Green Richard B
Form 4
March 03, 2009

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Green Richard B

(Last) (First) (Middle)

5454 W 110TH STREET

(Street)

OVERLAND PARK, KS 66211

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Embarq CORP [EQ]

3. Date of Earliest Transaction (Month/Day/Year)
02/27/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Controller

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Pr Deriv Secu

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)		(Instr. 8)		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						(Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units	$ 0	02/27/2009		A		7,188		(1)	(1)	Common Stock	7,188	$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Green Richard B 5454 W 110TH STREET OVERLAND PARK, KS 66211			Controller	

Signatures

Claudia S. Toussaint, attorney-in-fact	03/03/2009
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) RSUs will vest and underlying shares will be delivered to reporting person in 3 installments, with 34% vesting on February 27, 2010 and 33% vesting on each of February 27, 2011 and February 27, 2012.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. rap align="center" colspan="2" style="border-bottom: 1px solid #000000">2010 2009

Number of Common Units subject to original Awards granted
41,064 49,650 38,350
Fiscal year granted
2008 2007 2006
Payment of Awards:

AmeriGas Partners Common Units issued
35,787 42,121 36,437
Cash paid
$1.2 $1.2 $0.9

As of September 30, 2011, there was a total of approximately $2.6 of unrecognized compensation cost associated with 155,356 Common Units subject to award that is expected to be recognized over a weighted-average period of 1.8 years. The total fair value of Common Unit-based awards that vested during Fiscal 2011, Fiscal 2010 and Fiscal

2009 was $2.0, $2.0 and $1.6, respectively. As of September 30, 2011 and 2010, total liabilities of $1.2 and $1.3 associated with Common Unit-based awards are reflected in Employee compensation and benefits accrued and Other noncurrent liabilities in the Consolidated Balance Sheets.

Note 14 Partnership Distributions

The Partnership makes distributions to its partners approximately 45 days after the end of each fiscal quarter in a total amount equal to its Available Cash for such quarter. Available Cash generally means:

1. all cash on hand at the end of such quarter,
2. plus all additional cash on hand as of the date of determination resulting from borrowings after the end of such quarter,
3. less the amount of cash reserves established by the General Partner in its reasonable discretion.

The General Partner may establish reserves for the proper conduct of the Partnership s business and for distributions during the next four quarters.

Distributions of Available Cash are made 98% to limited partners and 2% to the General Partner (representing a 1% General Partner interest in AmeriGas Partners and 1.01% interest in AmeriGas OLP) until Available Cash exceeds the Minimum Quarterly Distribution of $0.55 and the First Target Distribution of $0.055 per Common Unit (or a total of $0.605 per Common Unit). When Available Cash exceeds $0.605 per Common Unit in any quarter, the General Partner will receive a greater percentage of the total Partnership distribution (the incentive distribution) but only with respect to the amount by which the distribution per Common Unit to limited partners exceeds $0.605.

During Fiscal 2011, Fiscal 2010 and Fiscal 2009, the Partnership made quarterly distributions to Common Unitholders in excess of $0.605 per limited partner unit. As a result, the General Partner has received a greater percentage of the total Partnership distribution than its aggregate 2% general partner interest in AmeriGas OLP and AmeriGas Partners. The total amount of distributions received by the General Partner with respect to its aggregate 2% general partner ownership interests totaled $9.0 in Fiscal 2011, $6.9 in Fiscal 2010 and $8.5 in Fiscal 2009. Included in these amounts are incentive distributions received by the General Partner during Fiscal 2011, Fiscal 2010 and Fiscal 2009 of $5.0, $3.0 and $4.5, respectively.

On July 27, 2009, the General Partner s Board of Directors approved a distribution of $0.84 per Common Unit payable on August 18, 2009 to unitholders of record on August 10, 2009. This distribution included the regular quarterly distribution of $0.67 per Common Unit and $0.17 per Common Unit reflecting a distribution of a portion of the proceeds from the Partnership s November 2008 sale of its California storage facility.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Note 15 Commitments and Contingencies

Commitments

We lease various buildings and other facilities and vehicles, computer and office equipment under operating leases. Certain of our leases contain renewal and purchase options and also contain step-rent provisions. Our aggregate rental expense for such leases was $69.8 in Fiscal 2011, $70.6 in Fiscal 2010 and $70.1 in Fiscal 2009.

Minimum future payments under operating leases that have initial or remaining noncancelable terms in excess of one year are as follows:

	2012	2013	2014	2015	2016	After 2016
AmeriGas Propane	$ 53.8	$ 45.3	$ 37.2	$ 29.3	$ 21.1	$ 40.4
UGI Utilities	4.8	4.3	3.1	2.3	2.1	2.2
International Propane	7.1	5.5	4.0	2.4	2.3	1.3
Other	2.6	2.7	1.9	1.2	0.6	0.4
Total	$ 68.3	$ 57.8	$ 46.2	$ 35.2	$ 26.1	$ 44.3

Our businesses enter into contracts of varying lengths and terms to meet their supply, pipeline transportation, storage, capacity and energy needs. Gas Utility has gas supply agreements with producers and marketers with terms not exceeding one year. Gas Utility also has agreements for firm pipeline transportation and natural gas storage services, which Gas Utility may terminate at various dates through Fiscal 2022. Gas Utility s costs associated with transportation and storage capacity agreements are included in its annual PGC filings with the PUC and are recoverable through PGC rates. In addition, Gas Utility has short-term gas supply agreements which permit it to purchase certain of its gas supply needs on a firm or interruptible basis at spot-market prices. Electric Utility purchases its electricity needs under contracts with various suppliers and on the spot market. Contracts with producers for energy needs expire at various dates through Fiscal 2014. Midstream & Marketing enters into fixed-price contracts with suppliers to purchase natural gas and electricity to meet its sales commitments. Generally, these contracts have terms of less than two years. The Partnership enters into fixed-price and variable-priced contracts to purchase a portion of its supply requirements. These contracts generally have terms of less than one year. International Propane enters into variable-priced contracts to purchase a portion of its supply requirements that generally do not exceed one year.

The following table presents contractual obligations under Gas Utility, Electric Utility, Midstream & Marketing, AmeriGas Propane and International Propane supply, storage and service contracts existing at September 30, 2011:

	2012	2013	2014	2015	2016	After 2016
Gas Utility and Electric Utility supply, storage and transportation contracts	$ 213.0	$ 103.3	$ 76.2	$ 47.8	$ 25.0	$ 64.0
Midstream & Marketing supply contracts	222.5	54.1	3.6			
AmeriGas Propane supply contracts	65.8					
International Propane supply contracts	23.3					

Total	$ 524.6	$ 157.4	$ 79.8	$ 47.8	$ 25.0	$ 64.0

The Partnership and International Propane also enter into other contracts to purchase LPG to meet supply requirements. Generally, these contracts are one- to three-year agreements subject to annual price and quantity adjustments.

