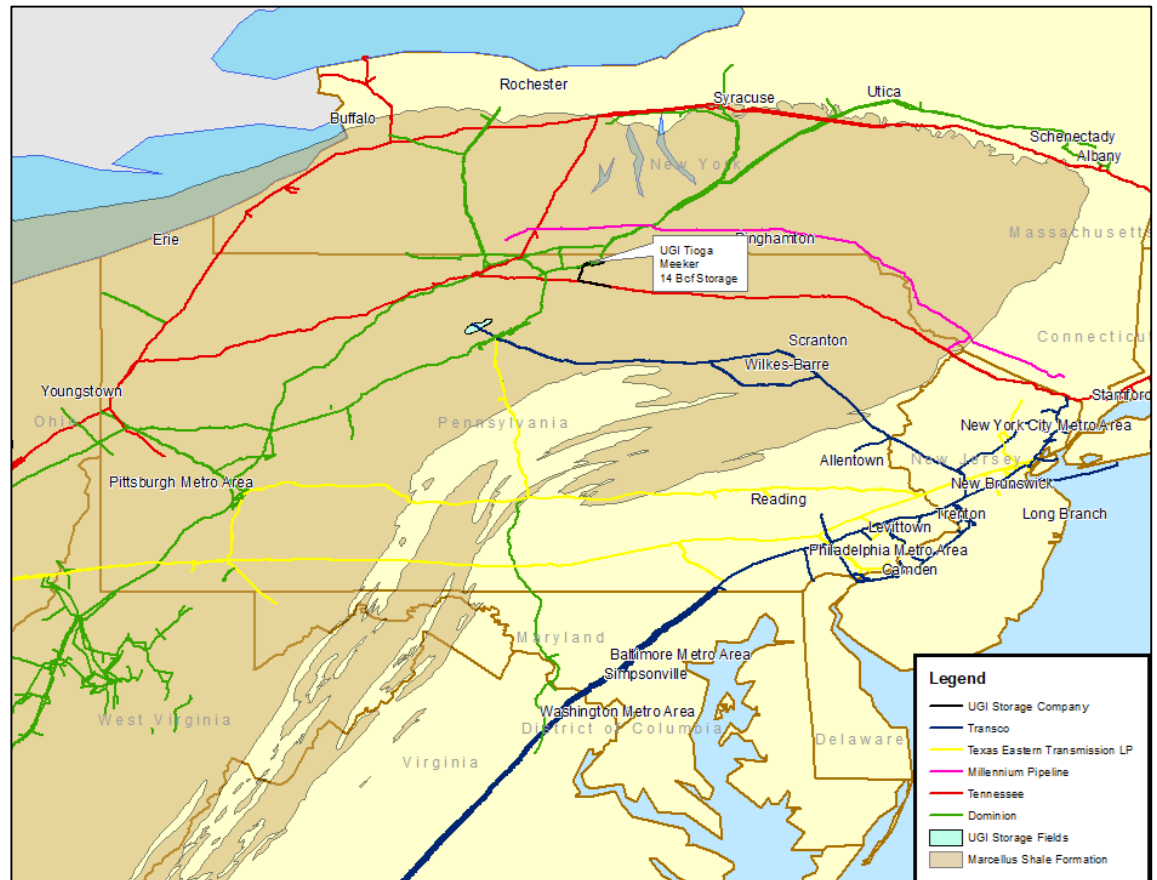


**UGI Storage reserves the right to cancel or extend the Open Season and/or to conduct additional open seasons.*

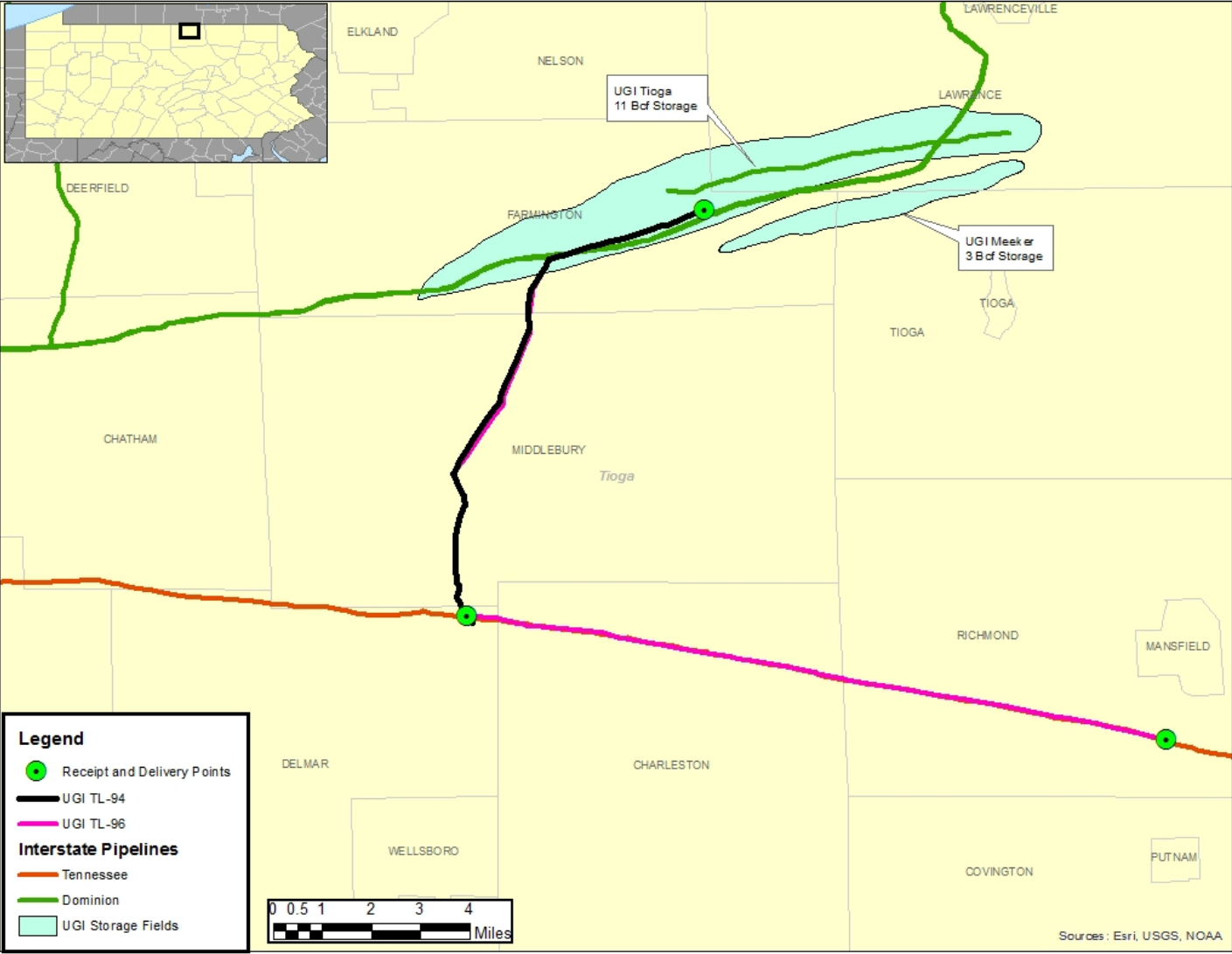
Storage in the Heart of PA Marcellus Shale Region

UGI Storage Company (UGI Storage) operates 14 Bcf of natural gas storage strategically located in North Central Pennsylvania. Storage Service is provided from two reservoirs located in Tioga County. Storage customers have transportation access to high growth demand markets served by interstate

pipeline provider Dominion Transmission (DETI) as well as through the UGI Central Penn Gas (CPG) distribution system. As part of the Open Season, UGI Storage is evaluating market interest for establishing a storage delivery interconnection with Tennessee Gas Pipeline Company (Tennessee).



