UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________

Commission file number 1-13692

AMERIGAS PARTNERS, L.P.

(Exact name of registrant as specified in its charters)

Delaware	**23-2787918**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

460 North Gulph Road, King of Prussia, PA 19406
(Address of Principal Executive Offices) (Zip Code)

(610) 337-7000
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At April 30, 2016, there were 92,922,445 Common Units of AmeriGas Partners, L.P. outstanding.

AMERIGAS PARTNERS, L.P.

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AMERIGAS PARTNERS, L.P.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(Thousands of dollars)

	March 31, 2016	September 30, 2015	March 31, 2015
ASSETS			
Current assets:			
Cash and cash equivalents	$ 15,740	$ 14,757	$ 21,385
Accounts receivable (less allowances for doubtful accounts of $12,858, $12,257 and $18,141, respectively)	257,110	199,067	393,145
Accounts receivable - related parties	3,475	2,360	3,241
Inventories	94,959	93,934	115,666
Prepaid expenses and other current assets	60,444	56,243	49,298
Total current assets	431,728	366,361	582,735
Property, plant and equipment (less accumulated depreciation and amortization of $1,435,097, $1,369,733 and $1,302,098, respectively)	1,303,281	1,324,327	1,359,353
Goodwill	1,971,999	1,956,688	1,950,327
Intangible assets, net	424,062	433,713	448,598
Other assets	56,651	60,623	65,608
Total assets	$ 4,187,721	$ 4,141,712	$ 4,406,621
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities:			
Current maturities of long-term debt	$ 7,441	$ 9,679	$ 10,319
Short-term borrowings	65,300	68,100	55,000
Accounts payable - trade	107,549	101,588	159,617
Accounts payable - related parties	381	445	314
Customer deposits and advances	74,145	117,087	57,941
Derivative instruments	16,920	47,507	55,426
Other current liabilities	186,687	201,888	192,028
Total current liabilities	458,423	546,294	530,645
Long-term debt	2,274,788	2,273,817	2,279,762
Derivative instruments	6,595	7,670	14,401
Other noncurrent liabilities	109,142	113,558	113,380
Total liabilities	2,848,948	2,941,339	2,938,188
Commitments and contingencies (Note 5)			
Partners' capital:			
AmeriGas Partners, L.P. partners' capital:			
Common unitholders (units issued - 92,922,445, 92,889,980 and 92,888,829, respectively)	1,280,915	1,145,291	1,407,497
General partner	20,324	18,925	21,576
Accumulated other comprehensive income	—	—	512
Total AmeriGas Partners, L.P. partners' capital	1,301,239	1,164,216	1,429,585
Noncontrolling interest	37,534	36,157	38,848
Total partners' capital	1,338,773	1,200,373	1,468,433
Total liabilities and partners' capital	$ 4,187,721	$ 4,141,712	$ 4,406,621

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(Thousands of dollars, except per unit amounts)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Six Months Ended March 31, 2016	Six Months Ended March 31, 2015
Revenues:				
Propane	$ 759,278	$ 1,028,080	$ 1,333,182	$ 1,840,815
Other	68,209	72,237	138,403	148,294
	827,487	1,100,317	1,471,585	1,989,109
Costs and expenses:				
Cost of sales - propane (excluding depreciation shown below)	241,621	411,745	469,543	990,286
Cost of sales - other (excluding depreciation shown below)	17,161	18,822	38,028	40,862
Operating and administrative expenses	238,535	257,346	469,424	503,997
Depreciation	36,533	37,402	75,139	76,084
Amortization	10,886	10,713	21,486	21,399
Other operating income, net	(7,131)	(7,392)	(16,038)	(17,540)
	537,605	728,636	1,057,582	1,615,088
Operating income	289,882	371,681	414,003	374,021
Interest expense	(40,806)	(41,096)	(81,831)	(82,130)
Income before income taxes	249,076	330,585	332,172	291,891
Income tax expense	(290)	(806)	(1,200)	(1,676)
Net income including noncontrolling interest	248,786	329,779	330,972	290,215
Deduct net income attributable to noncontrolling interest	(2,878)	(3,724)	(4,091)	(3,731)
Net income attributable to AmeriGas Partners, L.P.	$ 245,908	$ 326,055	$ 326,881	$ 286,484
General partner’s interest in net income attributable to AmeriGas Partners, L.P.	$ 11,107	$ 9,795	$ 20,562	$ 15,932
Limited partners’ interest in net income attributable to AmeriGas Partners, L.P.	$ 234,801	$ 316,260	$ 306,319	$ 270,552
Income per limited partner unit - basic and diluted:				
Basic	$ 1.74	$ 2.18	$ 2.58	$ 2.36
Diluted	$ 1.74	$ 2.17	$ 2.58	$ 2.36
Weighted average limited partner units outstanding (thousands):				
Basic	92,954	92,914	92,939	92,905
Diluted	93,020	92,963	93,014	92,970

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)
(Thousands of dollars)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2016	2015	2016	2015
Net income including noncontrolling interest	$ 248,786	$ 329,779	$ 330,972	$ 290,215
Other comprehensive loss:				
Reclassifications of net gains on derivative instruments	—	(711)	—	(2,305)
Other comprehensive loss	—	(711)	—	(2,305)
Total comprehensive income including noncontrolling interest	248,786	329,068	330,972	287,910
Deduct comprehensive income attributable to noncontrolling interest	(2,878)	(3,717)	(4,091)	(3,708)
Comprehensive income attributable to AmeriGas Partners, L.P.	$ 245,908	$ 325,351	$ 326,881	$ 284,202

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(Thousands of dollars)

	Six Months Ended March 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income including noncontrolling interest	$ 330,972	$ 290,215
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	96,625	97,483
Provision for uncollectible accounts	7,207	11,145
Unrealized (gains) losses on derivative instruments	(33,821)	66,580
Other, net	(1,078)	(9,151)
Net change in:		
Accounts receivable	(67,457)	(142,162)
Inventories	(861)	66,815
Accounts payable	5,896	6,925
Other current assets	(4,201)	(5,744)
Other current liabilities	(59,195)	(87,138)
Net cash provided by operating activities	274,087	294,968
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(55,787)	(57,217)
Proceeds from disposals of assets	8,780	14,632
Acquisitions of businesses, net of cash acquired	(25,761)	(9,018)
Net cash used by investing activities	(72,768)	(51,603)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions	(190,123)	(178,318)
Noncontrolling interest activity	(2,714)	(3,236)
Decrease in short-term borrowings	(2,800)	(54,000)
Repayments of long-term debt	(5,837)	(3,331)
Proceeds associated with equity-based compensation plans, net of tax withheld	1,127	3,391
Capital contributions from General Partner	11	34
Net cash used by financing activities	(200,336)	(235,460)
Cash and cash equivalents increase	$ 983	$ 7,905
CASH AND CASH EQUIVALENTS		
End of period	$ 15,740	$ 21,385
Beginning of period	14,757	13,480
Increase	$ 983	$ 7,905

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P.

CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL

(unaudited)

(Thousands of dollars, except unit amounts)

	Number of Common Units	Common unitholders	General partner	Accumulated other comprehensive income (loss)	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling interest	Total partners' capital
For the six months ended March 31, 2016:							
Balance September 30, 2015	92,889,980	$ 1,145,291	$ 18,925	$ —	$ 1,164,216	$ 36,157	$ 1,200,373
Net income		306,319	20,562		326,881	4,091	330,972
Distributions		(170,949)	(19,174)		(190,123)	(2,714)	(192,837)
Unit-based compensation expense		827			827		827
Common Units issued in connection with employee and director plans, net of tax withheld	32,465	(573)	11		(562)		(562)
Balance March 31, 2016	92,922,445	$ 1,280,915	$ 20,324	$ —	$ 1,301,239	$ 37,534	$ 1,338,773

	Number of Common Units	Common unitholders	General partner	Accumulated other comprehensive income (loss)	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling interest	Total partners' capital
For the six months ended March 31, 2015:							
Balance September 30, 2014	92,867,204	$ 1,299,260	$ 20,460	$ 2,794	$ 1,322,514	$ 38,376	$ 1,360,890
Net income		270,552	15,932		286,484	3,731	290,215
Reclassification of net gains on derivative instruments				(2,282)	(2,282)	(23)	(2,305)
Distributions		(163,468)	(14,850)		(178,318)	(2,592)	(180,910)
Unit-based compensation expense		1,705			1,705		1,705
Common Units issued in connection with employee and director plans, net of tax withheld	21,625	(552)	34		(518)		(518)
Distribution related to common control transaction (Note 8)					—	(644)	(644)
Balance March 31, 2015	92,888,829	$ 1,407,497	$ 21,576	$ 512	$ 1,429,585	$ 38,848	$ 1,468,433

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Thousands of dollars, except per unit amounts)

Note 1 — Nature of Operations

AmeriGas Partners, L.P. ("AmeriGas Partners") is a publicly traded limited partnership that conducts a national propane distribution business through its principal operating subsidiary AmeriGas Propane, L.P. ("AmeriGas OLP"), which is referred to herein as the "Operating Partnership." AmeriGas Partners and AmeriGas OLP are Delaware limited partnerships. AmeriGas Partners, the Operating Partnership and all of their subsidiaries are collectively referred to herein as "the Partnership" or "we."

The Operating Partnership is engaged in the distribution of propane and related equipment and supplies. The Operating Partnership comprises the largest retail propane distribution business in the United States serving residential, commercial, industrial, motor fuel and agricultural customers in all 50 states.

At March 31, 2016, AmeriGas Propane, Inc. (the "General Partner"), an indirect wholly owned subsidiary of UGI Corporation ("UGI"), held a 1% general partner interest in AmeriGas Partners and a 1.01% general partner interest in AmeriGas OLP. The General Partner and its wholly owned subsidiary, Petrolane Incorporated ("Petrolane," a predecessor company of the Partnership), also owns AmeriGas Partners Common Units ("Common Units"). The remaining Common Units outstanding represents publicly held Common Units. Common Units represent limited partner interests in AmeriGas Partners. AmeriGas Partners holds a 98.99% limited partner interest in AmeriGas OLP.

AmeriGas Partners and the Operating Partnership have no employees. Employees of the General Partner conduct, direct and manage our operations. The General Partner is reimbursed monthly for all direct and indirect expenses it incurs on our behalf (see Note 8).

Note 2 — Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). They include all adjustments which we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consist only of normal recurring items unless otherwise disclosed. The September 30, 2015, condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP").

These financial statements should be read in conjunction with the financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015 ("the Partnership's 2015 Annual Report"). Weather significantly impacts demand for propane and profitability because many customers use propane for heating purposes. Due to the seasonal nature of the Partnership's propane business, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

***Allocation of Net Income*.** Net income attributable to AmeriGas Partners, L.P. for partners' capital and statement of operations presentation purposes is allocated to the General Partner and the limited partners in accordance with their respective ownership percentages after giving effect to amounts distributed to the General Partner in excess of its 1% general partner interest in AmeriGas Partners based on its incentive distribution rights ("IDRs") under the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P., as amended ("Partnership Agreement").

Net Income (Loss) Per Unit. Income (loss) per limited partner unit is computed in accordance with GAAP regarding the application of the two-class method for determining income (loss) per unit for master limited partnerships ("MLPs") when IDRs are present. The two-class method requires that income per limited partner unit be calculated as if all earnings for the period were distributed and requires a separate calculation for each quarter and year-to-date period. In periods when our net income attributable to AmeriGas Partners exceeds our Available Cash, as defined in the Partnership Agreement, and is above certain levels, the calculation according to the two-class method results in an increased allocation of undistributed earnings to the General Partner. Generally, in periods when our Available Cash in respect of the quarter or year-to-date periods exceeds our net income (loss) attributable to AmeriGas Partners, the calculation according to the two-class method results in an allocation of earnings to the General Partner greater than its relative ownership interest in the Partnership (or in the case of a net loss attributable to AmeriGas Partners, an allocation of such net loss to the Common Unitholders greater than their relative ownership interest in the Partnership).