In addition, we have committed to invest upon request a total of up to an additional $8.5 in a limited partnership that focuses on investments in the alternative energy sector.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)
Contingencies
Environmental Matters
CPG is party to a Consent Order and Agreement (CPG-COA) with the Pennsylvania Department of Environmental Protection (DEP) requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant (MGP) related facilities were operated (CPG MGP Properties) and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement (PNG-COA) with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated (PNG MGP Properties). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at $1.8 and $1.1, respectively, in any calendar year. The CPG-COA terminates at the end of 2013. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two-year period beginning with the original effective date in March 2004. At September 30, 2011 and 2010, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled $17.9 and $21.4, respectively. In accordance with GAAP related to rate-regulated entities, we have recorded associated regulatory assets in equal amounts.
From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of MGPs prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas and Electric Utility.
UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because (1) UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs and (2) CPG Gas and PNG Gas are currently getting regulatory recovery of estimated environmental investigation and remediation costs associated with Pennsylvania sites. At September 30, 2011, neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material.
UGI Utilities has been notified of several sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by it or owned or operated by its former subsidiaries. Such parties are investigating the extent of environmental contamination or performing environmental remediation. UGI Utilities is currently litigating three claims against it relating to out-of-state sites.
Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities if a court were to conclude that (1) the subsidiary s separate corporate form should be disregarded or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary s MGP.
South Carolina Electric & Gas Company v. UGI Utilities, Inc. On September 22, 2006, South Carolina Electric & Gas Company (SCE&G), a subsidiary of SCANA Corporation, filed a lawsuit against UGI Utilities in the District Court of South Carolina seeking contribution from UGI Utilities for past and future remediation costs related to the operations of a former MGP located in Charleston, South Carolina. SCE&G asserts that the plant operated from 1855 to 1954 and alleges that through control of a subsidiary that owned the plant UGI Utilities controlled operations of the plant from 1910 to 1926 and is liable for approximately 25% of the costs associated with the site. SCE&G asserts that it has spent

approximately $22 in remediation costs and paid $26 in third-party claims relating to the site and estimates that future response costs, including a claim by the United States Justice Department for natural resource damages, could be as high as $14. Trial took place in March 2009 and the court s decision is pending.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Frontier Communications Company v. UGI Utilities, Inc. et al. In April 2003, Citizens Communications Company, now known as Frontier Communications Company (Frontier), served a complaint naming UGI Utilities as a third-party defendant in a civil action pending in the United States District Court for the District of Maine. In that action, the City of Bangor, Maine (City) sued Frontier to recover environmental response costs associated with MGP wastes generated at a plant allegedly operated by Frontier s predecessors at a site on the Penobscot River. Frontier subsequently joined UGI Utilities and ten other third-party defendants alleging that they are responsible for an equitable share of any clean up costs Frontier would be required to pay to the City. Frontier alleged that through ownership and control of a subsidiary, UGI Utilities and its predecessors owned and operated the plant from 1901 to 1928. UGI Utilities filed a motion for summary judgment with respect to Frontier s claims. On October 19, 2010, the magistrate judge recommended the Court grant UGI Utilities motion. On November 19, 2010, the Court affirmed the recommended decision of the magistrate judge granting summary judgment in favor of UGI Utilities. On July 1, 2011, Frontier appealed the Court s decision to the United States Court of Appeals for the First Circuit.

Sag Harbor, New York Matter. By letter dated June 24, 2004, KeySpan Energy (KeySpan) informed UGI Utilities that KeySpan has spent $2.3 and expects to spend another $11 to clean up an MGP site it owns in Sag Harbor, New York. KeySpan believes that UGI Utilities is responsible for approximately 50% of these costs as a result of UGI Utilities alleged direct ownership and operation of the plant from 1885 to 1902. By letter dated June 6, 2006, KeySpan reported that the New York Department of Environmental Conservation has approved a remedy for the site that is estimated to cost approximately $10. KeySpan believes that the cost could be as high as $20. There have been no recent developments or facts indicating that this will have a material impact to our results of operations or financial condition.

Yankee Gas Services Company and Connecticut Light and Power Company v. UGI Utilities, Inc. On September 11, 2006, UGI Utilities received a complaint filed by Yankee Gas Services Company and Connecticut Light and Power Company, subsidiaries of Northeast Utilities (together the Northeast Companies), in the United States District Court for the District of Connecticut seeking contribution from UGI Utilities for past and future remediation costs related to MGP operations on thirteen sites owned by the Northeast Companies. The Northeast Companies alleged that UGI Utilities controlled operations of the plants from 1883 to 1941 through control of former subsidiaries that owned the MGPs. The Northeast Companies subsequently withdrew their claims with respect to three of the sites and UGI Utilities acknowledged that it had operated one of the sites in Waterbury, CT (Waterbury North). After a trial, on May 22, 2009, the District Court granted judgment in favor of UGI Utilities with respect to the remaining nine sites. On April 13, 2011, the United States Court of Appeals for the Second Circuit affirmed the District Court s decision in favor of UGI Utilities. A second phase of the trial took place in August 2011 to determine what, if any, contamination at Waterbury North is related to UGI Utilities period of operation. The District Court s decision is pending. The Northeast Companies previously estimated that remediation costs at Waterbury North could total $25.

Omaha, Nebraska. By letter dated October 20, 2011, the City of Omaha (City) and the Metropolitan Utilities District (MUD) notified UGI Utilities that they had been requested by the United States Environmental Protection Agency (EPA) to remediate a former manufactured gas plant located in Omaha, Nebraska. According to a report prepared on behalf of the EPA identifying potentially responsible parties, a former subsidiary of UGI Utilities predecessor is identified as an owner and operator of the site. The City and MUD has requested that UGI Utilities participate in the clean up of this site. UGI Utilities believes that it has strong defenses to any claims that may arise relating to the remediation of this site. By letter dated November 10, 2011, the EPA notified UGI Utilities of its investigation of the site in Omaha, Nebraska and issued an information request to UGI Utilities. UGI Utilities is reviewing the EPA s request and will cooperate with its investigation. Because of the preliminary nature of available environmental information, the ultimate amount of expected clean up costs cannot be reasonably estimated.

AmeriGas OLP Saranac Lake. By letter dated March 6, 2008, the New York State Department of Environmental Conservation (DEC) notified AmeriGas OLP that DEC had placed property owned by the Partnership in Saranac Lake, New York on its Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by DEC disclosed contamination related to former MGP operations on the site. DEC has classified the site as a significant threat to public health or environment with further action required. The Partnership has researched the history of the site and its ownership interest in the site. The Partnership has reviewed the preliminary site characterization study prepared by the DEC, the extent of contamination and the possible existence of other potentially responsible parties. The Partnership communicated the results of its research to DEC in January 2009 and is awaiting a response before doing any additional investigation. Because of the preliminary nature of available environmental information, the ultimate amount of expected clean up costs cannot be reasonably estimated.

Other Matters

AmeriGas Cylinder Investigations. On or about October 21, 2009, the General Partner received a notice that the Offices of the District Attorneys of Santa Clara, Sonoma, Ventura, San Joaquin and Fresno Counties and the City Attorney of San Diego (the District Attorneys) have commenced an investigation into AmeriGas OLP s cylinder labeling and filling practices in California and issued an administrative subpoena seeking documents and information relating to these practices. We have responded to the administrative subpoena. On or about July 20, 2011, the General Partner received a second subpoena from the District Attorneys. The subpoena seeks information and documents regarding AmeriGas OLP s cylinder exchange program and alleges potential violations of California s Unfair Competition Law. We reviewed and responded to the subpoena and will continue to cooperate with the District Attorneys.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Federal Trade Commission Investigation of Propane Grill Cylinder Filling Practices. On or about November 4, 2011, the General Partner received notice that the Federal Trade Commission is conducting an antitrust and consumer protection investigation into certain practices of the Partnership which relate to the filling of portable propane grill cylinders. Based upon the limited amount of information available at this time, the Partnership believes the investigation concerns, in whole or in part, the Partnership s decision, in 2008, to reduce the volume of propane in the grill cylinders it sells to consumers from 17 pounds to 15 pounds. The Partnership believes that it will have good defenses to any claims that may result from this investigation. Because of the limited information available at this time, we are not able to assess the financial impact this investigation or any related claims may have on the Partnership.

Swiger, et al. v. UGI/AmeriGas, Inc. et al. In 1996, a fire occurred at the residence of Samuel and Brenda Swiger (the Swigers) when propane that leaked from an underground line ignited. In July 1998, the Swigers filed a class action lawsuit against AmeriGas Propane, L.P. (named incorrectly as UGI/AmeriGas, Inc.), in the Circuit Court of Monongalia County, West Virginia, in which they sought to recover an unspecified amount of compensatory and punitive damages and attorney s fees, for themselves and on behalf of persons in West Virginia for whom the defendants had installed propane gas lines, resulting from the defendants alleged failure to install underground propane lines at depths required by applicable safety standards. On December 14, 2010, AmeriGas OLP and its affiliates entered into a settlement agreement with the class. On August 12, 2011, the Circuit Court of Monongalia County entered a final order, dismissing all claims against AmeriGas.