Tioga & Meeker Storage Fields



The Open Season

UGI Storage is conducting an Open Season to solicit bids for firm storage service for single or multiple year term(s) beginning with the 2018 – 2019 contract year. Capacity will be allocated to the highest bidder(s) as determined by a net present value analysis of the market-based rate and length of contract term, subject to current shippers' rights-of-first-refusal.

Details regarding the operating characteristics of the storage fields are provided later in this presentation. Firm storage service is available on a no-notice basis pursuant to UGI Storage's Rate Schedule NNSS. Bidders desiring no-notice storage service must have no-notice transportation service arrangements effective and approved with DTI, Tennessee, or UGI CPG to use this feature of the storage service.

All bidders must complete the Storage Bid Form including execution by an officer of the company. Storage Bid Forms must be printed, signed and submitted by email.

There are three levels of service open for bid.

1. All bidders must submit a SILVER (Firm) bid.
2. GOLD (Enhanced Interruptible) bids must also include a SILVER bid.
3. PLATINUM (Tennessee Storage Delivery) bids must also include both a GOLD bid and a SILVER bid.

Current firm storage customers will have a ROFR applicable to their current character of service.

Timeline

February 12, 2018 at 8:00 a.m. EST	Open Season starts
February 21, 2018 at 12:00 p.m. EST	Open Season bids are due
February 21, 2018 at 5:00 p.m. EST	Current customers will be presented with best bid to match
February 22, 2018 at 5:00 p.m. EST	Current customers must provide notification if they wish to execute ROFR
February 23, 2018 at 12:00 p.m. EST	All bidders will be notified with the results of the bidding process

Three Levels of Service

GOLD bids must also include a SILVER bid.

PLATINUM bids must also include both a GOLD bid and a SILVER bid.

UGI Storage currently has the ability to only receive gas from Tennessee for storage injection but if sufficient customer demand exists, will establish the capability to deliver storage gas at the Wellsboro station (TGP meter 420253) as soon as Nov 1, 2018.

Service	SILVER Firm	GOLD Enhanced Interruptible	PLATINUM Tennessee Storage Delivery
Summer storage injection (Apr-Oct) and winter withdrawal (Nov-Mar)	✓	✓	✓
Billed on a monthly demand basis for contracted field capacity evenly throughout the storage year (Apr-Mar)	✓	✓	✓
Interruptible Out of Season – Injections during the withdrawal season and withdrawals during the injection season which creates a priority right to move gas from Tennessee to Dominion to capture daily pricing spreads		✓	✓
Interruptible Overrun – 1 st priority rights that extend to excess storage injections or withdrawals greater than firm capacity for an extended timeframe		✓	✓
If PLATINUM is awarded UGI Storage will proceed with establishing the delivery interconnection with Tennessee with a planned in-service of Nov 1, 2018			✓
If PLATINUM is awarded capacity will be billed based on GOLD until the Tennessee delivery point is in service.			✓

