Founded in 1882, UGI Corporation (NYSE: UGI) is a Fortune 500 company with $12 billion in assets and $7.7 billion in revenues. We are a distributor and marketer of energy products and services including natural gas, propane, and electricity.

**UGI Corporation (NYSE: UGI)**

- **Domestic Propane**
  - AmeriGas (NYSE: APU) distributes propane in 50 states and is the largest US retail propane marketer
  - MLP: UGI is General Partner and owns 26% of LP
  - ~1.7 Million customers
  - ~1.1 Billion gallons/year

- **UGI International**
  - 3 subsidiaries market propane and natural gas in 17 European countries
  - Major propane supplier in western and eastern Europe
  - ~1 Billion gallons/year

- **UGI Utilities**
  - One of PA’s largest natural gas utility serving 642,000 gas customers and 62,000 electric customers

- **UGI Energy Services**
  - LNG, energy marketing, power generation and numerous midstream gas assets
Flash Round – 3 topics in 5 minutes …

- Company operations and Customer Experience during Winter 2018-19
- Growth trends for LNG in the Northeast
  - Overall challenges/opportunities
- Does LNG have role as backup fuel for power gen, replacing oil?

Temple Liquefier/Peaker
Manning Liquefier
Steelton Peaker
Company Operations & Customer Experience Winter 2018-19

• Weather was not extraordinary
  o Similar usage and HHDs to Winter 2017-18
    • Less challenging than Polar Vortex Years
  o Key differences …
    • Recharging (all fuels) / New Pipe / Powergen

• Customer Experience – all good
  o Heating load customers – similar usage & pattern
  o Commercial/Industrial customers – consistent

• UGIES Operations -
  o Temple and Manning Liquefiers operated as planned
    • Reliable deliveries to all customers … few logistics challenges
  o Company peakers (stationary and portable units) operated very well
Growth Trends for LNG in the Northeast

• Positive Trends
  o Lack of pipeline expansion … to extent expected few years ago
  o LDCs continue to rely on LNG for significant % of peak load
  o C&I and Powergen markets continues to seek clean fuel solutions
  o Natural gas feedstock prices continue to be attractive

• Negative Trends
  o LDCs upgrading and expanding own LNG facilities
  o New commercial liquefiers being commissioned/developed
  o Low hanging C&I fruit has long been picked (tighter economics today)
  o Environmentalist super-focused on renewable non-carbon based energy

Net Result: Commercial LNG market is increasingly challenging
LNG Role as Back-Up Fuel for Power Generators

• Does LNG have role as backup fuel … replacing oil?
  o Short answer … yes … absolutely … but challenging:

Challenge One – Capital & Commitment
• Similar situation as faced by pipeline developers
• Convince merchant power operators to invest capital or make commitment required by service provider … for an asset that, albeit critical, is expected to be used on short term, peaking basis
• ISO-NE support (capital contribution) is not overwhelming

Challenge Two - Scale
• Larger power plant require substantial capital investment and robust recharging strategy … for sustained service
• Limiting fueling plan for larger units or serving smaller electric power generators … is less capital intensive & less complex operation

  o Nonetheless … Definitely a NET POSITIVE opportunity