In 2005, the Swigers also filed what purports to be a class action in the Circuit Court of Harrison County, West Virginia against UGI, an insurance subsidiary of UGI, certain officers of UGI and the General Partner, and their insurance carriers and insurance adjusters. In the Harrison County lawsuit, the Swigers are seeking compensatory and punitive damages on behalf of the putative class for alleged violations of the West Virginia Insurance Unfair Trade Practice Act, negligence, intentional misconduct, and civil conspiracy. The Swigers have also requested that the Court rule that insurance coverage exists under the policies issued by the defendant insurance companies for damages sustained by the members of the class in the Monongalia County lawsuit. The Circuit Court of Harrison County has not certified the class in the Harrison County lawsuit at this time and, in October 2008, stayed that lawsuit pending resolution of the class action lawsuit in Monongalia County. We believe we have good defenses to the claims in this action.

BP America Production Company v. Amerigas Propane, L.P. On July 15, 2011, BP America Production Company (BP) filed a complaint against AmeriGas Propane, L.P. in the District Court of Denver County, Colorado, alleging, among other things, breach of contract and breach of the covenant of good faith and fair dealing relating to amounts billed for certain goods and services provided to BP since 2005 (the Services). The Services relate to the installation of propane-fueled equipment and appliances, and the supply of propane, to approximately 400 residential customers at the request of and for the account of BP. The complaint seeks an unspecified amount of direct, indirect, consequential, special and compensatory damages, including attorneys fees, costs and interest and other appropriate relief. It also seeks an accounting to determine the amount of the alleged overcharges related to the Services. We have substantially completed our investigation of this matter and, based upon the results of that investigation, we believe we have good defenses to the claims set forth in the complaint and the amount of loss will not have a material impact on our results of operations and financial condition.

Antargaz Competition Authority Matter. On July 21, 2009, Antargaz received a Statement of Objections (Statement) from France s Autorité de la concurrence (Competition Authority) with respect to the investigation of Antargaz by the General Division of Competition, Consumption and Fraud Punishment. The Statement alleged that Antargaz engaged in certain anti-competitive practices in violation of French competition laws related to the cylinder market during the period from 1999 through 2004. Based on an assessment of the information contained in the Statement, during the quarter ended June 30, 2009 we recorded a provision of $10.0 (7.1) related to this matter which is reflected in Other income, net on the Fiscal 2009 Consolidated Statement of Income. On December 17, 2010, the Competition Authority issued its decision dismissing all objections against Antargaz. The appeal period has expired without an appeal having been filed. As a result of the decision, during the three-month period ended December 31, 2010 the Company reversed its previously recorded nontaxable accrual for this matter which increased net income by $9.4.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)
We cannot predict the final results of any of the environmental or other pending claims or legal actions described above. However, it is reasonably possible that some of them could be resolved unfavorably to us and result in losses in excess of recorded amounts. We are unable to estimate any possible losses in excess of recorded amounts. Although we currently believe, after consultation with counsel, that damages or settlements, if any, recovered by the plaintiffs in such claims or actions will not have a material adverse effect on our financial position, damages or settlements could be material to our operating results or cash flows in future periods depending on the nature and timing of future developments with respect to these matters and the amounts of future operating results and cash flows. In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. We believe, after consultation with counsel, the final outcome of such other matters will not have a material effect on our consolidated financial position, results of operations or cash flows.

Note 16 Fair Value Measurements

Derivative Financial Instruments

The following table presents our financial assets and financial liabilities that are measured at fair value on a recurring basis for each of the fair value hierarchy levels, including both current and noncurrent portions, as of September 30, 2011 and 2010:

	Asset (Liability)			
	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
September 30, 2011:				
Assets:				
Derivative financial instruments:				
Commodity contracts	$ 3.5	$ 3.3	$	$ 6.8
Foreign currency contracts	$	$ 5.3	$	$ 5.3
Liabilities:				
Derivative financial instruments:				
Commodity contracts	$ (28.1)	$ (16.1)	$	$ (44.2)
Foreign currency contracts	$	$ (3.3)	$	$ (3.3)
Interest rate contracts	$	$ (44.4)	$	$ (44.4)
September 30, 2010:				
Assets:				
Derivative financial instruments:				
Commodity contracts	$ 1.1	$ 10.7	$	$ 11.8
Foreign currency contracts	$	$ 0.8	$	$ 0.8
Liabilities:				
Derivative financial instruments:				
Commodity contracts	$ (49.4)	$ (20.3)	$	$ (69.7)
Foreign currency contracts	$	$ (2.9)	$	$ (2.9)

Interest rate contracts	$		$	(18.5)	$		$	(18.5)

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

The fair values of our Level 1 exchange-traded commodity futures and option contracts and non exchange-traded commodity futures and forward contracts are based upon actively-quoted market prices for identical assets and liabilities. The remainder of our derivative financial instruments are designated as Level 2. The fair values of certain non-exchange traded commodity derivatives are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. For commodity option contracts not traded on an exchange, we use a Black Scholes option pricing model that considers time value and volatility of the underlying commodity. The fair values of interest rate contracts and foreign currency contracts are based upon third-party quotes or indicative values based on recent market transactions.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for and current maturities of long-term debt) approximate their fair values because of their short-term nature. At September 30, 2011, the carrying amount and estimated fair value of our long-term debt (including current maturities) were $2,157.7 and $2,223.4, respectively. At September 30, 2010, the carrying amount and estimated fair value of our long-term debt (including current maturities) were $2,005.8 and $2,144.7, respectively. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar type debt.

Financial instruments other than derivative financial instruments, such as our short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit our credit risk from short-term investments by investing only in investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured bank deposits. The credit risk from trade accounts receivable is limited because we have a large customer base which extends across many different U.S. markets and several foreign countries. For information regarding concentrations of credit risk associated with our derivative financial instruments, see Note 17.

Note 17 Disclosures About Derivative Instruments and Hedging Activities

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are (1) commodity price risk, (2) interest rate risk and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. Because most of our derivative instruments generally qualify as hedges under GAAP or are subject to regulatory rate recovery mechanisms, we expect that changes in the fair value of derivative instruments used to manage commodity, interest rate or currency exchange rate risk would be substantially offset by gains or losses on the associated anticipated transactions.

Commodity Price Risk

In order to manage market price risk associated with the Partnership s fixed-price programs which permit customers to lock in the prices they pay for propane principally during the months of October through March, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. In addition, the Partnership, certain other domestic business units and our International Propane operations also use over-the-counter price swap and option contracts to reduce commodity price volatility associated with a portion of their forecasted LPG purchases. In addition, from time to time, the Partnership enters into price swap agreements to provide market price risk support to some of its wholesale customers. These agreements are not designated as hedges for accounting purposes and the volumes of propane subject to these agreements were not material.

Gas Utility s tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to retail core-market customers. As permitted and agreed to by the PUC pursuant to Gas Utility s annual PGC filings, Gas

Utility currently uses New York Mercantile Exchange (NYMEX) natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. At September 30, 2011 and 2010, the volumes of natural gas associated with Gas Utility s unsettled NYMEX natural gas futures and option contracts totaled 15.1 million dekatherms and 19.5 million dekatherms, respectively. At September 30, 2011, the maximum period over which Gas Utility is hedging natural gas market price risk is 13 months. Gains and losses on natural gas futures contracts and any gains on natural gas option contracts are recorded in regulatory assets or liabilities on the Consolidated Balance Sheets in accordance with FASB s guidance in ASC 980 related to rate-regulated entities and reflected in cost of sales through the PGC mechanism (see Note 8).