Open Season Bid Process

1. Company will allocate firm storage capacity as well as corresponding injection and withdrawal rights under its Rate Schedule FSS through an Open Season, with storage service to commence on April 1, 2018. The storage service offered is divided into two Service Offerings, Tioga and Meeker.
2. The two service offerings will be evaluated separately and a best bid will be determined for each.
3. In order to be considered in the Open Season, bids must be transmitted by e-mail to service@ugistorage.com and received by 12:00 PM ET on February 21, 2018.
4. Bidders that are not current or past customers of UGI Storage should submit the credit evaluation information specified in GTC Section 4.1 of UGI Storage's Tariff with or prior to its bid.
5. Company will notify the successful Open Season bidder(s) and the holders of the expiring contracts of the Best Bid for each of the Service Offerings no later than 12:00 PM ET on February 23, 2018.
6. By submitting a bid, the signatory will be representing that it has full authority to bind the requesting company. No bids shall bind UGI Storage. UGI Storage will only be bound upon the execution of a service agreement by both parties.
7. Bids should be presented as the reservation rate (\$) per Dth of Maximum Storage Quantity ("MSQ"), the requested MSQ and length of bid term in years (1 April through 31 March). Single or multiple year bids are permitted.
8. Bids received that do not fully meet the Company's economic requirements may be negotiated, in part, to determine successful bid and allocation.
9. All qualified bids that meet economic requirements will be evaluated on a net present value ("NPV") basis by time period.
10. Company may, but is not required to, communicate with bidders following the close of the Open Season in order to clarify bids or obtain any missing information.
11. Company reserves the right to reject any bid which (i) may detrimentally impact the operational integrity of Company's facility, (ii) yields an economic value that is unacceptable to Company, (iii) does not satisfy all of the terms of a specific open season, (iv) does not contain all of the required information specified in the notice of the open season, (v) contains terms and conditions other than those contained in Company's FERC Gas Tariff, and/or (vi) does not meet Company's creditworthiness requirements set forth in Company's FERC Gas Tariff. If Company rejects any bids, Company will notify the bidding party that submitted the rejected bid of the reason(s) for such rejection via e-mail.

Tioga Storage – 60 day storage with injection and withdrawal ratchets

Maximum Daily Withdrawal Quantity (MDWQ) – Up to 184,000 Dth

Maximum Daily Injection Quantity (MDIQ) – Up to 61,333 Dth

Maximum Storage Quantity (MSQ) – Up to 11,040,000 Dth

Receipt Points for Injection – Tioga County, Pennsylvania via

Dominion meter number 90008 (primary)

Tennessee meter number 420253 (primary)

Tennessee meter number 420213 (primary – limited capacity)

Delivery Point for Withdrawal – Tioga County, Pennsylvania via

Dominion meter number 90008 (primary)

UGI – Central Penn Gas distribution system (primary)

Tennessee meter number 420253 (primary) **Projected availability Nov 1, 2018**

Injection Ratchets

100% of MDIQ when inventory is less than 50% of MSQ

84% of MDIQ when inventory is 50% or more of MSQ

Withdrawal Ratchets

100% of MDWQ when inventory is 25% or more of MSQ

50% of MDWQ when inventory is less than 25% of MSQ

Contract Term – 1 April 2018 through 31 March – single or multiple year bids accepted

Fuel Reimbursement – less than or equal to 1%, assessed on all injections and wheeling

Commodity Charge – Applicable ACA on withdrawals

Demand Charge – Expressed as \$X.XX per Dth of MSQ

Note: Any bid awarded with an MSQ less than the maximum listed above will have an MDWQ and an MDIQ proportional to the ratios of the maximums listed above.

Meeker Storage – 100 day storage with injection and withdrawal ratchets

Maximum Daily Withdrawal Quantity (MDWQ) – Up to 30,000 Dth

Maximum Daily Injection Quantity (MDIQ) – Up to 16,667 Dth

Maximum Storage Quantity (MSQ) – Up to 3,000,000 Dth

Receipt Points for Injection – Tioga County, Pennsylvania via

Dominion meter number 90008 (primary)

Tennessee meter number 420253 (primary)

Tennessee meter number 420213 (primary – limited capacity)

Delivery Point for Withdrawal – Tioga County, Pennsylvania via

Dominion meter number 90008 (primary)

UGI – Central Penn Gas distribution system (primary)

Tennessee meter number 420253 (primary) **Projected availability Nov 1, 2018**

Injection Ratchets

100% of MDIQ when inventory is less than 50% of MSQ

84% of MDIQ when inventory is 50% or more of MSQ

Withdrawal Ratchets

100% of MDWQ when inventory is 25% or more of MSQ

50% of MDWQ when inventory is less than 25% of MSQ

Contract Term – 1 April 2018 through 31 March – single or multiple year bids accepted

Fuel Reimbursement – less than or equal to 1%, assessed on all injections and wheeling

Commodity Charge – Applicable ACA on withdrawals

Demand Charge – Expressed as \$X.XX per Dth of MSQ

Note: Any bid awarded with an MSQ less than the maximum listed above will have an MDWQ and an MDIQ proportional to the ratios of the maximums listed above.