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Thousands of dollars, except per unit amounts)

The following table sets forth reconciliations of the numerators and denominators of the basic and diluted income per limited partner unit computations:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2016	2015	2016	2015
Net income attributable to AmeriGas Partners, L.P.	$ 245,908	$ 326,055	$ 326,881	$ 286,484
Adjust for general partner share and theoretical distributions of net income attributable to AmeriGas Partners, L.P. to the general partner in accordance with the two-class method for MLPs	(84,240)	(123,918)	(86,865)	(66,894)
Common Unitholders' interest in net income attributable to AmeriGas Partners, L.P. under the two-class method for MLPs	$ 161,668	$ 202,137	$ 240,016	$ 219,590
Weighted average Common Units outstanding—basic (thousands)	92,954	92,914	92,939	92,905
Potentially dilutive Common Units (thousands)	66	49	75	65
Weighted average Common Units outstanding—diluted (thousands)	93,020	92,963	93,014	92,970

Theoretical distributions of net income attributable to AmeriGas Partners, L.P. in accordance with the two-class method for the three months ended March 31, 2016 and 2015, resulted in an increased allocation of net income attributable to AmeriGas Partners, L.P. to the General Partner in the computation of income per limited partner unit which had the effect of decreasing earnings per limited partner unit by $0.79 and $1.23, respectively. Theoretical distributions of net income attributable to AmeriGas Partners, L.P. in accordance with the two-class method for the six months ended March 31, 2016 and 2015, resulted in an increased allocation of net income attributable to AmeriGas Partners, L.P. to the General Partner in the computation of income per limited partner unit which had the effect of decreasing earnings per limited partner unit by $0.71 and $0.55, respectively.

For the three and six months ended March 31, 2016, potentially dilutive Common Units included in the diluted limited partner units outstanding computation reflect the effects of restricted Common Unit awards granted under the General Partner's incentive compensation plans.

Derivative Instruments. Derivative instruments are reported on the Condensed Consolidated Balance Sheets at their fair values, unless the derivative instruments qualify for the normal purchase and normal sale ("NPNS") exception under GAAP. The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it is designated and qualifies for hedge accounting.

Effective April 1, 2014, the Partnership determined that on a prospective basis, it would no longer elect cash flow hedge accounting for its commodity derivative instruments. Effective October 1, 2014, the Partnership de-designated its remaining commodity derivative instruments accounted for as cash flow hedges. Changes in the fair values of these derivative instruments are reflected in cost of sales - propane on the Condensed Consolidated Statements of Operations. Cash flows from derivative instruments are included in cash flows from operating activities.

For additional information on the accounting for our derivative instruments, see Note 2, "Summary of Significant Accounting Policies," in the Partnership's 2015 Annual Report.

Reclassifications. Certain prior period amounts have been reclassified to conform to current period presentation.

Use of Estimates. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and costs. These estimates are based on management's knowledge of current events, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may be different from these estimates and assumptions.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Thousands of dollars, except per unit amounts)

Note 3 — Accounting Changes

Accounting Standards Not Yet Adopted

Share-Based Payments. In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-09, "Improvements to Employee Share-Based Payment Accounting." This ASU simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The amendments in this ASU are effective for interim and annual periods beginning after December 15, 2016 (Fiscal 2018). Early adoption is permitted. The Partnership is in the process of assessing the full impact of the new guidance but does not expect that it will have a material impact on the Partnership's financial statements.

Leases. In February 2016, the FASB issued ASU No. 2016-02, "Leases." This ASU amends existing guidance to require entities that lease assets to recognize the assets and liabilities for the rights and obligations created by those leases on the balance sheet. The new guidance also requires additional disclosures about the amount, timing and uncertainty of cash flows from leases. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2018 (Fiscal 2020). Early adoption is permitted. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Partnership is in the process of assessing the impact on its financial statements from the adoption of the new guidance.

Debt Issuance Costs. In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This ASU amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a direct deduction from the carrying amount of the related debt liability instead of a deferred charge. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2015 (Fiscal 2017). Early adoption is permitted. Entities will apply the new guidance retrospectively to all periods presented. The Partnership expects to adopt the new guidance effective September 30, 2016. The adoption of the new guidance is not expected to have a material impact on the Partnership's financial statements.

Consolidation. In February 2015, the FASB issued ASU No. 2015-02, "Amendments to the Consolidation Analysis." This ASU provides new guidance regarding whether a reporting entity should consolidate certain types of legal entities. Among other things, the new guidance modifies the evaluation of whether limited partnerships and similar entities are variable interest entities ("VIEs") or voting interest entities, and also eliminates the presumption that a general partner should consolidate a limited partnership. The new guidance also affects the consolidation analysis of reporting entities that are involved with VIEs including those that have fee arrangements and related party relationships. The new guidance is effective for the Partnership beginning in Fiscal 2017. Early adoption is permitted. The Partnership is in the process of assessing the impact on its financial statements, if any, from the adoption of the new guidance.

Revenue Recognition. In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers." The guidance provided under this ASU, as amended, supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") 605, "Revenue Recognition," and most industry-specific guidance included in the ASC. The standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance is effective for the Partnership for interim and annual periods beginning after December 15, 2017 (Fiscal 2019) and allows for either full retrospective adoption or modified retrospective adoption. We have not yet selected a transition method and are currently evaluating the impact of adopting this guidance on our consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Thousands of dollars, except per unit amounts)

Note 4 — Goodwill and Intangible Assets

The Partnership's goodwill and intangible assets comprise the following:

	March 31, 2016	September 30, 2015	March 31, 2015
Goodwill (not subject to amortization)	$ 1,971,999	$ 1,956,688	$ 1,950,327
Intangible assets:			
Customer relationships and noncompete agreements	$ 523,783	$ 514,333	$ 512,436
Accumulated amortization	(182,665)	(163,564)	(146,782)
Intangible assets, net (definite-lived)	341,118	350,769	365,654
Trademarks and tradenames (indefinite-lived)	82,944	82,944	82,944
Total intangible assets, net	$ 424,062	$ 433,713	$ 448,598

Amortization expense of intangible assets was $9,693 and $9,521 for the three months ended March 31, 2016 and 2015, respectively. Amortization expense of intangible assets was $19,101 and $19,014 for the six months ended March 31, 2016 and 2015, respectively. No amortization expense is included in cost of sales on the Condensed Consolidated Statements of Operations. The estimated aggregate amortization expense of intangible assets for the remainder of Fiscal 2016 and the next four fiscal years is as follows: remainder of Fiscal 2016 — $19,051; Fiscal 2017 — $36,223; Fiscal 2018 — $34,863; Fiscal 2019 — $33,667; Fiscal 2020 — $32,484.

Note 5 — Commitments and Contingencies

Contingencies

Purported Class Action Lawsuits. Between May and October of 2014, more than 35 purported class action lawsuits were filed in multiple jurisdictions against the Partnership/UGI Corporation and a competitor by certain of their direct and indirect customers. The class action lawsuits allege, among other things, that the Partnership and its competitor colluded, beginning in 2008, to reduce the fill level of portable propane cylinders from 17 pounds to 15 pounds and combined to persuade their common customer, Walmart Stores, Inc., to accept that fill reduction, resulting in increased cylinder costs to retailers and end-user customers in violation of federal and certain state antitrust laws. The claims seek treble damages, injunctive relief, attorneys' fees and costs on behalf of the putative classes. On October 16, 2014, the United States Judicial Panel on Multidistrict Litigation transferred all of these purported class action cases to the Western Division of the United States District Court for the Western District of Missouri. In July 2015, the Court dismissed all claims brought by direct customers and all claims other than those for injunctive relief brought by indirect customers. The direct customers filed an appeal with the United States Court of Appeals for the Eighth Circuit, which is still pending. The indirect customers filed an amended complaint claiming injunctive relief and state law claims under Wisconsin, Maine and Vermont law. In January 2016, the District Court dismissed the remaining injunctive relief claims for the indirect purchasers. As a result, the only claims remaining with respect to indirect purchasers involve alleged violations of Wisconsin, Maine and Vermont state antitrust laws. We are unable to reasonably estimate the impact, if any, arising from such litigation. We believe we have strong defenses to the claims and intend to vigorously defend against them.

In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our financial position, results of operations or cash flows.

(Thousands of dollars, except per unit amounts)

Note 6 — Fair Value Measurements

Derivative Instruments

The following table presents on a gross basis our derivative assets and liabilities including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy, as of March 31, 2016, September 30, 2015 and March 31, 2015:

	Asset (Liability)			
	Level 1	Level 2	Level 3	Total
March 31, 2016:				
Assets:				
Propane contracts	$ —	$ 2,691	$ —	$ 2,691
Liabilities:				
Propane contracts	$ —	$ (26,206)	$ —	$ (26,206)
September 30, 2015:				
Assets:				
Propane contracts	$ —	$ 1,242	$ —	$ 1,242
Liabilities:				
Propane contracts	$ —	$ (58,579)	$ —	$ (58,579)
March 31, 2015:				
Assets:				
Propane contracts	$ —	$ 282	$ —	$ 282
Liabilities:				
Propane contracts	$ —	$ (73,269)	$ —	$ (73,269)

The fair values of our non-exchange traded commodity derivative contracts included in Level 2 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, if any, we use a Black Scholes option pricing model that considers time value and volatility of the underlying commodity.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. At March 31, 2016, the carrying amount and estimated fair value of our long-term debt (including current maturities) were $2,282,229 and $2,329,842, respectively. At March 31, 2015, the carrying amount and estimated fair value of our long-term debt (including current maturities) were $2,290,081 and $2,425,179, respectively. We estimate the fair value of long-term debt by using current market prices and by discounting future cash flows using rates available for similar type debt (Level 2).

We have other financial instruments such as short-term investments and trade accounts receivable which 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 and U.S. Government securities. The credit risk arising from concentrations of trade accounts receivable is limited because we have a large customer base that extends across many different U.S. markets.

Note 7 — Derivative Instruments and Hedging Activities

The Partnership is exposed to certain market risks related to its 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 commodity price risk and interest 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 the Partnership can use, counterparty credit limits and contract authorization limits.

Commodity Price Risk

In order to manage market risk associated with the Partnership's fixed-price programs, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. In addition, the Partnership uses over-the-counter price swap and option contracts to reduce propane price volatility associated with a portion of forecasted propane purchases. In addition, the Partnership from time to time enters into price swap and put option agreements to reduce the effects of short-term commodity price volatility. At March 31, 2016 and 2015, total volumes associated with propane commodity derivatives totaled 267.8 million gallons and 317.0 million gallons, respectively. At March 31, 2016, the maximum period over which we are economically hedging propane market price risk is 42 months.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Our counterparties principally comprise major energy companies and major U.S. 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. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative instruments held by certain derivative instrument counterparties, the maximum amount of loss due to credit risk that, based upon the gross fair values of the derivative instruments, we would incur if these counterparties that make up the concentration failed to perform according to the terms of their contracts was not material at March 31, 2016. Certain of our derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade in the Partnership's debt rating. At March 31, 2016, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

Offsetting Derivative Assets and Liabilities

Derivative assets and liabilities are presented net by counterparty on our Condensed Consolidated Balance Sheets if the right of offset exists. Our derivative instruments comprise over-the-counter transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter contracts contain contractual rights of offset through master netting arrangements and contract default provisions. In addition, the contracts are subject to conditional rights of offset through counterparty nonperformance, insolvency or other conditions.

In general, most of our over-the-counter transactions are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on our Condensed Consolidated Balance Sheets with our derivative counterparties are not included in the table below but could reduce our net exposure to such counterparties because such balances are subject to master netting or similar arrangements.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Thousands of dollars, except per unit amounts)

Fair Value of Derivative Instruments

The following table presents our derivative assets and liabilities, as well as the effects of offsetting, as of March 31, 2016 and 2015:

	March 31, 2016	March 31, 2015
Derivative assets not designated as hedging instruments:		
Propane contracts	$ 2,691	$ 282
Total derivative assets - gross	2,691	282
Gross amounts offset in the balance sheet	(2,691)	(282)
Total derivative assets - net	$ —	$ —
Derivative liabilities not designated as hedging instruments:		
Propane contracts	$ (26,206)	$ (73,269)
Total derivative liabilities - gross	(26,206)	(73,269)
Gross amounts offset in the balance sheet	2,691	282
Cash collateral pledged	—	3,160
Total derivative liabilities - net	$ (23,515)	$ (69,827)

(Thousands of dollars, except per unit amounts)

Effect of Derivative Instruments

The following tables provide information on the effects of derivative instruments on the Condensed Consolidated Statements of Operations and changes in AOCI and noncontrolling interest for the three and six months ended March 31, 2016 and 2015:

	Gain Reclassified from AOCI and Noncontrolling Interest into Income		Location of Gain Reclassified from AOCI and Noncontrolling Interest into Income
Three Months Ended March 31,	2016	2015	
Cash Flow Hedges:			
Propane contracts	$ —	$ 711	Cost of sales - propane

	Gain (Loss) Recognized in Income		Location of Gain (Loss) Recognized in Income
Three Months Ended March 31,	2016	2015	
Derivatives Not Designated as Hedging Instruments:			
Propane contracts	$ 11,877	$ (4,086)	Cost of sales - propane

	Gain Reclassified from AOCI and Noncontrolling Interest into Income		Location of Gain Reclassified from AOCI and Noncontrolling Interest into Income
Six Months Ended March 31,	2016	2015	
Cash Flow Hedges:			
Propane contracts	$ —	$ 2,305	Cost of sales - propane

	Loss Recognized in Income		Location of Loss Recognized in Income
Six Months Ended March 31,	2016	2015	
Derivatives Not Designated as Hedging Instruments:			
Propane contracts	$ (15,830)	$ (180,485)	Cost of sales - propane

We are also a party to a number of contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders, contracts that provide for the purchase and delivery of propane and service contracts that require the counterparty to provide commodity storage or transportation 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 purchase 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.