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Beginning January 1, 2010, Electric Utility s DS tariffs permit the recovery of all prudently incurred costs of electricity it sells to DS customers. Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. During Fiscal 2010, Electric Utility determined that it could no longer assert that it would take physical delivery of substantially all of the electricity it had contracted for under its forward power purchase agreements and, as a result, such contracts no longer qualified for the normal purchases and normal sales exception under GAAP related to derivative financial instruments. The inability of Electric Utility to continue to assert that it would take physical delivery of such power resulted principally from a greater than anticipated number of customers, primarily certain commercial and industrial customers, choosing an alternative electricity supplier. Because these contracts no longer qualify for the normal purchases and normal sales exception under GAAP, the fair value of these contracts are required to be recognized on the balance sheet and measured at fair value. At September 30, 2011 and 2010, the fair values of Electric Utility s forward purchase power agreements comprising losses of $8.7 and $19.7, respectively, are reflected in current derivative financial instrument liabilities and other noncurrent liabilities in the accompanying Consolidated Balance Sheets. In accordance with ASC 980 related to rate regulated entities, Electric Utility has recorded equal and offsetting amounts in regulatory assets. At September 30, 2011 and 2010, the volumes of Electric Utility s forward electricity purchase contracts was 788.6 million kilowatt hours and 990.7 million kilowatt hours, respectively. At September 30, 2011, the maximum period over which these contracts extend is 32 months.

In order to reduce volatility associated with a substantial portion of its electricity transmission congestion costs, Electric Utility obtains FTRs through an annual PJM Interconnection (PJM) allocation process and by purchases of FTRs at monthly PJM auctions. Midstream & Marketing purchases FTRs to economically hedge electricity transmission congestion costs associated with its fixed-price electricity sales contracts. FTRs are derivative financial instruments that entitle the holder to receive compensation for electricity transmission congestion charges that result when there is insufficient electricity transmission capacity on the electric transmission grid. PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 14 eastern and midwestern states. Because Electric Utility is entitled to fully recover its DS costs commencing January 1, 2010, gains and losses on Electric Utility FTRs associated with periods beginning on or after January 1, 2010 are recorded in regulatory assets or liabilities in accordance with ASC 980 and reflected in cost of sales through the DS recovery mechanism (see Note 8). Gains and losses associated with periods prior to January 2010 are reflected in cost of sales. At September 30, 2011 and 2010, the volumes associated with Electric Utility FTRs totaled 208.6 million kilowatt hours and 546.8 million kilowatt hours, respectively. Midstream & Marketing s FTRs are recorded at fair value with changes in fair value reflected in cost of sales. At September 30, 2011 and 2010, the volumes associated with Midstream & Marketing s FTRs totaled 1,418.6 million kilowatt hours and 1,026.4 million kilowatt hours, respectively.

In order to manage market price risk relating to fixed-price sales contracts for natural gas and electricity, Midstream & Marketing enters into NYMEX and over-the-counter natural gas and electricity futures contracts. Midstream & Marketing also uses NYMEX and over the counter electricity futures contracts to hedge the price of a portion of its anticipated future sales of electricity from its electric generation facilities. In addition, beginning April 1, 2011, Midstream & Marketing uses NYMEX futures contracts to economically hedge the gross margin associated with the purchase and anticipated later sale of natural gas or propane. Because the contracts associated with the anticipated sale of stored natural gas or propane do not qualify for hedge accounting treatment, any gains or losses on the derivative contracts are recognized in earnings prior to gains or losses from the sale of the stored gas. Such derivative gains or losses during Fiscal 2011 were not material. At September 30, 2011, the volumes associated with Midstream & Marketing s natural gas and propane storage NYMEX contracts totaled 4.2 million dekatherms and 4.0 million gallons, respectively.

In order to reduce operating expense volatility, UGI Utilities from time to time enters into NYMEX gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in the operation of its vehicles and equipment. Associated volumes, fair values and effects on net income were not material for all periods presented.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)
At September 30, 2011 and 2010, we had the following outstanding derivative commodity instruments volumes that qualify for hedge accounting treatment:

	Volumes	
Commodity	2011	2010
LPG (millions of gallons)	138.0	160.0
Natural gas (millions of dekatherms, net)	26.1	36.3
Electricity calls (millions of kilowatt hours)	1,219.8	1,203.8
Electricity puts (millions of kilowatt hours)	204.9	

At September 30, 2011, the maximum period over which we are hedging our exposure to the variability in cash flows associated with LPG commodity price risk is 12 months with a weighted average of 5 months; the maximum period over which we are hedging our exposure to the variability in cash flows associated with natural gas commodity price risk (excluding Gas Utility) is 37 months with a weighted average of 9 months; and the maximum period over which we are hedging our exposure to the variability in cash flows associated with electricity price risk (excluding Electric Utility) is 22 months for electricity call contracts, with a weighted average of 7 months, and 27 months for electricity put contracts, with a weighted average of 14 months. At September 30, 2011, the maximum period over which we are economically hedging electricity congestion with FTRs (excluding Electric Utility) is 8 months.
We account for commodity price risk contracts (other than those contracts that are not eligible for hedge accounting and Gas Utility and Electric Utility contracts that are subject to regulatory treatment) as cash flow hedges. Changes in the fair values of contracts qualifying for cash flow hedge accounting are recorded in AOCI and, with respect to the Partnership, noncontrolling interests, to the extent effective in offsetting changes in the underlying commodity price risk. When earnings are affected by the hedged commodity, gains or losses are recorded in cost of sales on the Consolidated Statements of Income. At September 30, 2011, the amount of net losses associated with commodity price risk hedges expected to be reclassified into earnings during the next twelve months based upon current fair values is $32.1.
Interest Rate Risk
Antargaz and Flaga s long-term debt agreements have interest rates that are generally indexed to short-term market interest rates. Antargaz has entered into pay-fixed, receive-variable interest rate swap agreements to hedge the underlying euribor rate of interest on its variable-rate term loan, and Flaga has entered into pay-fixed, receive-variable interest rate swap agreements to hedge the underlying euribor rate of interest on a substantial portion of its term loans, in each case through the respective scheduled maturity dates. As of September 30, 2011 and 2010, the total notional amounts of existing and anticipated variable-rate debt subject to interest rate swap agreements were 424.2 and 703.2, respectively.
Our domestic businesses long-term debt is typically issued at fixed rates of interest. As these long-term debt issues mature, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements (IRPAs). At September 30, 2011, the total notional amount of unsettled IRPAs was $173. There were no unsettled IRPAs outstanding at September 30, 2010. Our current unsettled IRPA contracts hedge forecasted interest payments associated with the issuance of UGI Utilities long-term debt forecasted to occur in September 2012 and September 2013.
We account for interest rate swaps and IRPAs as cash flow hedges. Changes in the fair values of interest rate swaps and IRPAs are recorded in AOCI and, with respect to the Partnership, noncontrolling interests, to the extent effective in offsetting changes in the underlying interest rate risk, until earnings are affected by the hedged interest expense. At such time, gains and losses are recorded in interest expense. At September 30, 2011, the amount of net losses associated with interest rate hedges (excluding pay-fixed, receive-variable interest rate swaps) expected to be

reclassified into earnings during the next twelve months is $1.2.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Foreign Currency Exchange Rate Risk

In order to reduce volatility, Antargaz hedges a portion of its anticipated U.S. dollar-denominated LPG product purchases through the use of forward foreign currency exchange contracts. The amount of dollar-denominated purchases of LPG associated with such contracts generally represents approximately 15% to 30% of estimated dollar-denominated purchases of LPG to occur during the heating-season months of October through March. At September 30, 2011 and 2010, we were hedging a total of $133.9 and $108.6 of U.S. dollar-denominated LPG purchases, respectively. At September 30, 2011, the maximum period over which we are hedging our exposure to the variability in cash flows associated with dollar-denominated purchases of LPG is 30 months with a weighted average of 11 months. We also enter into forward foreign currency exchange contracts to reduce the volatility of the U.S. dollar value on a portion of our International Propane euro-denominated net investments. At September 30, 2011 and 2010, we were hedging a total of 14.5 and 10.0, respectively, of our euro-denominated net investments. As of September 30, 2011, such foreign currency contracts extend through September 2012.