UGI Storage Bid Form

After completing the Storage Bid Form, please sign, date, and email to: service@ugistorage.com

Shipper Information

Company: _____
 Contact: _____
 Title: _____
 Address: _____

 Phone: _____
 E-mail: _____

Tioga Storage – 60 day storage with injection and withdrawal ratchets

SILVER (Firm):	Requested MSQ _____ Dth	No-notice <input type="checkbox"/> Yes <input type="checkbox"/> No	Bid Rate \$ _____ per Dth of MSQ	Bid Term _____ Years (1 Apr – 31 Mar)
GOLD (Enhanced Interruptible):	Requested MSQ _____ Dth	No-notice <input type="checkbox"/> Yes <input type="checkbox"/> No	Bid Rate \$ _____ per Dth of MSQ	Bid Term _____ Years (1 Apr – 31 Mar)
PLATINUM (Tennessee Delivery*):	Requested MSQ _____ Dth	No-notice <input type="checkbox"/> Yes <input type="checkbox"/> No	Bid Rate \$ _____ per Dth of MSQ	Bid Term _____ Years (1 Apr – 31 Mar)

Meeker Storage – 100 day storage with injection and withdrawal ratchets

SILVER (Firm):	Requested MSQ _____ Dth	No-notice <input type="checkbox"/> Yes <input type="checkbox"/> No	Bid Rate \$ _____ per Dth of MSQ	Bid Term _____ Years (1 Apr – 31 Mar)
GOLD (Enhanced Interruptible):	Requested MSQ _____ Dth	No-notice <input type="checkbox"/> Yes <input type="checkbox"/> No	Bid Rate \$ _____ per Dth of MSQ	Bid Term _____ Years (1 Apr – 31 Mar)
PLATINUM (Tennessee Delivery*):	Requested MSQ _____ Dth	No-notice <input type="checkbox"/> Yes <input type="checkbox"/> No	Bid Rate \$ _____ per Dth of MSQ	Bid Term _____ Years (1 Apr – 31 Mar)

By executing this Storage Bid Form, the signatory below represents and warrants that he/she has full power and authority to bind the identified Company to the terms stated herein.

Signature of Officer: _____ Date: _____
 Name of Signatory: _____ Title of Signatory: _____

*Meeker and Tioga are projected to have bi-directional receipt and delivery capability at the Wellsboro station (TGP meter 420253) starting Nov 1, 2018. GOLD bids must also include a SILVER bid. PLATINUM bids must also include both a GOLD bid and a SILVER bid. If PLATINUM is awarded capacity will be billed based on GOLD until the Tennessee delivery point is in service.

The above bid and confirming signature binds the identified Company to executing UGI Storage’s standard service agreement and accepting storage service up to and including the requested bid quantity from UGI Storage beginning in the 2018-2019 storage season in accordance with UGI Storage’s FERC Gas Tariff. The identified Company has full power and authority, and has taken all action necessary, to execute and deliver this Storage Bid Form and any and all other documents required or permitted to be executed or delivered by it in connection with this Storage Bid Form and to fulfill its obligations under, and to consummate the transactions contemplated by, the Storage Bid Form.

Corporate Summary

UGI Storage Company is a wholly owned subsidiary of UGI Energy Services, LLC, a wholly owned subsidiary of UGI Corporation.