Note 8 — Related Party Transactions

Pursuant to the Partnership Agreement and a management services agreement, the General Partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of the Partnership. These costs, which totaled $151,487 and $155,997 for the three months ended March 31, 2016 and 2015, respectively, and $301,541 and $305,315 for the six months ended March 31, 2016 and 2015, respectively, include employee compensation and benefit expenses of employees of the General Partner and general and administrative expenses.

UGI provides certain financial and administrative services to the General Partner. UGI bills the General Partner monthly for all direct and indirect corporate expenses incurred in connection with providing these services and the General Partner is reimbursed by the Partnership for these expenses. The allocation of indirect UGI corporate expenses to the Partnership utilizes a weighted, three-component formula based on the relative percentage of the Partnership's revenues, operating expenses and net assets employed to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. The General

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Thousands of dollars, except per unit amounts)

Partner believes that this allocation method is reasonable and equitable to the Partnership. Such corporate expenses totaled $6,032 and $7,804 for the three months ended March 31, 2016 and 2015, respectively, and $9,392 and $13,102 during the six months ended March 31, 2016 and 2015, respectively. In addition, UGI and certain of its subsidiaries provide office space, stop loss medical coverage and automobile liability insurance to the Partnership. The costs related to these items totaled $495 and $712 for the three months ended March 31, 2016 and 2015, respectively, and $1,248 and $1,460 for the six months ended March 31, 2016 and 2015, respectively.

From time to time, AmeriGas OLP purchases propane on an as needed basis from UGI Energy Services, LLC ("Energy Services"). The price of the purchases are generally based on the market price at the time of purchase. There were no purchases of propane by AmeriGas OLP from Energy Services during the three and six months ended March 31, 2016 and March 31, 2015.

In addition, the Partnership sells propane to affiliates of UGI. Sales of propane to affiliates of UGI totaled $241 and $795 for the three months ended March 31, 2016 and 2015, respectively, and $305 and $1,093 for the six months ended March 31, 2016 and 2015, respectively.

Pursuant to an Asset Sale and Purchase Agreement, on October 13, 2014, AmeriGas OLP purchased from UGI HVAC Enterprises, Inc. ("HVAC"), a second-tier, wholly owned subsidiary of UGI, a residential heating, ventilation, air conditioning, plumbing and related services business for $2,000 cash. Because the transaction was between entities under common control, the purchase price in excess of the carrying value of assets transferred was considered an equity transaction and has been recorded as a distribution on the Condensed Consolidated Statements of Partners' Capital. In connection with this transaction, AmeriGas OLP entered into a Shared Service Agreement ("SSA") whereby HVAC provides certain financial and administrative services to the Partnership with respect to the business purchased. Expenses associated with the SSA totaled $256 and $512 during the three and six months ended March 31, 2016, respectively, and $256 and $478 during the three and six months ended March 31, 2015, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Information contained in this Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements use forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," or other similar words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the following important factors that could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) adverse weather conditions resulting in reduced demand; (2) cost volatility and availability of propane, and the capacity to transport propane to our customers; (3) the availability of, and our ability to consummate, acquisition or combination opportunities; (4) successful integration and future performance of acquired assets or businesses and achievement of anticipated synergies; (5) changes in laws and regulations, including safety, tax, consumer protection and accounting matters; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers and retain current customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations; (11) large customer, counterparty or supplier defaults; (12) liability in excess of insurance coverage for personal injury and property damage arising from explosions and other catastrophic events, including acts of terrorism, resulting from operating hazards and risks incidental to transporting, storing and distributing propane, butane and ammonia; (13) political, regulatory and economic conditions in the United States and foreign countries; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; (15) changes in commodity market prices resulting in significantly higher cash collateral requirements; (16) the impact of pending and future legal proceedings; and (17) the timing and success of our acquisitions and investments to grow our business.

These factors, and those factors set forth in Item 1A. Risk Factors in the Partnership's 2015 Annual Report, are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare the Partnership's results of operations for the three months ended March 31, 2016 ("2016 three-month period") with the three months ended March 31, 2015 ("2015 three-month period") and the six months ended March 31, 2016 ("2016 six-month period") with the six months ended March 31, 2015 ("2015 six-month period").

AmeriGas Partners does not designate its propane commodity derivative instruments as hedges under U.S. generally accepted accounting principles ("GAAP"). As a result, volatility in net income attributable to AmeriGas Partners as determined in accordance with GAAP can occur as changes in unrealized (non-cash) gains and losses, and certain realized gains and losses, on commodity derivative instruments not associated with current-period transactions, are reflected in cost of sales.

AmeriGas Partners' management presents the non-GAAP measures "adjusted EBITDA," "adjusted net income attributable to AmeriGas Partners," "adjusted total margin," and "adjusted operating income" (in addition to "net income attributable to AmeriGas Partners" determined in accordance with GAAP) in order to assist in the evaluation of the Partnership's overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about AmeriGas Partners' performance because they eliminate the impact of (1) changes in unrealized gains and losses, and certain realized gains and losses, on commodity derivative instruments not associated with current-period transactions and (2) certain other gains and losses that competitors do not necessarily have, to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. For additional information on these non-GAAP measures as well as the non-GAAP measure, "EBITDA," including reconciliations of these non-GAAP measures to the most closely associated GAAP terms, see the non-GAAP information included in the section "Non-GAAP Financial Measures" below.

Executive Overview

Three Months Ended March 31, 2016

We recorded GAAP net income attributable to AmeriGas Partners for the 2016 three-month period of $245.9 million compared to GAAP net income attributable to AmeriGas Partners for the 2015 three-month period of $326.1 million. The GAAP net income in the 2016 three-month period reflects the effects of $39.5 million of unrealized gains on commodity derivative instruments not associated with current-period transactions. In the 2015 three-month period, GAAP net income included $74.7 million of unrealized gains on commodity derivative instruments not associated with current-period transactions.

Adjusted net income attributable to AmeriGas Partners for the 2016 three-month period was $206.9 million compared with adjusted net income attributable to AmeriGas Partners for the 2015 three-month period of $252.1 million. The $45.2 million decline in adjusted net income attributable to AmeriGas Partners in the current-year period principally reflects the effects on retail volumes sold of significantly warmer-than-normal weather during the 2016 three-month period compared with weather that averaged approximately normal in the prior-year period. Average temperatures during the 2016 three-month period based upon heating degree days were nearly 12% warmer than normal and more than 13% warmer than the prior-year three-month period. Retail volumes decreased nearly 14% during the 2016 three-month period as a result of the significantly warmer weather. Adjusted total margin in the 2016 three-month period decreased $65.8 million (11.1%) reflecting the negative impact of the lower retail volumes sold. Notwithstanding the $65.8 million decline in adjusted total margin, our adjusted EBITDA and adjusted operating income decreased $46.7 million and $46.6 million, respectively, principally reflecting the benefit of lower operating and administrative expenses.

Six Months Ended March 31, 2016

We recorded GAAP net income attributable to AmeriGas Partners for the 2016 six-month period of $326.9 million compared to GAAP net income attributable to AmeriGas Partners for the 2015 six-month period of $286.5 million. The GAAP net income in the 2016 six-month period reflects the effects of $33.8 million of unrealized gains on commodity derivative instruments not associated with current-period transactions. In the 2015 six-month period, there were $63.5 million of losses on commodity derivative instruments not associated with current-period transactions. The 2015 six-month period losses on commodity derivative instruments not associated with current-period transactions resulted from substantial declines in energy commodity prices, including propane, that occurred during that period.

Adjusted net income attributable to AmeriGas Partners for the 2016 six-month period was $293.4 million compared with adjusted net income attributable to AmeriGas Partners for the 2015 six-month period of $349.3 million. The $55.9 million decline in adjusted net income attributable to AmeriGas Partners in the current-year period principally reflects the effects on retail volumes sold of significantly warmer-than-normal weather during the 2016 six-month period compared with weather that was only slightly warmer than normal in the prior-year period. Average temperatures during the 2016 six-month period based upon heating degree days were approximately 15% warmer than normal and the prior-year six-month period. Retail volumes decreased nearly 14% as a result of the significantly warmer weather. Adjusted total margin in the 2016 six-month period decreased $91.3 million (8.9%) reflecting the negative impact of the lower retail volumes sold. The effects of the lower volumes were partially offset by slightly higher average propane retail unit margin reflecting the benefits of declining wholesale propane commodity prices. Notwithstanding the $91.3 million decline in adjusted total margin, our adjusted EBITDA and adjusted operating income decreased $57.5 million and $57.3 million, respectively, principally reflecting the benefit of lower operating and administrative expenses.

Non-GAAP Financial Measures

The Partnership's management uses certain non-GAAP financial measures, including adjusted total margin, EBITDA, adjusted EBITDA, adjusted operating income, and adjusted net income attributable to AmeriGas Partners, when evaluating the Partnership's overall performance. These financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures.

Management believes earnings before interest, income taxes, depreciation and amortization ("EBITDA"), as adjusted for the effects of gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have ("adjusted EBITDA"), is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with that of other companies within the propane industry and (2) assess the Partnership's ability to meet loan covenants. The Partnership's definition of adjusted EBITDA may be different from those used by other companies. Management uses adjusted EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes, the effects of gains and losses on commodity derivative instruments not associated with current-period transactions or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization, gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have from adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners for the relevant years. Management also uses adjusted EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's adjusted EBITDA to assess the profitability of the Partnership which is one of UGI Corporation's reportable segments. UGI Corporation discloses the Partnership's adjusted EBITDA in its disclosure about reportable segments as the profitability measure for its domestic propane segment.

Our other non-GAAP financial measures comprise adjusted total margin, adjusted operating income and adjusted net income attributable to AmeriGas Partners. Management believes the presentations of these non-GAAP financial measures provide useful information to investors to more effectively evaluate the period-over-period results of operations of the Partnership. Management uses these non-GAAP financial measures because they eliminate the impact of (1) gains and losses on commodity derivative instruments not associated with current-period transactions and (2) other gains and losses that competitors do not necessarily have to provide insight into the comparison of period-over-period profitability to that of other master limited partnerships.

The following tables include reconciliations of adjusted total margin, adjusted operating income, adjusted net income attributable to AmeriGas Partners, EBITDA and adjusted EBITDA to the most directly comparable financial measures calculated and presented in accordance with GAAP for the periods presented:

	Three Months Ended March 31,		Six Months Ended March 31,	
(Millions of dollars)	2016	2015	2016	2015
Adjusted total margin:				
Total revenues	$ 827.5	$ 1,100.3	$ 1,471.6	$ 1,989.1
Cost of sales - propane	(241.6)	(411.7)	(469.5)	(990.3)
Cost of sales - other (a)	(17.2)	(18.9)	(38.1)	(40.8)
Total margin	568.7	669.7	964.0	958.0
Subtract net (gains) add net losses on commodity derivative instruments not associated with current-period transactions	(39.5)	(74.7)	(33.8)	63.5
Adjusted total margin	$ 529.2	$ 595.0	$ 930.2	$ 1,021.5
Adjusted operating income:				
Operating income	$ 289.9	$ 371.7	$ 414.0	$ 374.0
Subtract net (gains) add net losses on commodity derivative instruments not associated with current-period transactions	(39.5)	(74.7)	(33.8)	63.5
Adjusted operating income	$ 250.4	$ 297.0	$ 380.2	$ 437.5
Adjusted net income attributable to AmeriGas Partners:				
Net income attributable to AmeriGas Partners	$ 245.9	$ 326.1	$ 326.9	$ 286.5
Subtract net (gains) add net losses on commodity derivative instruments not associated with current-period transactions	(39.5)	(74.7)	(33.8)	63.5
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions (a)	0.5	0.7	0.3	(0.7)
Adjusted net income attributable to AmeriGas Partners	$ 206.9	$ 252.1	$ 293.4	$ 349.3
EBITDA and Adjusted EBITDA:				
Net income attributable to AmeriGas Partners	$ 245.9	$ 326.1	$ 326.9	$ 286.5
Income tax expense (a)	0.3	0.8	1.2	1.7
Interest expense	40.8	41.1	81.8	82.1
Depreciation	36.5	37.4	75.1	76.1
Amortization	10.9	10.7	21.5	21.4
EBITDA	334.4	416.1	506.5	467.8
Subtract net (gains) add net losses on commodity derivative instruments not associated with current-period transactions	(39.5)	(74.7)	(33.8)	63.5
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions (a)	0.5	0.7	0.4	(0.7)
Adjusted EBITDA	$ 295.4	$ 342.1	$ 473.1	$ 530.6

(a) Includes the impact of rounding.