We account for foreign currency exchange contracts associated with anticipated purchases of U.S. dollar-denominated LPG as cash flow hedges. Changes in the fair values of these foreign currency exchange contracts are recorded in AOCI, to the extent effective in offsetting changes in the underlying currency exchange rate risk, until earnings are affected by the hedged LPG purchase, at which time gains and losses are recorded in cost of sales. At September 30, 2011, the amount of net gains associated with currency rate risk (other than net investment hedges) expected to be reclassified into earnings during the next twelve months based upon current fair values is $2.5. Gains and losses on net investment hedges are included in AOCI until such foreign operations are liquidated.

On October 14, 2011, the Company acquired certain European LPG businesses from Shell (see Note 22). In September 2011, in order to economically hedge the U.S. dollar amount of a substantial portion of the associated euro-denominated purchase price, we entered into foreign currency exchange contracts. These contracts are recorded at fair value with gains or losses recorded in other income (expense). At September 30, 2011, we were hedging a total of 120 of the euro-denominated purchase price. Losses recorded on these contracts through September 30, 2011 totaled $6.1.

Derivative Financial Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative financial instrument counterparties. Our derivative financial instrument counterparties principally comprise large energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits or entering into netting agreements that allow for offsetting counterparty receivable and payable balances for certain financial transactions, as deemed appropriate. Certain of these agreements call for the posting of collateral by the counterparty or by the Company in the form of letters of credit, parental guarantees or cash. Additionally, our natural gas and electricity exchange-traded futures and options contracts generally require cash deposits in margin accounts. At September 30, 2011 and 2010, restricted cash in brokerage accounts totaled $17.2 and $34.8, respectively. Although we have concentrations of credit risk associated with derivative financial instruments, the maximum amount of loss, based upon the gross fair values of the derivative financial instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was not material at September 30, 2011. Certain of the Partnership s derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade of the Partnership s debt rating. At September 30, 2011, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

The following table provides information regarding the balance sheet location and fair value of derivative assets and liabilities existing as of September 30, 2011 and 2010:

	Derivative Assets			Derivative Liabilities		
		Fair Value September 30,			Fair Value September 30,	
	Balance Sheet Location	2011	2010	Balance Sheet Location	2011	2010
Derivatives Designated as Hedging Instruments:						
Commodity contracts	Derivative financial instruments and Other assets	$ 1.1	$ 9.2	Derivative financial instruments and Other noncurrent liabilities	$ (32.5)	$ (48.6)
Foreign currency contracts	Derivative financial instruments and Other assets	5.2	0.8	Derivative financial instruments and Other noncurrent liabilities		(2.9)
Interest rate contracts				Derivative financial instruments and Other noncurrent liabilities	(44.4)	(18.5)
Total Derivatives Designated as Hedging Instruments		$ 6.3	$ 10.0		$ (76.9)	$ (70.0)
Derivatives Accounted for Under ASC 980:						
Commodity contracts	Derivative financial instruments	$	$ 0.4	Derivative financial instruments and Other noncurrent liabilities	$ (11.7)	$ (21.1)
Derivatives Not Designated as Hedging Instruments:						
Foreign currency contracts				Derivative financial instruments	$ (3.3)	$
Commodity contracts	Derivative financial instruments and Other assets	$ 5.8	$ 2.2			

Total Derivatives Not Designated as Hedging Instruments	$ 5.8	$ 2.2	$ (3.3)	$
Total Derivatives	$ 12.1	$ 12.6	$ (91.9)	$ (91.1)

F-52

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)
The following tables provide information on the effects of derivative instruments on the Consolidated Statement of Income and changes in AOCI and noncontrolling interest for Fiscal 2011 and 2010:

	Gain or (Loss) Recognized in AOCI and Noncontrolling Interests			Gain or (Loss) Reclassified from AOCI and Noncontrolling Interests into Income			Location of Gain or (Loss) Reclassified from AOCI and Noncontrolling Interests into Income
	2011	2010	2009	2011	2010	2009	
Cash Flow Hedges:							
Commodity contracts	$ 2.2	$ (41.7)	$ (241.1)	$ (17.4)	$ (21.0)	$ (305.8)	Cost of sales
Foreign currency contracts	6.9	3.2	(2.1)	(0.8)	0.7	5.0	Cost of sales
Interest rate contracts	(35.8)	(12.6)	(46.7)	(14.1)	(28.2)	(7.0)	Interest expense /other income
Total	$ (26.7)	$ (51.1)	$ (289.9)	$ (32.3)	$ (48.5)	$ (307.8)	
Net Investment Hedges:							
Foreign currency contracts	$ 0.2	$ 5.0	$ (2.0)				

Derivatives Not Designated as Hedging Instruments:

	Gain or (Loss) Recognized in Income			Location of Gain or (Loss) Recognized in Income
	2011	2010	2009	
Commodity contracts	$ 2.1	$ 1.3	$ (0.6)	Cost of sales
Commodity contracts	0.3	0.2	0.7	Operating expenses / other income
Foreign currency contracts	(6.1)			Other income
Total	$ (3.7)	$ 1.5	$ 0.1	

The amounts of derivative gains or losses representing ineffectiveness, and the amounts of gains or losses recognized in income as a result of excluding derivatives from ineffectiveness testing, were not material for Fiscal 2011, Fiscal 2010 and Fiscal 2009.
As a result of the Partnership s refinancing of its 7.125% Senior Notes (see Note 5), during the three months ended September 30, 2011, the Partnership discontinued cash flow hedge accounting for settled but unamortized IRPA losses

associated with the Senior Notes and recorded a loss of $2.6 which amount is included in Loss on extinguishments of debt on the Fiscal 2011 Consolidated Statement of Income. During the three months ended March 31, 2010, the Partnership s management determined that it was likely that the Partnership would not issue $150 of long-term debt during the summer of 2010 due to the Partnership s strong cash flow and anticipated extension of all or a portion of the 2009 AmeriGas Supplemental Credit Agreement. As a result, the Partnership discontinued cash flow hedge accounting treatment for IRPAs associated with this previously anticipated Fiscal 2010 $150 long-term debt issuance and recorded a $12.2 loss which is reflected in other income, net on the Fiscal 2010 Consolidated Statement of Income. During Fiscal 2009, the Partnership recorded a loss of $1.7 as a result of the discontinuance of cash flow hedge accounting associated with IRPAs which amount was also reflected in other income, net .

We are also a party to a number of other contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders, contracts which provide for the purchase and delivery, or sale, of natural gas, LPG and electricity, and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments. Although many of these contracts have the requisite elements of a derivative instrument, these contracts qualify for normal purchases and normal sales exception accounting under GAAP because they provide for the delivery of products or services in quantities that are expected to be used in the normal course of operating our business and the price in the contract is based on an underlying that is directly associated with the price of the product or service being purchased or sold.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Note 18 Energy Services Accounts Receivable Securitization Facility

Energy Services has a $200 receivables purchase facility (Receivables Facility) with an issuer of receivables-backed commercial paper currently scheduled to expire in April 2012, although the Receivables Facility may terminate prior to such date due to the termination of commitments of the Receivables Facility s back-up purchasers.

Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special-purpose subsidiary, Energy Services Funding Corporation (ESFC), which is consolidated for financial statement purposes. ESFC, in turn, has sold, and subject to certain conditions, may from time to time sell, an undivided interest in the receivables to a commercial paper conduit of a major bank. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. This two-step transaction is accounted for as a sale of receivables following the FASB s guidance for accounting for transfers of financial assets and extinguishments of liabilities. Energy Services continues to service, administer and collect trade receivables on behalf of the commercial paper issuer and ESFC.

Effective October 1, 2010, the Company adopted a new accounting standard that changes the accounting for the Receivables Facility on a prospective basis (see Note 3). Effective October 1, 2010, trade receivables sold to the commercial paper conduit remain on the Company s balance sheet; the Company reflects a liability equal to the amount advanced by the commercial paper conduit; and the Company records interest expense on amounts sold to the commercial paper conduit. Prior to October 1, 2010, trade accounts receivable sold to the commercial paper conduit were removed from the balance sheet and any losses on sales of accounts receivable were reflected in other income, net.

