



FOR IMMEDIATE RELEASE

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UGI Penn Natural Gas Requests Gas Service Delivery Rate Increase

Reading, PA – UGI Penn Natural Gas (UGI PNG) today filed a request with the Pennsylvania Public Utility Commission (PUC) to increase its base rates for natural gas delivery service. The increased rates would fund system improvements and operations necessary to maintain safe and reliable natural gas service. The increase would also fund additional energy assistance for low income customers as well as conservation programs for all customers.

According to Peter G. Terranova, UGI vice president of marketing, rates and supply, “We are working hard to manage costs while continuing UGI PNG’s strong legacy of safe and reliable natural gas delivery service. By the time these new base rates are effective, it will have been nearly three years since UGI PNG last raised base rates. We recognize that a rate increase is never popular and we are very sensitive to the difficult economic times faced by households and businesses. For these reasons we are committed to providing and expanding programs and services that will help our customers better manage and afford their energy services.”

As part of the filing, UGI PNG will increase enrollment in its low income customer assistance program. In addition to its current weatherization program, UGI PNG will offer free energy audits to income qualified customers. UGI PNG will also implement a number of rebate programs, which will help all residential households gain access to high efficiency equipment that could provide lower energy bills and reduce their carbon footprint. Finally, the Company is proposing a number of changes which would expand rate options for businesses and could increase opportunities for them to shop for potentially lower-priced natural gas supplies from competing gas suppliers.

A customer’s natural gas bill is made up of two parts. The delivery charge, which this proposal would increase, provides a utility with the funds needed to maintain the gas distribution system and provide customer service and emergency response. UGI PNG last increased its delivery rates in December 2006. The gas commodity charge reflects the actual cost the Company pays to buy gas on the wholesale market, with no profit markup. UGI PNG recently lowered its gas commodity charge on December 1, 2008.

If UGI PNG’s request is approved in full, the bill for a typical residential customer who uses about 1,066 hundred cubic feet of gas per year (ccf) will increase \$17.62 or by

12.7% from \$138.32 to \$155.94 per month. The bill for a typical commercial customer who uses 314 thousand cubic feet (Mcf) per year will increase \$31.51 or by 8.4% from \$373.29 to \$404.80 per month. The bill for a typical industrial customer who uses 3,534 thousand cubic feet (Mcf) per year will increase \$304.71 or by 8.0% from \$3,803.01 to \$4,107.72 per month. The total rate increase request of \$38.1 million annually represents an increase of 11.4% to the Company's annual revenue.

UGI PNG is requesting that the new gas rates take effect March 29, 2009. However, the PUC typically suspends the effective date for general base rate proceedings to allow for investigation and public hearings. This review process is expected to last approximately nine months, which would delay implementation of the new rates until late October 2009.

Customers may call UGI PNG toll-free at 1-800-432-8017 to receive further information on the proposed rate increase or to find out what actions they make take.

UGI Penn Natural Gas, Inc. is a wholly owned subsidiary of UGI Utilities, Inc. UGI Penn Natural Gas serves approximately 158,000 customers in 13 counties throughout northeastern and central Pennsylvania, including the cities of Scranton, Wilkes-Barre and Williamsport. For more information, visit www.ugi.com.

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