RESULTS OF OPERATIONS

2016 three-month period compared with 2015 three-month period

Three Months Ended March 31,	2016	2015	Decrease	
(millions of dollars)				
Gallons sold (millions):				
Retail	385.8	448.0	(62.2)	(13.9)%
Wholesale	16.4	16.6	(0.2)	(1.2)%
	402.2	464.6	(62.4)	(13.4)%
Revenues:				
Retail propane	$ 750.0	$ 1,014.4	$ (264.4)	(26.1)%
Wholesale propane	9.3	13.7	(4.4)	(32.1)%
Other	68.2	72.2	(4.0)	(5.5)%
	$ 827.5	$ 1,100.3	$ (272.8)	(24.8)%
Total margin (a)	$ 568.7	$ 669.7	$ (101.0)	(15.1)%
Adjusted total margin (b)	$ 529.2	$ 595.0	$ (65.8)	(11.1)%
Operating and administrative expenses	$ 238.5	$ 257.3	$ (18.8)	(7.3)%
Operating income	$ 289.9	$ 371.7	$ (81.8)	(22.0)%
Adjusted operating income (b)	$ 250.4	$ 297.0	$ (46.6)	(15.7)%
Net income attributable to AmeriGas Partners	$ 245.9	$ 326.1	$ (80.2)	(24.6)%
Adjusted net income attributable to AmeriGas Partners (b)	$ 206.9	$ 252.1	$ (45.2)	(17.9)%
EBITDA (b)	$ 334.4	$ 416.1	$ (81.7)	(19.6)%
Adjusted EBITDA (b)	$ 295.4	$ 342.1	$ (46.7)	(13.7)%
Degree days — % (warmer) colder than normal (c)	(11.7)%	2.0%	—	—

(a) Total margin represents total revenues less cost of sales — propane and cost of sales — other.
(b) These financial measures are non-GAAP financial measures and are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not a substitute for, the comparable GAAP measures. See section “Non-GAAP Financial Measures” above.
(c) Deviation from average heating degree days for the 30-year period 1981-2010 based upon national weather statistics provided by the National Oceanic and Atmospheric Administration for 344 Geo Regions in the United States, excluding Alaska and Hawaii.

The Partnership’s retail gallons sold during the 2016 three-month period decreased 13.9% compared with the prior-year period. The decline in retail gallons sold in the 2016 three-month period principally reflects average temperatures based upon heating degree days that were 11.7% warmer than normal and 13.3% warmer than the prior-year period.

Retail propane revenues decreased $264.4 million during the 2016 three-month period reflecting the effects of the lower retail volumes sold ($140.7 million) and lower average retail selling prices ($123.7 million) principally the result of the lower propane product costs. Wholesale propane revenues decreased $4.4 million during the 2016 three-month period reflecting the effects of lower wholesale selling prices ($4.2 million) and slightly lower wholesale volumes sold ($0.2 million). Average daily wholesale propane commodity prices during the 2016 three-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 27% lower than such prices during the 2015 three-month period. Other revenues in the 2016 three-month period were $4.0 million lower than in the prior-year period principally reflecting lower fee income.

Total cost of sales during the 2016 three-month period decreased $171.8 million from the prior-year period. Cost of sales in the 2016 three-month period includes $39.5 million of gains on commodity derivative instruments not associated with current-period transactions compared with $74.7 million of such gains in the prior-year three-month period. Excluding the effects on cost of sales of the net gains on derivative commodity instruments, total cost of sales decreased $207.0 million principally reflecting the effects of the significantly lower average propane product costs ($139.6 million) and the effects of the lower retail and wholesale volumes sold ($65.8 million) on propane cost of sales.

Total margin, which includes the effects of the $39.5 million and $74.7 million of gains on commodity derivative instruments not associated with current-period transactions in the 2016 and 2015 three-month periods, respectively, decreased $101.0 million in the 2016 three-month period. Adjusted total margin, which excludes the effects of such gains, decreased $65.8 million principally reflecting lower retail propane total margin ($63.9 million) and, to a much lesser extent, lower margin from ancillary sales and services. The decrease in retail propane total margin largely reflects the previously mentioned decline in retail gallons sold partially offset by slightly higher average propane retail unit margin resulting from the benefits of declining wholesale propane commodity prices.

EBITDA and operating income, including the effects of the previously mentioned gains on commodity derivative instruments not associated with current-period transactions, decreased $81.7 million and $81.8 million, respectively, from the prior-year three-month period. Adjusted EBITDA (excluding these commodity derivative gains) in the 2016 three-month period decreased $46.7 million principally reflecting the lower adjusted total margin ($65.8 million) partially offset by lower operating and administrative expenses ($18.8 million). The decrease in operating and administrative expenses reflects, among other things, lower compensation and benefits expenses ($5.3 million), lower vehicle fuel costs ($4.4 million) and lower uncollectible accounts expenses ($2.3 million). Adjusted operating income decreased $46.6 million in the 2016 three-month period principally reflecting the lower Partnership Adjusted EBITDA.

2016 six-month period compared with 2015 six-month period

Six Months Ended March 31,	2016	2015	Increase (Decrease)	
(millions of dollars)				
Gallons sold (millions):				
Retail	680.9	788.2	(107.3)	(13.6)%
Wholesale	31.3	30.8	0.5	1.6 %
	712.2	819.0	(106.8)	(13.0)%
Revenues:				
Retail propane	$ 1,315.1	$ 1,812.1	$ (497.0)	(27.4)%
Wholesale propane	18.1	28.7	(10.6)	(36.9)%
Other	138.4	148.3	(9.9)	(6.7)%
	$ 1,471.6	$ 1,989.1	$ (517.5)	(26.0)%
Total margin (a)	$ 964.0	$ 958.0	$ 6.0	0.6 %
Adjusted total margin (b)	$ 930.2	$ 1,021.5	$ (91.3)	(8.9)%
Operating and administrative expenses	$ 469.4	$ 504.0	$ (34.6)	(6.9)%
Operating income	$ 414.0	$ 374.0	$ 40.0	10.7 %
Adjusted operating income (b)	$ 380.2	$ 437.5	$ (57.3)	(13.1)%
Net income attributable to AmeriGas Partners	$ 326.9	$ 286.5	$ 40.4	14.1 %
Adjusted net income attributable to AmeriGas Partners (b)	$ 293.4	$ 349.3	$ (55.9)	(16.0)%
EBITDA (b)	$ 506.5	$ 467.8	$ 38.7	8.3 %
Adjusted EBITDA (b)	$ 473.1	$ 530.6	$ (57.5)	(10.8)%
Degree days — % (warmer) than normal (c)	(15.2)%	(0.5)%	—	—

(a) Total margin represents total revenues less cost of sales — propane and cost of sales — other.
(b) These financial measures are non-GAAP financial measures and are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not a substitute for, the comparable GAAP measures. See section "Non-GAAP Financial Measures" above.
(c) Deviation from average heating degree days for the 30-year period 1981-2010 based upon national weather statistics provided by the National Oceanic and Atmospheric Administration for 344 Geo Regions in the United States, excluding Alaska and Hawaii.

The Partnership's retail gallons sold during the 2016 six-month period decreased 13.6% compared with the prior-year period. The decline in retail gallons sold in the 2016 six-month period principally reflects average temperatures based upon heating degree days that were 15.2% warmer than normal and 14.8% warmer than the prior-year period.

Retail propane revenues decreased $497.0 million during the 2016 six-month period reflecting lower average retail selling prices ($250.3 million), principally the result of the lower propane product costs, and the effects of the lower retail volumes sold ($246.7 million). Wholesale propane revenues decreased $10.6 million during the 2016 six-month period reflecting the effects of lower wholesale selling prices ($11.1 million) partially offset by slightly higher wholesale volumes sold ($0.5 million). Average daily wholesale propane commodity prices during the 2016 six-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 37% lower than such prices during the 2015 six-month period. Other revenues in the 2016 six-month period were $9.9 million lower than in the prior-year period principally reflecting lower fee income.

Total cost of sales during the 2016 six-month period decreased $523.6 million from the prior-year period. Cost of sales in the 2016 six-month period includes $33.8 million of gains on commodity derivative instruments not associated with current-period transactions while cost of sales in the 2015 six-month period include $63.5 million of losses on such commodity instruments. Excluding the effects on cost of sales of the net gains and losses on derivative commodity instruments in both periods, total cost of sales decreased $426.2 million principally reflecting the effects of the significantly lower average propane product costs ($301.6 million) and the effects of the lower retail and wholesale volumes sold ($121.9 million) on propane cost of sales.

Total margin, which includes the effects of the previously mentioned gains and losses on commodity derivative instruments not associated with current-period transactions in the 2016 and 2015 six-month periods, respectively, increased $6.0 million in the 2016 six-month period. Adjusted total margin, which excludes the effects of such losses, decreased $91.3 million principally reflecting lower retail propane total margin ($84.9 million) and, to a much lesser extent, lower margin from ancillary sales and services. The decrease in retail propane total margin largely reflects the previously mentioned decline in retail gallons sold partially offset by higher average propane retail unit margin resulting from the benefits of declining wholesale propane commodity prices.

EBITDA and operating income, including the effects of the previously mentioned losses on commodity derivative instruments not associated with current-period transactions, increased $38.7 million and $40.0 million, respectively, from the prior-year six-month period. Adjusted EBITDA (excluding these commodity derivative gains and losses) in the 2016 six-month period decreased $57.5 million principally reflecting the lower adjusted total margin ($91.3 million) partially offset by lower operating and administrative expenses ($34.6 million). The decrease in operating and administrative expenses reflects, among other things, lower vehicle fuel ($9.6 million), employee compensation ($8.0 million), self-insured casualty and liability ($7.6 million) and uncollectible accounts ($3.9 million) expenses. Adjusted operating income decreased $57.3 million in the 2016 six-month period principally reflecting the lower Partnership Adjusted EBITDA.

FINANCIAL CONDITION AND LIQUIDITY

The Partnership’s debt outstanding at March 31, 2016, totaled $2,347.5 million (including current maturities of long-term debt of $7.4 million and borrowings of $65.3 million under AmeriGas OLP’s Amended and Restated Credit Agreement (“Credit Agreement”)). The Partnership’s debt outstanding at September 30, 2015, totaled $2,351.6 million (including current maturities of long-term debt of $9.7 million and borrowings of $68.1 million under the Credit Agreement). Total long-term debt outstanding at March 31, 2016, including current maturities, comprises $2,250.8 million of AmeriGas Partners’ Senior Notes, $19.2 million of HOLP Senior Notes and $12.1 million of other long-term debt.

AmeriGas OLP’s short-term borrowing needs are seasonal and are typically greatest during the fall and winter heating-season months due to the need to fund higher levels of working capital.

At March 31, 2016, there were $65.3 million of borrowings outstanding under the Credit Agreement which are classified as short-term borrowings on the Condensed Consolidated Balance Sheets. The Credit Agreement provides for borrowings up to $525 million (including a $125 million sublimit for letters of credit) and expires in June 2019. Issued and outstanding letters of credit under the Credit Agreement, which reduce the amounts available for borrowings, totaled $63.0 million at March 31, 2016. The average daily and peak short-term borrowings outstanding under the Credit Agreement during the 2016 six-month period were $131.5 million and $249.0 million, respectively. The average daily and peak short-term borrowings outstanding under the Credit Agreement during the 2015 six-month period were $179.5 million and $349.0 million, respectively. At March 31, 2016, the Partnership’s available borrowing capacity under the Credit Agreement was $396.7 million.

The Partnership’s management believes that the Partnership has sufficient liquidity in the forms of cash and cash equivalents on hand, cash expected to be generated from operations, and short-term borrowings available under the Credit Agreement to meet its anticipated contractual and projected cash commitments.

On April 25, 2016, the General Partner’s Board of Directors approved a quarterly distribution of $0.94 per Common Unit, equal to an annual rate of $3.76. This distribution represents a 2.2% increase from the previous quarterly rate of $0.92 per Common Unit. The new quarterly rate is effective with the distribution payable on May 18, 2016, to unitholders of record on May 10, 2016.

During the six months ended March 31, 2016, the Partnership declared and paid quarterly distributions on all limited partner units at a rate of $0.92 per Common Unit for each of the quarters ended December 31, 2015, and September 30, 2015.

The ability of the Partnership to declare and pay the quarterly distribution on its Common Units in the future depends upon a number of factors. These factors include (1) the level of Partnership earnings; (2) the cash needs of the Partnership's operations (including cash needed for maintaining and increasing operating capacity); (3) changes in operating working capital; and (4) the Partnership's ability to borrow under its Credit Agreement, refinance maturing debt, and increase its long-term debt. Some of these factors are affected by conditions beyond the Partnership's control including weather, competition in markets we serve, the cost of propane and changes in capital market conditions.