During Fiscal 2011, Fiscal 2010 and Fiscal 2009, Energy Services transferred trade receivables totaling $1,134.9, $1,147.3 and $1,247.1, respectively, to ESFC. During Fiscal 2011, Fiscal 2010 and Fiscal 2009, ESFC sold an aggregate $88.0, $254.6 and $596.9, respectively, of undivided interests in its trade receivables to the commercial paper conduit. At September 30, 2011, the outstanding balance of ESFC trade receivables was $52.1 and there was $14.3 sold to the commercial paper conduit and reflected on the balance sheet as bank loans. At September 30, 2010, the outstanding balance of ESFC trade receivables was $44.0 which is net of $12.1 that was sold to the commercial paper conduit and removed from the balance sheet. Losses on sales of receivables to the commercial paper conduit during Fiscal 2011, which amounts are included in Interest expense, totaled $1.2. Losses on sales of receivables to the commercial paper conduit during Fiscal 2010 and Fiscal 2009, which amounts are included in Other income, net, were $1.5 and $2.3, respectively.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Note 19 Other Income, Net

Other income, net, comprises the following:

	2011	2010	2009
Interest and interest-related income	$ 2.3	$ 2.9	$ 5.0
Antargaz Competition Authority Matter	9.4		(10.0)
Utility non-tariff service income	6.4	2.4	3.2
Foreign currency hedge loss	(6.1)		
Gain on sale of Partnership LPG storage facility			39.9
Gain on sale of Atlantic Energy, LLC		36.5	
Finance charges	15.1	11.3	11.7
Partnership interest rate protection agreement losses		(12.2)	(1.7)
Other, net	19.4	17.1	7.8
Total other income, net	$ 46.5	$ 58.0	$ 55.9

Note 20 Quarterly Data (unaudited)

The following unaudited quarterly data includes adjustments (consisting only of normal recurring adjustments with the exception of those indicated below) which we consider necessary for a fair presentation unless otherwise indicated. Our quarterly results fluctuate because of the seasonal nature of our businesses.

	December 31,		March 31,		June 30,		September 30,	
	2010 (a)	2009	2011 (b)	2010 (c)	2011	2010	2011 (d)	2010 (e)
Revenues	$ 1,765.6	$ 1,618.8	$ 2,181.0	$ 2,120.3	$ 1,105.4	$ 961.9	$ 1,039.3	$ 890.4
Operating income (loss)	$ 252.3	$ 243.2	$ 357.0	$ 366.0	$ 17.2	$ 31.2	$ (10.5)	$ 18.8
Loss from equity investees	$ (0.2)	$	$ (0.4)	$	$ (0.2)	$ (1.9)	$ (0.1)	$ (0.2)
Loss on extinguishments of debt	$	$	$ (18.8)	$	$	$	$ (19.3)	$
Net income (loss)	$ 155.0	$ 145.5	$ 215.6	$ 232.8	$ (13.5)	$ (4.2)	$ (48.9)	$ (18.4)
Net income (loss) attributable to UGI Corporation	$ 113.1	$ 98.4	$ 149.4	$ 157.1	$ (7.2)	$ 3.4	$ (22.4)	$ 2.1
Earnings (loss) per share attributable to UGI stockholders:								
Basic	$ 1.02	$ 0.90	$ 1.34	$ 1.44	$ (0.06)	$ 0.03	$ (0.20)	$ 0.02
Diluted	$ 1.01	$ 0.90	$ 1.32	$ 1.43	$ (0.06)	$ 0.03	$ (0.20)	$ 0.02

(a) Includes the reversal of previously recorded nontaxable accrual associated with the Antargaz Competition Authority Matter which increased operating income and net income attributable to UGI Corporation by $9.4 or $0.08 per diluted share (see Note 15).

(b) Includes loss on extinguishment of Partnership long-tem debt which decreased net income attributable to UGI Corporation by $5.2 or $0.05 per diluted share (see Note 5).

(c) Includes loss from discontinuance of cash flow hedge accounting treatment for Partnership IRPAs which decreased operating income by $12.2 and net income attributable to UGI Corporation by $3.3 or $0.03 per diluted share (see Note 17).

(d) Includes loss on extinguishment of Partnership long-tem debt which decreased net income attributable to UGI Corporation by $5.2 or $0.05 per diluted share (see Note 5).

(e) Includes a gain from the sale of Atlantic Energy, LLC which increased operating income by $36.5 and net income attributable to UGI Corporation by $17.2 or $0.16 per diluted share (see Note 4).

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Note 21 Segment Information

We have organized our business units into six reportable segments generally based upon products sold, geographic location (domestic or international) and regulatory environment. Our reportable segments are: (1) AmeriGas Propane; (2) an international LPG segment comprising Antargaz; (3) an international LPG segment comprising Flaga and our other international propane businesses other than Antargaz (Other); (4) Gas Utility; (5) Electric Utility; and (6) Midstream & Marketing. We refer to both international segments collectively as International Propane.

AmeriGas Propane derives its revenues principally from the sale of propane and related equipment and supplies to retail customers in all 50 states. Our International Propane segments revenues are derived principally from the distribution of LPG to retail customers in France and northern, central and eastern Europe including Austria and Denmark. Gas Utility s revenues are derived principally from the sale and distribution of natural gas to customers in eastern, northeastern and central Pennsylvania. Electric Utility derives its revenues principally from the distribution of electricity in two northeastern Pennsylvania counties. Midstream & Marketing revenues are derived from the sale of natural gas and, to a lesser extent, LPG, electricity and fuel oil to customers located primarily in the Mid-Atlantic region of the United States.

The accounting policies of our reportable segments are the same as those described in Note 2. We evaluate AmeriGas Propane s performance principally based upon the Partnership s earnings before interest expense, income taxes, depreciation and amortization (Partnership EBITDA). Although we use Partnership EBITDA to evaluate AmeriGas Propane s profitability, it should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States of America. Our definition of Partnership EBITDA may be different from that used by other companies. We evaluate the performance of our International Propane, Gas Utility, Electric Utility and Midstream & Marketing segments principally based upon their income before income taxes.

No single customer represents more than ten percent of our consolidated revenues. In addition, all of our reportable segments revenues, other than those of our International Propane segments, are derived from sources within the United States, and all of our reportable segments long-lived assets, other than those of our International Propane segments, are located in the United States.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