UGI Corporation (the “Company”) is a holding company that, through subsidiaries and affiliates, distributes, stores, transports and markets energy products and related services. In the United States, we (1) are the general partner and own limited partner interests in a retail propane marketing and distribution business, (2) own and operate natural gas and electric distribution utilities, and (3) own and operate an energy marketing, midstream infrastructure, storage, natural gas gathering, natural gas production, electricity generation and energy services business. Internationally, we distribute LPG and market other energy products and services in Europe. Our subsidiaries and affiliates operate principally in the following four business segments:

Midstream & Marketing

UGI Utilities

AmeriGas Propane

UGI International

The Midstream & Marketing segment consists of energy-related businesses conducted by our wholly-owned subsidiary, UGI Energy Services, LLC (“Energy Services”), a subsidiary of UGI Enterprises, LLC (“Enterprises”). These businesses (i) conduct energy marketing in the Mid-Atlantic region of the United States, (ii) operate and own a natural gas liquefaction, storage and vaporization facility and propane-air mixing assets, (iii) manage natural gas pipeline and storage contracts, and (iv) develop, own and operate pipelines, gathering infrastructure and gas storage facilities primarily in the Marcellus Shale region of Pennsylvania and own all or a portion of an electricity generation facility. The Midstream & Marketing segment also includes a subsidiary of Enterprises that conducts a heating, ventilation, air conditioning, refrigeration, mechanical and electrical contracting, and project management service business in portions of eastern and central Pennsylvania.

The UGI Utilities segment consists of the regulated natural gas distribution businesses (“Gas Utility”) of our subsidiary, UGI Utilities, Inc. (“UGI Utilities”), UGI Utilities’ subsidiaries, UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”), and UGI Utilities’ regulated electric distribution business in Pennsylvania (“Electric Utility”). Gas Utility serves over 635,000 customers in eastern and central Pennsylvania and more than 500 customers in portions of one Maryland county. UGI Utilities’ natural gas distribution utility is referred to as “UGI Gas.” Electric Utility serves approximately 62,000 customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania. Gas Utility is regulated by the Pennsylvania Public Utility Commission (“PUC”) and, with respect to its several hundred customers in Maryland, the Maryland Public Service Commission. Electric Utility is regulated by the PUC.

The AmeriGas Propane segment consists of the propane distribution business of AmeriGas Partners, L.P. (“AmeriGas Partners” or the “Partnership”). In addition to distributing propane, the Partnership also sells, installs, and services propane appliances, including heating systems, and operates a residential heating, ventilation, air conditioning, plumbing, and related services business in certain counties of Pennsylvania, Delaware, and Maryland. The Partnership conducts its propane distribution business through its principal operating subsidiary, AmeriGas Propane, L.P., and is the nation’s largest retail propane distributor. The Partnership’s sole general partner is our subsidiary, AmeriGas Propane, Inc. (“AmeriGas Propane” or the “General Partner”). The common units of AmeriGas Partners represent limited partner interests in a Delaware limited partnership and trade on the New York Stock Exchange under the symbol “APU.” We have an effective 26% ownership interest in the Partnership and the remaining interest is publicly held. See Note 1 to Consolidated Financial Statements.

The UGI International segment consists of LPG distribution businesses conducted by our subsidiaries and affiliates in France, Poland, Austria, Hungary, the Czech Republic, Slovakia, Switzerland, Romania, Belgium, the Netherlands, Luxembourg, the United Kingdom, Italy, Finland, Denmark, Norway and Sweden. In addition, UGI International conducts an energy marketing business in France, Belgium, the Netherlands and the United Kingdom. UGI International is the largest distributor of LPG in France, Austria, Belgium, Denmark, Luxembourg and Hungary and one of the largest distributors of LPG in Poland, the Czech Republic, Slovakia, Norway, the Netherlands and Sweden. These businesses are conducted principally through our subsidiaries, UGI France SAS, Flaga GmbH, and AvantiGas Limited.

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