Cash Flows

Operating activities. Due to the seasonal nature of the Partnership's business, cash flows from operating activities are generally greatest during the second and third fiscal quarters when customers pay for propane consumed during the heating season months. Conversely, operating cash flows are generally at their lowest levels during the first and fourth fiscal quarters when the Partnership's investment in working capital, principally accounts receivable and inventories, is generally greatest. The Partnership may use its Credit Agreement to satisfy its seasonal operating cash flow needs.

Cash flow provided by operating activities was $274.1 million in the 2016 six-month period compared to cash flow provided by operating activities of $295.0 million in the 2015 six-month period. Cash flow from operating activities before changes in operating working capital was $399.9 million in the 2016 six-month period compared with $456.3 million in the prior-year period. The lower cash flow from operating activities before changes in operating working capital reflects, in large part, lower net income after adjusting for the effects on net income of noncash unrealized gains and losses on derivative instruments. Cash used to fund changes in operating working capital was $125.8 million in the 2016 six-month period compared to $161.3 million in the 2015 six-month period. The lower cash used for changes in accounts receivable and the lower cash provided by changes in inventories reflects, in large part, the impact of changes in propane commodity costs and, with respect to the change in accounts receivable, also the lower volumes sold resulting from the warmer weather.

Investing activities. Investing activity cash flow is principally affected by investments in property, plant and equipment, cash paid for acquisitions of businesses and proceeds from sales of assets. Cash flow used in investing activities was $72.8 million in the 2016 six-month period compared with $51.6 million in the prior-year period. The Partnership spent $55.8 million for property, plant and equipment (comprising $26.3 million of maintenance capital expenditures and $29.5 million of growth capital expenditures) in the 2016 six-month period compared with $57.2 million (comprising $31.8 million of maintenance capital expenditures and $25.4 million of growth capital expenditures) in the 2015 six-month period. Cash flow used in investing activities in the 2016 six-month period includes $25.8 million used for acquisitions compared to $9.0 million used in the prior-year period.

Financing activities. The Partnership's financing activities cash flows are typically the result of repayments and issuances of long-term debt, borrowings under the Credit Agreement, distributions on partnership interests and issuances of Common Units. Cash used by financing activities was $200.3 million in the 2016 six-month period compared with $235.5 million in the prior-year period. Distributions in the 2016 six-month period totaled $190.1 million compared with $178.3 million in the prior-year period principally reflecting the impact of higher quarterly per-unit distribution rates. Cash used to repay short-term borrowings under the Credit Agreement in the 2016 six-month period totaled $2.8 million compared with $54.0 million of repayments in the prior-year period. The lower short-term debt repayments in the current-year six-month period principally resulted from the lower cash flow from operations and higher cash used for acquisitions and distributions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary financial market risks include commodity prices for propane and interest rates on borrowings. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Commodity Price Risk

The risk associated with fluctuations in the prices the Partnership pays for propane is principally a result of market forces reflecting changes in supply and demand for propane and other energy commodities. The Partnership’s profitability is sensitive to changes in propane supply costs and the Partnership generally passes on increases in such costs to customers. The Partnership may not, however, always be able to pass through product cost increases fully or on a timely basis, particularly when product costs rise rapidly. In order to reduce the volatility of the Partnership’s propane market price risk, we use contracts for the forward purchase or sale of propane, propane fixed-price supply agreements, and over-the-counter derivative commodity instruments including price swap and option contracts. Over-the-counter derivative commodity instruments utilized by the Partnership to economically hedge forecasted purchases of propane are generally settled at expiration of the contract. These derivative financial instruments contain collateral provisions. The fair value of unsettled commodity price risk sensitive instruments at March 31, 2016, was a loss of $23.5 million. A hypothetical 10% adverse change in the market price of propane would result in a decrease in such fair value of approximately $12.3 million.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Our counterparties principally comprise major energy companies and major U.S. 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. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative instruments held by certain derivative instrument counterparties, the maximum amount of loss due to credit risk that, based upon the gross fair values of the derivative instruments, we would incur if these counterparties that make up the concentration failed to perform according to the terms of their contracts was not material at March 31, 2016. Certain of our derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade in the Partnership’s debt rating. At March 31, 2016, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The General Partner’s disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Partnership in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The General Partner’s management, with the participation of the General Partner’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Partnership’s disclosure controls and procedures as of the end of the period covered by this Report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Partnership’s disclosure controls and procedures, as of the end of the period covered by this Report, were effective at the reasonable assurance level.

(b) Change in Internal Control over Financial Reporting

No change in the Partnership’s internal control over financial reporting occurred during the Partnership’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Partnership’s internal control over financial reporting.

AMERIGAS PARTNERS, L.P.

PART II OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the information presented in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing the Company. Other unknown or unpredictable factors could also have material adverse effects on future results.

ITEM 6. EXHIBITS

The exhibits filed as part of this report are as follows (exhibits incorporated by reference are set forth with the name of the registrant, the type of report and last date of the period for which it was filed, and the exhibit number in such filing):

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.1	Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for AmeriGas Employees, dated January 1, 2016.			
10.2	Form of AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter for Employees dated January 1, 2016.*			
10.3	Form of AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Phantom Unit Grant Letter for Non Employee Directors, dated January 27, 2016.			
10.4	Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Stock Unit Grant Letter for Non Employee Directors, dated January 28, 2016.	UGI	Form 10-Q (3/31/16)	10.2
10.5	Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Nonqualified Stock Option Grant Letter for Non Employee Directors, dated January 28, 2016.	UGI	Form 10-Q (3/31/16)	10.3
31.1	Certification by the Chief Executive Officer relating to the Registrant’s Report on Form 10-Q for the quarter ended March 31, 2016, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2	Certification by the Chief Financial Officer relating to the Registrant’s Report on Form 10-Q for the quarter ended March 31, 2016, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32	Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant’s Report on Form 10-Q for the quarter ended March 31, 2016, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS	XBRL Instance			
101.SCH	XBRL Taxonomy Extension Schema			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase			
101.DEF	XBRL Taxonomy Extension Definition Linkbase			
101.LAB	XBRL Taxonomy Extension Labels Linkbase			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase			

* Confidential portions of this exhibit have been redacted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request in accordance with Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERIGAS PARTNERS, L.P.
(Registrant)

By: AmeriGas Propane, Inc.
as General Partner

Date:	May 6, 2016	By:	/s/ Hugh J. Gallagher
			Hugh J. Gallagher
			Vice President - Finance and Chief Financial Officer
Date:	May 6, 2016	By:	/s/ Robert J. Cane
			Robert J. Cane
			Controller and Chief Accounting Officer

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AMERIGAS PARTNERS, L.P.

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Exhibit 10.1
AmeriGas Employees

UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
FORM OF NONQUALIFIED STOCK OPTION GRANT LETTER

This STOCK OPTION GRANT, dated January 1, 2016 (the "Date of Grant"), is delivered by UGI Corporation ("UGI") to you (the "Participant").

RECITALS

The UGI Corporation 2013 Omnibus Incentive Compensation Plan (the "Plan"), provides for the grant of options to purchase shares of common stock of UGI. The Compensation and Management Development Committee of the Board of Directors of UGI (the "Committee") has decided to make a stock option grant to the Participant. The Participant's portal in the Morgan Stanley website for Plan participants (the "Grant Summary") sets forth the number of shares subject to the Option granted to the Participant in this grant.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth in this Grant Letter and in the Plan, the Committee hereby grants to the Participant a nonqualified stock option (the "Option") to purchase the number of shares of common stock of UGI ("Shares") specified in the Grant Summary at an exercise price of $33.76 per Share. The Option shall become exercisable according to Section 2 below.

2. Exercisability of Option. The Option shall become exercisable on the following dates, if the Participant is employed by, or providing service to, the Company (as defined below) on the applicable date:

Date	Shares for Which the Option is Exercisable
January 1, 2017	33⅓%
January 1, 2018	33⅓%
January 1, 2019	33⅓%

The exercisability of the Option is cumulative, but shall not exceed 100% of the Shares subject to the Option. If the foregoing schedule would produce fractional Shares, the number of Shares for which the Option becomes exercisable shall be rounded down to the nearest whole Share.

3. Term of Option.

(a) The Option shall have a term of ten years from the Date of Grant and shall terminate at the expiration of that period (5:00 p.m. EST on December 31, 2025), unless it is terminated at an earlier date pursuant to the provisions of this Grant Letter or the Plan.

(b) If the Participant ceases to be employed by, or provide service to, the Company, the Option will terminate on the date the Participant ceases such employment or service. However, if the Participant ceases to be employed by, or provide service to, the Company by reason of one of the following events, the Option held by the Participant will thereafter be exercisable pursuant to the following terms:

(i) *Termination without Cause*. If the Participant terminates employment or service on account of a Termination without Cause, the Option will thereafter be exercisable only with respect to that number of Shares with respect to which the Option is already exercisable on the date the Participant's employment or service terminates, except as provided in subsection (v) below. Such portion of the Option will terminate upon the earlier of the expiration date of the Option or the expiration of the 13-month period commencing on the date the Participant ceases to be employed by, or provide service to, the Company.

(ii) *Retirement*. If the Participant ceases to be employed by, or provide service to, the Company on account of Retirement after June 30, 2016, the Option will thereafter become exercisable as if the Participant had continued to be employed by, or provide service to, the Company after the date of such Retirement. The Option will terminate if the Participant ceases to be employed by, or provide service to, the Company on account of Retirement on or before June 30, 2016. The Option will terminate upon the expiration date of the Option.

(iii) *Disability*. If the Participant ceases to be employed by, or provide service to, the Company on account of Disability, the Option will thereafter become exercisable as if the Participant had continued to provide service to the Company for 36 months after the date of such termination of employment or service. The Option will terminate upon the earlier of the expiration date of the Option or the expiration of such 36-month period.

(iv) *Death*. In the event of the death of the Participant while employed by, or providing service to, the Company, the Option will be fully and immediately exercisable and may be exercised at any time prior to the earlier of the expiration date of the Option or the expiration of the 12-month period following the Participant's death. Death of the Participant after the Participant has ceased to be employed by, or provide service to, the Company will not affect the otherwise applicable period for exercise of the Option determined pursuant to subsections (i), (ii), (iii) or (v). After the Participant's death, the Participant's Option may be exercised by the Participant's estate.

(v) *Termination without Cause or Good Reason Termination upon or within two years after a Change of Control.* Notwithstanding the foregoing, if the Participant's employment or service terminates on account of a Termination without Cause or a Good Reason Termination upon or within two years after a Change of Control, the Option will be fully and immediately exercisable. The Option will terminate upon the earlier of the expiration date of the Option or the expiration of the 13-month period commencing on the date the Participant ceases to be employed by, or provide service to, the Company; provided that if the Participant is eligible for Retirement at the date of such termination of employment, the Option will terminate on the expiration date of the Option.

4. Exercise Procedures.

(a) Subject to the provisions of Sections 2 and 3 above, the Participant may exercise part or all of the exercisable Option through the Morgan Stanley website for Plan participants. Payment of the exercise price and any applicable withholding taxes must be made prior to issuance of the Shares. The Participant shall pay the exercise price (i) in cash, (ii) by "net exercise," which is the surrender of shares for which the Option is exercisable to the Company in exchange for a distribution of Shares equal to the amount by which the then fair market value of the Shares subject to the exercised Option exceeds the applicable Option Price, (iii) by payment through a broker in accordance with procedures acceptable to the Committee and permitted by Regulation T of the Federal Reserve Board or (iv) by such other method as the Committee may approve. The Committee may impose such limitations as it deems appropriate on the use of Shares to exercise the Option.

(b) The obligation of UGI to deliver Shares upon exercise of the Option shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Committee, including such actions as UGI's counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. UGI may require that the Participant (or other person exercising the Option after the Participant's death) represent that the Participant is purchasing Shares for the Participant's own account and not with a view to or for sale in connection with any distribution of the Shares, or such other representation as UGI deems appropriate.

(c) All obligations of UGI under this Grant Letter shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

5. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) "*Change of Control*" shall (i) have the meaning given that term in the Plan, or (ii) mean one of the events set forth in Exhibit A with respect to AmeriGas Propane, Inc.

(b) "*Company*" means UGI and its Subsidiaries (as defined in the Plan).

(c) "*Disability*" means a long-term disability as defined in the Company's long-term disability plan applicable to the Participant.

(d) "*Employed by, or provide service to, the Company*" shall mean employment or service as an employee or director of the Company.

(e) "*Good Reason Termination*" shall mean a termination of employment or service initiated by the Participant upon or within two years after a Change of Control upon one or more of the following occurrences:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control;

(ii) a material diminution in the Participant's base salary as in effect immediately prior to the Change of Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Grant Letter, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant's principal place of business immediately preceding the Change of Control, without the Participant's express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 13, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company or an Affiliate, the term "Good Reason Termination" shall have the meaning given that term in the Change in Control Agreement.