			Reportable Segments						
							International Propane		
	Total	Eliminations	AmeriGas Propane	Gas Utility	Electric Utility	Midstream & Marketing	Antargaz	Flaga & Other (b)	Corporate & Other (c)
2011									
Revenues	$ 6,091.3	$ (219.8)(d)	$ 2,538.0	$ 1,026.4	$ 109.1	$ 1,059.7	$ 1,050.6	$ 438.1	$ 89.2
Cost of sales	$ 4,010.9	$ (215.3)(d)	$ 1,605.3	$ 610.6	$ 67.9	$ 920.0	$ 649.8	$ 321.0	$ 51.6
Operating income (loss)	$ 616.0	$	$ 242.9	$ 199.6	$ 11.4	$ 82.9	$ 89.2	$ (3.1)	$ (6.9)
Loss from equity investees	(0.9)						(0.9)		
Loss on extinguishments of debt	(38.1)		(38.1)						
Interest expense	(138.0)		(63.5)	(40.4)	(2.4)	(2.7)	(25.5)	(2.7)	(0.8)
Income (loss) before income taxes	$ 439.0	$	$ 141.3	$ 159.2	$ 9.0	$ 80.2	$ 62.8	$ (5.8)	$ (7.7)
Net income (loss) attributable to UGI	$ 232.9	$	$ 39.9	$ 99.3	$ 5.7	$ 52.5	$ 44.2	$ (3.2)	$ (5.5)
Depreciation and amortization	$ 227.9	$	$ 94.7	$ 48.4	$ 4.2	$ 8.0	$ 52.1	$ 18.5	$ 2.0
Noncontrolling interests net income	$ 75.3	$	$ 75.0	$	$	$	$ 0.3	$	$
Partnership EBITDA (a)			$ 297.1						
Total assets	$ 6,663.3	$ (93.3)	$ 1,800.4	$ 2,028.7	$ 140.6	$ 580.7	$ 1,636.6	$ 428.8	$ 140.8
Bank loans	$ 138.7	$	$ 95.5	$	$	$ 24.3	$	$ 18.9	$
Capital expenditures	$ 355.6	$	$ 77.2	$ 91.3	$ 7.5	$ 112.8	$ 48.9	$ 16.5	$ 1.4
Investments in equity investees	$ 0.3	$	$	$	$	$	$	$ 0.3	$
Goodwill	$ 1,562.2	$	$ 696.3	$ 182.1	$	$ 2.8	$ 591.8	$ 82.2	$ 7.0
2010									
Revenues	$ 5,591.4	$ (186.0)(d)	$ 2,320.3	$ 1,047.5	$ 120.2	$ 1,145.9	$ 887.1	$ 172.4	$ 84.0
Cost of sales	$ 3,584.0	$ (179.2)(d)	$ 1,395.1	$ 653.4	$ 77.1	$ 1,010.7	$ 465.9	$ 116.2	$ 44.8
	$ 659.2	$	$ 235.8	$ 175.3	$ 13.7	$ 120.0	$ 115.1	$ 1.9	$ (2.6)

Operating income (loss)									
Loss from equity investees	(2.1)						(2.0)	(0.1)	
Interest expense	(133.8)		(65.1)	(40.5)	(1.8)	(0.2)	(22.4)	(3.0)	(0.8)
Income (loss) before income taxes	$ 523.3	$	$ 170.7	$ 134.8	$ 11.9	$ 119.8	$ 90.7	$ (1.2)	$ (3.4)
Net income (loss) attributable to UGI	$ 261.0	$	$ 47.3	$ 83.1	$ 6.8	$ 68.2	$ 60.0	$ (1.2)	$ (3.2)
Depreciation and amortization	$ 210.2	$	$ 87.4	$ 49.5	$ 4.0	$ 7.7	$ 48.9	$ 11.5	$ 1.2
Noncontrolling interests net income	$ 94.7	$	$ 91.1	$	$	$ 3.3	$ 0.3	$	$
Partnership EBITDA (a)			$ 321.0						
Total assets	$ 6,374.3	$ (81.1)	$ 1,690.9	$ 1,996.3	$ 143.3	$ 450.8	$ 1,678.3	$ 320.2	$ 175.6
Bank loans	$ 200.4	$	$ 91.0	$ 17.0	$	$	$ 68.2	$ 24.2	$
Capital expenditures	$ 352.9	$	$ 83.2	$ 73.5	$ 8.1	$ 116.4	$ 51.4	$ 7.6	$ 12.7
Investments in equity investees	$ 0.4	$	$	$	$	$	$	$ 0.4	$
Goodwill	$ 1,562.7	$	$ 683.1	$ 180.1	$	$ 2.8	$ 602.7	$ 87.0	$ 7.0
2009									
Revenues	$ 5,737.8	$ (172.5)(d)	$ 2,260.1	$ 1,241.0	$ 138.5	$ 1,224.7	$ 837.7	$ 117.6	$ 90.7
Cost of sales	$ 3,670.6	$ (167.7)(d)	$ 1,316.5	$ 853.2	$ 91.6	$ 1,098.5	$ 362.4	$ 67.1	$ 49.0
Operating income (loss)	$ 685.3	$	$ 300.5	$ 153.5	$ 15.4	$ 64.8	$ 142.8	$ 8.6	$ (0.3)
Loss from equity investees	(3.1)						(2.9)	(0.2)	
Interest expense	(141.1)		(70.3)	(42.2)	(1.7)		(24.0)	(2.6)	(0.3)
Income (loss) before income taxes	$ 541.1	$	$ 230.2	$ 111.3	$ 13.7	$ 64.8	$ 115.9	$ 5.8	$ (0.6)
Net income attributable to UGI	$ 258.5	$	$ 65.0	$ 70.3	$ 8.0	$ 38.1	$ 74.0	$ 4.3	$ (1.2)
Depreciation and amortization	$ 200.9	$	$ 83.9	$ 47.2	$ 3.9	$ 8.5	$ 47.7	$ 8.8	$ 0.9
Noncontrolling interests net income (loss)	$ 123.5	$ 0.2	$ 123.6	$	$	$	$ (0.4)	$ 0.1	$
Partnership EBITDA (a)			$ 381.4						
Total assets	$ 6,042.6	$ (115.5)	$ 1,647.7	$ 1,917.1	$ 113.2	$ 344.1	$ 1,705.6	$ 260.1	$ 170.3

Bank loans	$ 163.1	$	$	$ 145.9	$ 8.1	$	$	$ 9.1	$
Capital expenditures	$ 301.7	$	$ 78.7	$ 73.8	$ 5.3	$ 66.2	$ 70.5	$ 5.8	$ 1.4
Investments in equity investees	$ 3.0	$	$	$	$	$	$	$ 3.0	$
Goodwill	$ 1,582.3	$ (4.1)	$ 670.1	$ 180.1	$	$ 11.8	$ 646.9	$ 70.4	$ 7.1

(a) The following table provides a reconciliation of Partnership EBITDA to AmeriGas Propane operating income:

Year ended September 30,	2011	2010	2009
Partnership EBITDA	$ 297.1	$ 321.0	$ 381.4(i)
Depreciation and amortization	(94.7)	(87.4)	(83.9)
Loss on extinguishments of debt	38.1		
Noncontrolling interests (ii)	2.4	2.2	3.0
Operating income	$ 242.9	$ 235.8	$ 300.5

(i) Includes $39.9 gain on the sale of California storage facility. See Note 4 to consolidated financial statements.

(ii) Principally represents the General Partner s 1.01% interest in AmeriGas OLP.

(b) International Propane Flaga & Other principally comprises FLAGA, including, prior to the January 29, 2009 purchase of the 50% equity interest it did not already own, its central and eastern European joint-venture ZLH, and our propane distribution businesses in China and Denmark.

(c) Corporate & Other results principally comprise UGI Enterprises heating, ventilation, air-conditioning, refrigeration and electrical contracting businesses (HVAC/R), net expenses of UGI s captive general liability insurance company and UGI Corporation s unallocated corporate and general expenses and interest income. Corporate and Other assets principally comprise cash, short-term investments, assets of HVAC/R and an intercompany loan. The intercompany loan and associated interest is removed in the segment presentation.

(d) Principally represents the elimination of intersegment transactions principally among Midstream & Marketing, Gas Utility and AmeriGas Propane.

Table of Contents

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of dollars and euros, except per share amounts and where indicated otherwise)

Note 22 Subsequent Events

European LPG Acquisitions. On October 14, 2011, UGI, through subsidiaries, acquired Shell s LPG distribution businesses in the United Kingdom, Belgium, the Netherlands, Luxembourg, Denmark, Finland, Norway and Sweden for approximately 130 in cash, subject to working capital adjustments. The acquired businesses delivered a combined approximately 300 million gallons of LPG in 2010. The purchase price for these businesses was funded principally from existing cash at UGI and the return of cash capital contributions by Midstream & Marketing to UGI from borrowings under the Energy Services Credit Agreement. These cash capital contributions had previously been made by UGI to fund major Midstream & Marketing capital projects.

Proposed AmeriGas Acquisition of the Propane Operations of Energy Transfer Partners. On October 17, 2011, AmeriGas Partners announced that it had reached a definitive agreement to acquire the propane operations of Energy Transfer Partners, L.P. (Energy Transfer) for total consideration of approximately $2,900, including $1,500 in cash, AmeriGas Partners Common Units valued at approximately $1,300 at the time of the execution of the agreement, and the assumption of $71 in debt (the Acquisition). Energy Transfer conducts its propane operations in 41 states through its subsidiaries Heritage Operating, L.P. and Titan Energy Partners, L.P. (collectively, Heritage Propane). According to LP-Gas Magazine rankings, Heritage Propane is the third largest retail propane distributor in the United States, delivering over 500 million gallons to more than one million retail propane customers. The acquisition of Heritage Propane is subject to customary closing conditions, including approval under the Hart-Scott-Rodino Act. AmeriGas Partners obligation to complete the Acquisition is also conditioned on it obtaining debt financing on certain agreed upon terms. In addition to new debt financing, the Partnership expects to increase the size of the AmeriGas 2011 Credit Agreement to at least $500 upon closing of the transaction. The agreement contains termination rights for both parties. Under certain conditions, termination by AmeriGas Partners could result in the payment of a termination fee of up to $125. AmeriGas Partners expects to complete the Acquisition by March 31, 2012.

Table of Contents

SCHEDULE
CONDENSED FINANCIAL INFORMATION OF REGISTRANT

UGI CORPORATION AND SUBSIDIARIES

SCHEDULE I CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

BALANCE SHEETS

(Millions of dollars)

	September 30, 2011	September 30, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 0.4	$ 1.0
Accounts and notes receivable	4.9	18.8
Deferred income taxes	0.4	0.4
Prepaid expenses and other current assets	1.4	0.3
Total current assets	7.1	20.5
Investments in subsidiaries	1,992.1	1,830.1
Derivative financial instruments		0.8
Deferred income taxes	22.3	20.9
Total assets	$ 2,021.5	$ 1,872.3
LIABILITIES AND COMMON STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts and notes payable	$ 11.4	$ 15.8
Derivative financial instruments	3.3	
Accrued liabilities	1.7	5.0
Total current liabilities	16.4	20.8
Noncurrent liabilities	27.4	27.0
Commitments and contingencies (Note 1)		
Common stockholders equity:		
Common Stock, without par value (authorized - 300,000,000 shares; issued - 115,507,094 and 115,400,294 shares, respectively)	937.4	906.1
Retained earnings	1,085.8	966.7
Accumulated other comprehensive loss	(17.7)	(10.1)
Treasury stock, at cost	(27.8)	(38.2)
Total common stockholders equity	1,977.7	1,824.5
Total liabilities and common stockholders equity	$ 2,021.5	$ 1,872.3

Note 1 Commitments and Contingencies:

In addition to the guarantees of Flaga s and Antargaz debt as described in Note 5 to Consolidated Financial Statements, at September 30, 2011, UGI Corporation had agreed to indemnify the issuers of $32.7 of surety bonds issued on behalf of certain UGI subsidiaries. UGI Corporation is authorized to guarantee up to $385.0 of obligations to suppliers and customers of UGI Energy Services, Inc. and subsidiaries of which $349.4 of such obligations were outstanding as of September 30, 2011. UGI Corporation has guaranteed the floating to fixed rate interest rate swaps at Flaga which amount totaled $2.5 at September 30, 2011.

Table of Contents

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE I CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)
STATEMENTS OF INCOME
(Millions of dollars, except per share amounts)

	Year Ended September 30,		
	2011	2010	2009
Revenues	$	$	$
Costs and expenses:			
Operating and administrative expenses	31.0	31.8	33.7
Other income, net (1)	(24.8)	(31.7)	(33.7)
	6.2	0.1	
Operating loss	(6.2)	(0.1)	
Intercompany interest income	0.1		0.1
Loss (income) before income taxes	(6.1)	(0.1)	0.1
Income tax (benefit) expense	(1.1)	0.7	0.8
Loss before equity in income of unconsolidated subsidiaries	(5.0)	(0.8)	(0.7)
Equity in income of unconsolidated subsidiaries	237.9	261.8	259.2
Net income	$ 232.9	$ 261.0	$ 258.5
Earnings per common share:			
Basic	$ 2.09	$ 2.38	$ 2.38
Diluted	$ 2.06	$ 2.36	$ 2.36
Average common shares outstanding (thousands):			
Basic	111,674	109,588	108,523
Diluted	112,944	110,511	109,339

(1) UGI provides certain financial and administrative services to certain of its subsidiaries. UGI bills these subsidiaries monthly for all direct expenses incurred by UGI on behalf of its subsidiaries as well as allocated shares of indirect corporate expense incurred or paid with respect to services provided by UGI. The allocation of

indirect UGI corporate expenses to certain of its subsidiaries utilizes a weighted, three-component formula comprising revenues, operating expenses, and net assets employed and considers the relative percentage of such items for each subsidiary to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. Management believes that this allocation method is reasonable and equitable to its subsidiaries. These billed expenses are classified as Other income, net in the Statements of Income above.

Table of Contents

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE I CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)
STATEMENTS OF CASH FLOWS
(Millions of dollars)

	Year Ended September 30, 2011	2010	2009
NET CASH PROVIDED BY OPERATING ACTIVITIES (a)	$ 201.6	$ 173.0	$ 124.7
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net investments in unconsolidated subsidiaries	(119.4)	(106.6)	(50.4)
Net cash used by investing activities	(119.4)	(106.6)	(50.4)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of dividends on Common Stock	(113.8)	(98.6)	(85.1)
Issuance of Common Stock	31.0	31.8	10.8
Net cash used by financing activities	(82.8)	(66.8)	(74.3)
Cash and cash equivalents decrease	$ (0.6)	$ (0.4)	$
Cash and cash equivalents:			
End of year	$ 0.4	$ 1.0	$ 1.4
Beginning of year	1.0	1.4	1.4
Decrease	$ (0.6)	$ (0.4)	$

(a) Includes dividends received from unconsolidated subsidiaries of $188.9, $172.8 and $110.7, for the years ended September 30, 2011, 2010 and 2009, respectively.

Table of Contents

UGI CORPORATION AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS

(Millions of dollars)

	Balance at beginning of year	Charged (credited) to costs and expenses	Other	Balance at end of year
Year Ended September 30, 2011				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	$ 34.6	$ 20.0	$ (17.8)(1)	$ 36.8
Other reserves:				
Property and casualty liability	$ 65.7	$ 22.5	$ (26.5)(3)	$ 65.3(5)
			3.6(2)	
Environmental, litigation and other	$ 65.8	$ (5.3)	$ (25.4)(3)	$ 36.9
			1.8(2)	
Deferred tax assets valuation allowance	$ 78.4	$ 3.5		$ 81.9
Year Ended September 30, 2010				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	$ 38.3	$ 27.1	$ (30.8)(1)	$ 34.6
Other reserves:				
Property and casualty liability	$ 72.3	$ 15.2	$ (27.4)(3)	$ 65.7(5)
			5.6(2)	
Environmental, litigation and other	$ 66.3	$ 5.4	$ (4.9)(3)	$ 65.8
			(1.0)(2)	
Deferred tax assets valuation allowance	$ 87.8	$ (9.4)		$ 78.4

S-4

Table of Contents

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS (continued)
(Millions of dollars)

Year Ended September 30, 2009
Reserves deducted from assets in the consolidated balance sheet:

Allowance for doubtful accounts	$	40.8	$	34.1	$	(42.3)(1)	$	38.3
						5.7(4)		
Other reserves:								
Property and casualty liability	$	77.4	$	22.7	$	(32.6)(3)	$	72.3(5)
						4.6(4)		
						0.2(2)		
Environmental, litigation and other	$	31.4	$	20.5	$	(5.5)(3)	$	66.3
						13.9(4)		
						6.0(2)		
Deferred tax assets valuation allowance	$	56.5	$	31.3	$		$	87.8

(1) Uncollectible accounts written off, net of recoveries.

(2) Other adjustments.

(3) Payments, net.

(4) Acquisition.

(5) At September 30, 2011, 2010 and 2009, the Company had insurance indemnification receivables associated with its property and casualty liabilities totaling $11.3, $7.2 and $1.0, respectively.

S-5