(f) "*Retirement*" means the Participant's retirement under the Retirement Income Plan for Employees of UGI Utilities, Inc., if the Participant is covered by that Retirement Income Plan. "Retirement" for other Company employees means termination of employment or service after attaining (i) age 55 with ten or more years of service with the Company or (ii) age 65 with five or more years of service with the Company.

(g) "*Termination without Cause*" means termination of employment or service by the Company for the convenience of the Company for any reason other than (i) theft or misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company's written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant's position.

6. Change of Control. If a Change of Control occurs, the Committee may take such actions with respect to the Option as it deems appropriate pursuant to the Plan. The Option shall not automatically become exercisable upon a Change of Control but, instead, shall become exercisable as described in Sections 2 and 3 above.

7. Restrictions on Exercise. Except as the Committee may otherwise permit pursuant to the Plan, only the Participant may exercise the Option during the Participant's lifetime and, after the Participant's death, the Option shall be exercisable by the Participant's estate, to the extent that the Option is exercisable pursuant to this Grant Letter.

8. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and exercise of the Option are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) changes in capitalization of the Company and (iii) other requirements of applicable law. The Committee shall have the authority to interpret and construe the Option pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Shares issued pursuant to this Option grant shall be subject to the UGI Corporation Stock Ownership Policy. This Option grant and all Shares issued pursuant to this Option grant shall be subject to any applicable clawback and other policies implemented by the Board of Directors of UGI, as in effect from time to time.

9. No Employment or Other Rights. The grant of the Option shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service at any time. The right of the Company to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

10. No Shareholder Rights. Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares subject to the Option, until certificates for Shares have been issued upon the exercise of the Option.

11. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. The rights and

protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

12. Applicable Law. The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

13. Notice. Any notice to UGI provided for in this instrument shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

14. Acceptance. By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that he or she has read the Grant Summary and Grant Letter and understands the terms and conditions of them, (iii) accepts the Option described in the Grant Letter, (iv) agrees to be bound by the terms of the Plan, including the Grant Letter, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this Grant.

EXHIBIT A

Change of Control with Respect to AmeriGas

For Participants who are employees of AmeriGas Propane, Inc. (“AmeriGas”), or a subsidiary of AmeriGas, the term “Change of Control” shall include the events set forth in this Exhibit A with respect to AmeriGas, and the defined terms used in this Exhibit A shall have the following meanings:

1. “Change of Control” shall include any of the following events:

(A) Completion by AmeriGas, the Public Partnership or the Operating Partnership of a reorganization, merger or consolidation (a “Propane Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of the AmeriGas voting securities or of the outstanding units of AmeriGas Partners, L.P. (“Outstanding Units”) immediately prior to such Propane Business Combination do not, following such Propane Business Combination, Beneficially Own, directly or indirectly, (a) if the entity resulting from such Propane Business Combination is a corporation, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of such corporation in substantially the same proportion as their ownership immediately prior to such Combination of the AmeriGas’ voting securities or the Outstanding Units, as the case may be, or, (b) if the entity resulting from such Propane Business Combination is a partnership, more than fifty percent (50%) of the then outstanding common units of such partnership in substantially the same proportion as their ownership immediately prior to such Propane Business Combination of AmeriGas’ voting securities or the Outstanding Units, as the case may be; or

(B) (a) Completion of a complete liquidation or dissolution of AmeriGas, the Public Partnership or the Operating Partnership or (b) sale or other disposition of all or substantially all of the assets of AmeriGas, the Public Partnership or the Operating Partnership other than to an entity with respect to which, following such sale or disposition, (I) if such entity is a corporation, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition in substantially the same proportion as their ownership of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition, or, (II) if such entity is a partnership, more than fifty percent (50%) of the then outstanding common units is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition in substantially the same proportion as their ownership of AmeriGas’ voting securities or of the Outstanding Units immediately prior to such sale or disposition; or

(C) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding general partnership interests of the Public Partnership or the Operating Partnership; or

(D) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding shares of common stock of AmeriGas or more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of AmeriGas entitled to vote generally in the election of directors; or

(E) AmeriGas is removed as the general partner of the Public Partnership by vote of the limited partners of the Public Partnership, or is removed as the general partner of the Public Partnership or the Operating Partnership as a result of judicial or administrative proceedings involving AmeriGas, the Public Partnership or the Operating Partnership.

2. “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

3. A Person shall be deemed the “Beneficial Owner” of any securities: (i) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the “Beneficial Owner” of securities tendered pursuant to a tender or exchange offer made by such Person or any of such person’s Affiliates or Associates until such tendered securities are accepted for payment, purchase or exchange; (ii) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has “beneficial ownership” of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including without limitation pursuant to any agreement, arrangement or understanding, whether or not in writing; provided, however, that a Person shall not be deemed the “Beneficial Owner” of any security under this clause (ii) as a result of an oral or written agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or (iii) that are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person’s Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to clause (ii) above) or disposing of any securities; provided, however, that nothing in this Section 3 shall cause a Person engaged in business as an underwriter of securities to be the “Beneficial Owner” of any securities acquired through such Person’s

participation in good faith in a firm commitment underwriting until the expiration of forty (40) days after the date of such acquisition.

4. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

5. “Operating Partnership” shall mean AmeriGas Propane, L.P.

6. “Public Partnership” shall mean AmeriGas Partners, L.P.

7. “Person” shall mean an individual or a corporation, partnership, trust, unincorporated organization, association, or other entity.

8. “UGI Subsidiary” shall mean any corporation in which UGI directly or indirectly, owns at least a fifty percent (50%) interest or an unincorporated entity of which UGI, as applicable, directly or indirectly, owns at least fifty percent (50%) of the profits or capital interests.

CERTAIN PORTIONS OF THIS DOCUMENT HAVE BEEN OMITTED PURSUANT TO A CONFIDENTIAL TREATMENT REQUEST. SUCH OMITTED PORTIONS, WHICH ARE MARKED WITH BRACKETS [ ] AND AN ASTERISK*, HAVE BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.2

AMERIGAS PROPANE, INC.
2010 LONG-TERM INCENTIVE PLAN
ON BEHALF OF AMERIGAS PARTNERS, L.P.

FORM OF PERFORMANCE UNIT GRANT LETTER

This PERFORMANCE UNIT GRANT, dated January 1, 2016 (the "Date of Grant"), is delivered by AmeriGas Propane, Inc. (the "Company") to you (the "Participant").

RECITALS

WHEREAS, the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. (the "Plan") provides for the grant of performance units ("Performance Units") with respect to common units of AmeriGas Partners, L.P. ("APLP");

WHEREAS, the Plan has been adopted by the Board of Directors of the Company, and approved by the common unit holders of APLP ("Unitholders");

WHEREAS, a Performance Unit is a performance unit that represents the value of one common unit of APLP ("Common Unit");

WHEREAS, the Compensation/Pension Committee of the Board of Directors of the Company (the "Committee") has decided to grant Performance Units to the Participant on the terms described below; and

WHEREAS, the Participant's portal in the Morgan Stanley website for Plan participants (the "Grant Summary") sets forth the target number of Performance Units granted to the Participant with respect to this grant as described in this grant letter (the "Grant Letter").

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Performance Units. Subject to the terms and conditions set forth in this Grant Letter and in the Plan, the Committee hereby grants to the Participant a target award of the number of Performance Units specified in the Grant Summary (the "Target Award"), which consists of the TUR Target Award and the Customer Gain/Loss Target Award described below. The Performance Units are contingently awarded and will be earned and payable if and to the extent that the Performance Goals (described below) and other conditions of the Grant Letter are met. The Performance Units are granted with Distribution Equivalents (as defined in the Plan).

2. Performance Goals: Overview.

(a) Conditions to Payment. The Participant shall earn the right to payment of the Performance Units if the Performance Goals described below are met for the applicable

Performance Period (as described below), and if the Participant continues to be employed by, or provide service to, the Company and its Affiliates (as defined in the Plan) through December 31, 2018. All payments described in this Section 2 with respect to the Performance Units are subject to the Participant's continued employment or service through December 31, 2018, except as provided in Section 6 or 9.

(b) Performance Period and Performance Goals. The Performance Period with respect to the Total Unitholder Return ("TUR") goals is the period beginning January 1, 2016 and ending December 31, 2018 and the Performance Period with respect to the Customer Gain/Loss ("Customer Gain/Loss") goals is the period beginning October 1, 2015 and ending September 30, 2018. The TUR goals and Customer Gain/Loss goals are referred to as the "Performance Goals." The Performance Goals based on TUR are referred to as the "TUR Performance Goals," and the Performance Goals based on Customer Gain/Loss are referred to as the "Customer Gain/Loss Performance Goals."

(c) Target Awards. Payment of Performance Units will be based on achievement of the Performance Goals and continued employment as follows:

(i) A portion of the Target Award specified in the Grant Summary will be based on attainment of the TUR Performance Goals and continued employment or service as described herein (the "TUR Target Award").

(ii) A portion of the Target Award specified in the Grant Summary will be based on attainment of the Customer Gain/Loss Performance Goals and continued employment or service as described herein (the "Customer Gain/Loss Target Award").

(d) Certification by the Committee. After the end of the applicable Performance Period, the Committee will determine whether and to what extent the Performance Goals have been met and the amount, if any, to be paid with respect to the Performance Units.

3. TUR Performance Goals.

(a) Subject to adjustment as described in Section 4 below, the TUR Target Award will be payable if and to the extent that the TUR for APLP equals the median TUR of the Alerian Index comparison group described below (the "Alerian Peer Group") for the Performance Period and the Participant continues in employment or service through December 31, 2018, subject to Sections 6 and 9 below.

(b) For purposes of calculations under this Section 3, the Alerian Peer Group consists of those master limited partnerships that are in the Alerian MLP Index as in effect as of the beginning of the Performance Period, as set forth on the attached Exhibit A (the "Alerian MLP Index"). If a company is added to the Alerian MLP Index during the Performance Period, that company is not included in the TUR calculation. A company that is included in the Alerian MLP Index at the beginning of the Performance Period will be removed from the TUR calculation only if the company ceases to exist as a publicly traded entity during the Performance Period, consistent with the methodology described in subsection (c) below. The actual award of

CERTAIN PORTIONS OF THIS DOCUMENT HAVE BEEN OMITTED PURSUANT TO A CONFIDENTIAL TREATMENT REQUEST. SUCH OMITTED PORTIONS, WHICH ARE MARKED WITH BRACKETS [ ] AND AN ASTERISK*, HAVE BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

Performance Units with respect to TUR performance may be higher or lower than the TUR Target Award, or it may be zero, based on APLP's TUR percentile rank relative to the companies in the Alerian Peer Group, as follows:

APLP's TUR Rank Based on the Alerian Peer Group (Percentile)	Percentage of TUR Target Award Contingently Earned
90th	200%
75th	162.5%
60th	125%
50th	100%
40th	70%
25th	25%
less than 25th	0%

The award percentage will be interpolated between each of the measuring points and will be adjusted as described in Section 4.

(c) For purposes of calculating TUR for the TUR Performance Goals under this Section 3, TUR shall be calculated by the Company using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of the calculation. The price used for determining TUR at the beginning and the end of the Performance Period will be the average price for the calendar quarter preceding the beginning of the Performance Period (i.e., the calendar quarter ending on December 31, 2015) and the calendar quarter ending on the last day of the Performance Period (i.e., the calendar quarter ending on December 31, 2018), respectively. The TUR calculation gives effect to all dividends throughout the Performance Period as if they had been reinvested.

(d) The TUR Target Award is the amount designated for 100% (50th TUR rank) performance. Under this Section 3, the Participant can earn up to 200% of the TUR Target Award if APLP's TUR percentile rank exceeds the 50th TUR percentile rank, according to the foregoing schedule and subject to adjustment as described in Section 4.

4. Adjustment to TUR Results Based on Peer MLP Performance Goals. The TUR performance results based on the Alerian Peer Group in Section 3 shall be adjusted as described in this Section 4 to determine the actual award of Performance Units that is payable based on attainment of the TUR Performance Goals.

(a) Modifier. To determine the modifier, the TUR for APLP shall be compared to the TUR of Suburban Propane Partners, L.P. and Ferrellgas Partners, L.P. (collectively the "Peer MLPs") for the Performance Period, as follows:

APLP rank compared to the Peer MLPs	**Modifier**
1st	130%
2nd	100%
3rd	70%

The modifier shall be applied at the end of the Performance Period, after the TUR performance results under Section 3 have been determined. Notwithstanding the foregoing, in no event may the percentage exceed 200% of the TUR Target Award.

(b) Examples. For example, if the TUR results under Section 3 would produce a 100% award and the modifier under this Section 4 is 130%, the award based on attainment of the TUR Performance Goals would be 130% of the TUR Target Award, subject to continued employment or service as described herein. If the TUR results under Section 3 would produce a 200% award and the modifier under this Section 4 is 130%, the award based on attainment of the TUR Performance Goals would be 200% of the TUR Target Award, subject to continued employment or service as described herein.

(c) Adjustment Events. If one of the Peer MLPs ceases to exist as a publicly traded entity during the Performance Period, as determined consistent with the methodology described in subsection (d) below, or declares bankruptcy (each, an "Adjustment Event"), the modification described in subsection (a) shall be changed as follows:

(i) Adjustment Event on or before December 31, 2016. If an Adjustment Event occurs on or before December 31, 2016, no adjustment shall be made under this Section 4 to the TUR performance results under Section 3. Instead, the amount of Performance Units that will become payable based on TUR performance shall be based solely on achievement of the Alerian MLP Index Performance Goals as set forth in Section 3 above.

(ii) Adjustment Event on or after January 1, 2017 through December 31, 2017. If an Adjustment Event occurs on or after January 1, 2017 through December 31, 2017, APLP's TUR shall be compared to the TUR of the Peer MLPs as of the day immediately prior to the first public announcement of the Adjustment Event to determine APLP's performance ranking against the Peer MLPs. One-half of the modifier that would otherwise be applied under subsection (a) shall be applied to the TUR performance results described in Section 3 at the end of the Performance Period. For example, if the TUR results under Section 3 would produce a 100% award and the modifier otherwise calculated under this Section 4 is 130%, the award based on attainment of the TUR Performance Goals would be 115% of the TUR Target Award, subject to continued employment as described herein.

(iii) Adjustment Event on or after January 1, 2018. If an Adjustment Event occurs on or after January 1, 2018 through December 31, 2018, APLP's TUR shall be compared to the TUR of the Peer MLPs as of the day immediately prior to the first public announcement of the Adjustment Event to determine APLP's performance ranking against the Peer MLPs. The full modifier described in subsection (a) shall be applied to the TUR performance results described in Section 3 at the end of the Performance Period. For example, if the TUR results under Section 3 would produce a 100% award and the modifier otherwise calculated under this Section 4 is 130%, the award based on attainment of the TUR Performance Goals would be 130% of the TUR Target Award, subject to continued employment as described herein.

(d) Calculation of TUR for Peer MLP Performance Goals. For purposes of calculating TUR for the Peer MLP Performance Goals, TUR shall be calculated by the Company using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of the calculation. The price used for determining TUR at the beginning of the Performance Period will be the average price for the calendar quarter preceding the beginning of the Performance Period (i.e., the calendar quarter ending on December 31, 2015). If TUR is measured as of December 31, 2018, the price used for determining TUR at the end of the Performance Period ending December 31, 2018 will be the average price for the calendar quarter ending on the last day of the Performance Period (i.e., the calendar quarter ending on December 31, 2018). If TUR is measured as of the day immediately prior to the first public announcement of an Adjustment Event, the price used for determining TUR at such date will be the average price for the 90 calendar day period ending on the day immediately prior to the first public announcement of the Adjustment Event. The TUR calculation gives effect to all dividends throughout the applicable Performance Period, as if such dividends had been reinvested.

5. Customer Gain/Loss Performance Goals. The Customer Gain/Loss Target Award will be payable if and to the extent that the following Customer Gain/Loss Performance Goals are met for the Performance Period and the Participant continues in employment or service through December 31, 2018, subject to Sections 6 and 9 below.

(a) Performance Goals. For the Performance Period beginning October 1, 2015 and ending September 30, 2018, a portion of the Customer Gain/Loss Target Award may be contingently earned based on the extent to which the Customer Gain or Loss for the Performance Period year meets the Customer Gain/Loss Performance Goals:

Customer Gain/Loss Performance Goals		
Threshold	**Target**	**Maximum**
[***]%	[***]%	[***]%

Attainment of Customer Gain/Loss Performance Goals for the Performance Period	**Percentage of Customer Gain/Loss Target Award Contingently Earned**
Less than Threshold	0%
Threshold	25%
Target	100%
Maximum	200%

The award percentage will be interpolated between each of the measuring points.

(b) Customer Gain/Loss for the Performance Period. The Customer Gain or Loss for the Performance Period shall be calculated by comparing the Starting Customer Count to the number of Customers on the last day of the Performance Period, as determined in accordance with the calculation methodology approved by the Committee as of the Date of Grant and described in Exhibit B.

6. Termination of Employment or Service.

(a) Except as described below, if the Participant ceases to be employed by, or provide services to, the Company and its Affiliates before December 31, 2018, the Performance Units and all Distribution Equivalents credited under this Grant Letter will be forfeited.

(b) If the Participant terminates employment or service on account of Retirement (as defined below), Disability (as defined in the Plan) or death, the Participant will earn a pro-rata portion of the Participant’s outstanding Performance Units and Distribution Equivalents, if the Performance Goals and the requirements of this Grant Letter are met. The prorated portion will be determined as the amount that would otherwise be paid after December 31, 2018, based on achievement of the Performance Goals for the applicable Performance Period, multiplied by a fraction, the numerator of which is the number of calendar years from January 1, 2016 through December 31, 2018 in which the Participant has been employed by, or provided service to, the Company or its Affiliates and the denominator of which is three. For purposes of the proration calculation, the calendar year in which the Participant’s termination of employment or service on account of Retirement, Disability, or death occurs will be counted as a full year.

(c) In the event of termination of employment or service on account of Retirement, Disability or death, the prorated amount shall be paid between January 1, 2019 and March 15, 2019 pursuant to Section 7, except as provided in Section 9.

7. <u>Payment with Respect to Performance Units</u>. If the Committee determines that the conditions to payment of the Performance Units have been met, the Company shall pay to the Participant (i) Common Units equal to the number of Performance Units to be paid according to achievement of the Performance Goals, up to the Target Award, provided that the Company may withhold Common Units to cover required tax withholding in an amount equal to the minimum statutory tax withholding requirement in respect of the Performance Units earned up to the Target Award, and (ii) cash in an amount equal to the Fair Market Value (as defined in the Plan) of the number of Common Units equal to the Performance Units to be paid in excess of the Target Award, subject to applicable tax withholding. Payment shall be made between January 1, 2019 and March 15, 2019, except as provided in Section 9.

8. <u>Distribution Equivalents with Respect to Performance Units</u>.

(a) Distribution Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same Performance Goals and terms as the Performance Units to which they relate. Distribution Equivalents shall be credited with respect to the Target Award of Performance Units from the Date of Grant until the payment date. If and to the extent that underlying Performance Units are forfeited, all related Distribution Equivalents shall also be forfeited.

(b) While the Performance Units are outstanding, the Company will keep records of Distribution Equivalents in a bookkeeping account for the Participant. On each payment date for a distribution paid by APLP on its Common Units, the Company shall credit to the Participant's account an amount equal to the Distribution Equivalents associated with the Target Award of Performance Units held by the Participant on the record date for the distribution. No interest will be credited to any such account. The Distribution Equivalents shall be payable if and to the extent that the underlying Performance Units are payable. The target amount of Distribution Equivalents (100% of the Distribution Equivalents credited to the Participant's account) will be payable if the applicable Performance Goals are met at target, subject to continued employment. The Participant can earn from 0% to 200% of the target amount of the Distribution Equivalents based on attainment of the Performance Goals and continued employment or service.

(c) Except as described in Section 6(b) above or Section 9, if the Participant's employment or service with the Company and its Affiliates terminates before December 31, 2018, all Distribution Equivalents will be forfeited.

(d) Distribution Equivalents will be paid in cash at the same time and on the same terms as the underlying Performance Units are paid, after the Committee determines that the conditions to payment have been met.

9. <u>Change of Control</u>.

(a) If a Change of Control (as defined in the Plan) occurs, the Performance Units and Distribution Equivalents shall not automatically become payable upon the Change of Control but, instead, shall become payable as described in this Section 9. The Committee may take such other actions with respect to the Performance Units and Distribution Equivalents as it deems appropriate pursuant to the Plan.

(b) If a Change of Control occurs on or before December 31, 2018, the Committee shall calculate a Change of Control Amount as follows:

(i) The Performance Period shall end as of the closing date of the Change of Control (the "Change of Control Date"). The TUR ending date calculations for the Performance Period shall be based on the 90 calendar day period ending on the Change of Control Date, subject to adjustment as provided in Section 4 above with respect to an Adjustment Event that occurred before the Change of Control Date. Achievement of the Customer Gain/Loss Performance Goals for the Performance Period shall be deemed to be at target (equal to the Customer Gain/Loss Target Award).

(ii) The Committee shall calculate a "Change of Control Amount" equal to (A) the greater of (x) the TUR Target Award amount or (y) the amount of Performance Units that would be payable based on the Company's achievement of the TUR Performance Goals as of the Change of Control Date as described in subsection (i) above, plus (B) the Customer Gain/Loss Target Award amount.

(iii) The Change of Control Amount shall include related Distribution Equivalents and, if applicable, interest, as described below.

(iv) The Committee shall determine whether the Change of Control Amount attributable to Performance Units shall be (A) converted to units with respect to shares or other equity interests of the acquiring company or its parent ("Successor Units"), in which case Distribution Equivalents shall continue to be credited on the Successor Units, or (B) valued based on the Fair Market Value of the Performance Units as of the Change of Control Date and credited to a bookkeeping account for the Participant, in which case interest shall be credited on the amount so determined at a market rate for the period between the Change of Control Date and the applicable payment date. Notwithstanding the provisions of Section 7, all payments on and after a Change of Control shall be made in cash. If alternative (A) above is used, the cash payment shall equal the Fair Market Value on the date of payment of the number of shares or other equity interests underlying the Successor Units, plus accrued Distribution Equivalents. All payments shall be subject to applicable tax withholding.

(c) If a Change of Control occurs and the Participant continues in employment or service through December 31, 2018, the Change of Control Amount shall be paid in cash between January 1, 2019 and March 15, 2019.

(d) If a Change of Control occurs and the Participant has a Termination without Cause or a Good Reason Termination upon or within two years after the Change of Control Date and before December 31, 2018, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 16 below.

(e) If a Change of Control occurs and the Participant terminates employment or service on account of Retirement, Disability or death upon or after the Change of Control Date and before December 31, 2018, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 16 below; provided that, if required by section 409A, if the Participant's Retirement, Disability or death occurs more than two years after the Change of Control Date, payment will be made between January 1, 2019 and March 15, 2019, and not upon the earlier separation from service.

(f) If a Participant's employment or service terminates on account of Retirement, death or Disability before a Change of Control, and a Change of Control subsequently occurs on or before December 31, 2018, the prorated amount described in Section 6(b) shall be calculated by multiplying the fraction described in Section 6(b) by the Change of Control Amount. The prorated Change of Control Amount shall be paid in cash within 30 days after the Change of Control Date, subject to Section 16 below.

10. Definitions. For purposes of this Grant Letter, the following terms will have the meanings set forth below:

(a) "*Employed by, or provide service to, the Company or its Affiliates*" shall mean employment or service as an employee or director of the Company or its Affiliates. The Participant shall not be considered to have a termination of employment or service under this Grant Letter until the Participant is no longer employed by, or performing services for, the Company.

(b) "*Good Reason Termination*" shall mean a termination of employment or service initiated by the Participant upon or after a Change of Control upon one or more of the following events:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control;

(ii) a material diminution in the Participant's base salary as in effect immediately prior to the Change of Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Agreement, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant's principal place of business immediately before the Change of Control, without the Participant's express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to

Section 18, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company or an Affiliate, the term "Good Reason Termination" shall have the meaning given that term in the Change in Control Agreement.

(c) "*Retirement*" means the Participant's separation from employment or service upon or after attaining (i) age 55 with at least 10 years of service with the Company and its Affiliates, or (ii) age 65 with at least 5 years of service with the Company and its Affiliates.

(d) "*Termination without Cause*" means termination of employment or service by the Company for the convenience of the Company for any reason other than (i) theft, misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company's written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant's position.

11. <u>Withholding</u>. All payments under this Grant Letter are subject to applicable tax withholding. The Participant shall be required to pay to the Company, or make other arrangements satisfactory to the Company to provide for the payment of, any federal (including FICA), state, local or other taxes that the Company is required to withhold with respect to the payments under this Grant Letter. The Company may withhold from cash distributions to cover required tax withholding, or may withhold Units to cover required tax withholding in an amount equal to the minimum applicable tax withholding amount.

12. <u>Grant Subject to Plan Provisions and Company Policies; Committee Discretion</u>.

(a) This grant is made pursuant to the Plan which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of Performance Units and Distribution Equivalents are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Common Units, (ii) adjustments pursuant to Section 5(c) of the Plan and (iii) other requirements of applicable law.

(b) The Committee shall have the sole and absolute authority to interpret and construe the grant pursuant to the terms of the Plan, including discretion to determine whether and to what extent the Performance Goals are met and, when calculating performance results, to make such adjustments as it deems appropriate. The Committee's decisions shall be conclusive as to any questions arising hereunder.

(c) This Performance Unit grant and all Common Units issued pursuant to this Performance Unit grant shall be subject to the UGI Corporation Stock Ownership Policy as adopted by the Board of Directors of UGI Corporation or the Company and any applicable clawback and other policies implemented by the Board of Directors of UGI Corporation or the Company, as in effect from time to time.

13. <u>No Employment or Other Rights</u>. The grant of Performance Units shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment at any time. The right of the Company to terminate at will the Participant's employment at any time for any reason is specifically reserved.

14. <u>No Unit Holder Rights</u>. Neither the Participant, nor any person entitled to receive payment in the event of the Participant's death, shall have any of the rights and privileges of a Unitholder with respect to the Common Units related to the Performance Units, unless and until Common Units have been distributed to the Participant or successor.

15. <u>Assignment and Transfers</u>. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, any payments to be made under this Grant Letter after the Participant's death shall be paid to the Participant's estate. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and Affiliates.

16. <u>Compliance with Code Section 409A</u>. Notwithstanding the other provisions hereof, this Grant Letter is intended to comply with the requirements of section 409A of the Internal Revenue Code of 1986, as amended, or an exception, and shall be administered accordingly. Any reference to a Participant's termination of employment or service shall mean a Participant's "separation from service," as such term is defined under section 409A. For purposes of section 409A, each payment of compensation under this Grant Letter shall be treated as a separate payment. Notwithstanding anything in this Grant Letter to the contrary, if the Participant is a "key employee" under section 409A and if payment of any amount under this Grant Letter is required to be delayed for a period of six months after separation from service pursuant to section 409A, payment of such amount shall be delayed as required by section 409A and shall be paid within 10 days after the end of the six-month period. If the Participant dies during such six-month period, the amounts withheld on account of section 409A shall be paid to the personal representative of the Participant's estate within 60 days after the date of the Participant's death. Notwithstanding anything in this Grant Letter to the contrary, if a Change of Control is not a "change in control event" under section 409A, any Performance Units and Distribution Equivalents that are payable pursuant to Section 9 shall be paid to the Participant between

January 1, 2019 and March 15, 2019, and not upon the earlier separation from service, if required by section 409A.

17. Applicable Law. The validity, construction, interpretation and effect of this Grant Letter shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

18. Notice. Any notice to the Company provided for in this Grant Letter shall be addressed to the Company in care of the Corporate Secretary at the Company's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

19. Acknowledgement. By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that he or she has read the Grant Summary and Grant Letter and understands the terms and conditions of them, (iii) accepts the Performance Units described in the Grant Letter, (iv) agrees to be bound by the terms of the Plan and the Grant Letter, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this grant.

CERTAIN PORTIONS OF THIS DOCUMENT HAVE BEEN OMITTED PURSUANT TO A CONFIDENTIAL TREATMENT REQUEST. SUCH OMITTED PORTIONS, WHICH ARE MARKED WITH BRACKETS [ ] AND AN ASTERISK*, HAVE BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT A

Performance Period January 1, 2016 through December 31, 2018

Alerian MLP Index

Antero Midstream Partners LP	Magellan Midstream Partners LP
Archrock Partners LP	MPLX LP
AmeriGas Partners, L.P.	NGL Energy Partners LP
Alliance Resource Partners LP	Targa Resources Partners LP
Buckeye Partners LP	NuStar Energy LP
Black Stone Minerals LP	ONEOK Partners LP
Boardwalk Pipeline Partners LP	Plains All American Pipeline LP
Crestwood Equity Partners LP	Phillips 66 Partners LP
Calumet Specialty Products Partners LP	Rose Rock Midstream LP
Capital Product Partners LP	Seadrill Partners LLC
Columbia Pipeline Partners LP	Spectra Energy Partners LP
Dominion Midstream Partners LP	Shell Midstream Partners LP
DCP Midstream Partners LP	Summit Midstream Partners LP
Enbridge Energy Partners LP	Suburban Propane Partners LP
Enable Midstream Partners LP	Sunoco LP
EnLink Midstream Partners LP	Sunoco Logistics Partners LP
Enterprise Products Partners LP	TC Pipelines LP
EQT Midstream Partners LP	Tallgrass Energy Partners LP
Energy Transfer Partners LP	Teekay LNG Partners LP
Ferrellgas Partners LP	Tesoro Logistics LP
Genesis Energy LP	Teekay Offshore Partners LP
Global Partners LP	Valero Energy Partners LP
Golar LNG Partners LP	Vanguard Natural Resources LLC
Holly Energy Partners LP	Western Gas Partners LP
Martin Midstream Partners LP	Williams Partners LP

CERTAIN PORTIONS OF THIS DOCUMENT HAVE BEEN OMITTED PURSUANT TO A CONFIDENTIAL TREATMENT REQUEST. SUCH OMITTED PORTIONS, WHICH ARE MARKED WITH BRACKETS [ ] AND AN ASTERISK*, HAVE BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT B

Calculation Methodology

For purposes of calculation of Customer Gain or Loss pursuant to Section 5(b):

(i) "Customer" shall mean an [***] as of the applicable measurement date [***] the applicable measurement date as reflected in the Company's [***] reporting system (or any successor system); provided that the definition of Customer shall not include [***] otherwise meeting the definition of Customer but (i) located in [***], (ii) related to the Company's [***], programs or (iii) acquired by the Company from an unrelated business (provided that such acquired [***] shall be excluded only until such time as they shall have been required to be included in the Starting Customer Count (as set forth below)). For the avoidance of doubt, (x) an [***] divested by the Company to an unrelated business shall cease to be a Customer immediately following the date of divestiture, and (y) an acquired [***] (including any [***] originated at the acquired business following the acquisition and prior to the integration referenced below) shall not be included in any Customer calculations unless and until the [***] requirements of the definition of Customer shall have been satisfied following the integration of such acquired [***] into the Company's [***] reporting system (or any successor system). The Company shall track such acquired [***] for [***].

(ii) The "Starting Customer Count" shall be determined as follows:

(1) The Starting Customer Count as of October 1, 2015 shall be deemed to be [***], and shall be adjusted as described in subsection (2) below.

(2) The Starting Customer Count shall be adjusted as of the end of each fiscal year as follows:

(A) As of September 30, 2016, the Starting Customer Count shall be reduced by the aggregate number of Customers (determined as of the date of divestiture) divested by the Company to an unrelated business during the fiscal year ending September 30, 2016, and increased by the number of Customers (not otherwise in the Starting Customer Count) acquired by the Company from an unrelated business and integrated into the Company's [***] reporting system on or before September 30, 2016 (which Customers shall include, for the avoidance of doubt, any [***] originated at the acquired business following the acquisition and prior to the integration) [***].

(B) As of September 30, 2017, the Starting Customer Count shall be reduced by the aggregate number of Customers (determined as of the date of divestiture) divested by the Company to an unrelated business during the fiscal year ending September 30, 2017, and increased by the number of Customers (not otherwise in the Starting Customer Count) acquired by the Company from an unrelated business and integrated into the Company's [***] reporting system on or before September 30, 2017 (which Customers shall include, for the avoidance of doubt, any [***] originated at the acquired business following the acquisition and prior to the integration) [***].

(C) As of September 30, 2018, the Starting Customer Count shall be reduced by the aggregate number of Customers (determined as of the date of divestiture) divested by the Company to an unrelated business during the fiscal year ending September 30, 2018, and increased by the number of Customers (not otherwise in the Starting Customer Count) acquired by the Company from an unrelated business and integrated into the Company's [***] reporting system on or before September 30, 2018 (which Customers shall include, for the avoidance of doubt, any [***] originated at the acquired business following the acquisition and prior to the integration) [***].

(iii) Notwithstanding the foregoing, there shall be excluded from the definition of Customer (and from the calculation of the Starting Customer Count) for all purposes for the duration of the Performance Period any [***] otherwise meeting the definition of Customer but acquired by the Company from an unrelated business in a single transaction involving [***].

FORM OF AMERIGAS PROPANE, INC.
2010 LONG-TERM INCENTIVE PLAN
ON BEHALF OF AMERIGAS PARTNERS, L.P.

FORM OF PHANTOM UNIT GRANT LETTER

This PHANTOM UNIT GRANT, dated January 27, 2016 (the "Date of Grant"), is delivered by AmeriGas Propane, Inc. (the "Company") to ___________________ (the "Participant").

RECITALS

WHEREAS, the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. (the "Plan") provides for the grant of Phantom Units ("Phantom Units") with respect to common units of AmeriGas Partners, L.P. ("APLP");

WHEREAS, the Plan has been adopted by the Board of Directors of the Company (the "Board"), and approved by common unit holders of APLP ("Unitholders");

WHEREAS, a Phantom Unit is a Phantom Unit that represents the value of one common unit of APLP ("Common Unit"); and

WHEREAS, the Board has decided to grant Phantom Units to the Participant on the terms described below.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Phantom Units.

(a) Subject to the terms and conditions set forth in this Grant Letter, the Board hereby awards the Participant an award of 1,400 Phantom Units (as defined in Section 4). The Phantom Units are granted with Distribution Equivalents (as defined in Section 4).

(b) The Company shall keep records in an Account (as defined in Section 4) to reflect the number of Phantom Units and Distribution Equivalents credited to the Participant. Fractional Phantom Units shall accumulate in the Participant's Account and shall be added to other fractional Phantom Units to create whole Phantom Units.

2. Distribution Equivalents with Respect to Phantom Units.

(a) *Crediting of Distribution Equivalents*. From the Date of Grant until the Participant's Account has been fully distributed, on each payment date for a distribution paid by APLP on its Common Units, the Company shall credit to the Participant's Account an amount equal to the Distribution Equivalent associated with the Phantom Units credited to the Participant on the record date for the distribution.

(b) *Conversion to Phantom Units*. On the last day of each Plan Year (as defined in Section 4), the amount of the Distribution Equivalents credited to the Participant's Account during that Plan Year shall be converted to a number of Phantom Units, based on the Unit Value (as defined in Section 4) on the last day of the Plan Year. In the event of a Change of Control (as defined in the Plan) or in the event the Participant dies or Separates from Service (as defined in Section 4) prior to the last day of the Plan Year, as soon as practicable following such event, and in no event later than the date on which Phantom Units are redeemed in accordance with Section 3, the Company shall convert the amount of Distribution Equivalents previously credited to the Participant's Account during the Plan Year to a number of Phantom Units based on the Unit Value on the date of such Change of Control, death or Separation from Service.

3. Events Requiring Redemption of Phantom Units.

(a) *Redemption*. The Company shall redeem Phantom Units credited to the Participant's Account at the times and in the manner prescribed by this Section 3. When Phantom Units are to be redeemed, the Company will determine the Unit Value of the Phantom Units credited to the Participant's Account as of the date of the Participant's Separation from Service or death. Except as described in subsection (c) below, an amount equal to 65% of the aggregate Unit Value will be paid in the form of whole Common Units (with fractional Common Units paid in cash), and the remaining 35% of the aggregate Unit Value will be paid in cash.

(b) *Separation from Service or Death.* In the event the Participant Separates from Service or dies, the Company shall redeem all the Phantom Units then credited to the Participant's Account as of the date of the Participant's Separation from Service or death. In the event of a Separation from Service, the redemption amount shall be paid within 30 business days after the date of the Participant's Separation from Service. In the event of death, the redemption amount shall be paid to the Participant's estate within 60 business days after the Participant's death.

(c) *Change of Control.* In the event of a Change of Control, the Company shall redeem all the Phantom Units then credited to the Participant's Account. The redemption amount shall be paid in cash on the closing date of the Change of Control (except as described below). The amount paid shall equal the product of the number of Phantom Units being redeemed multiplied by the Unit Value at the date of the Change of Control. However, in the event that the transaction constituting a Change of Control is not a change in control event under section 409A of the Code (as defined in Section 4), the Participant's Phantom Units shall be redeemed and paid in cash upon Separation from Service or death on the applicable date described in subsection (b) above (based on the aggregate Unit Value on the date of Separation from Service or death as determined by the Board), instead of upon the Change of Control pursuant to this subsection (c). If payment is delayed after the Change of Control, pursuant to the preceding sentence, the Board may provide for the Phantom Units to be valued as of the date of the Change of Control and interest to be credited on the amount so determined at a market rate for the period between the Change of Control date and the payment date.

(d) *Deferral Elections*. Notwithstanding the foregoing, pursuant to the Deferral Plan, the Participant may make a one-time, irrevocable election to elect to have all of the Participant's

Phantom Units credited to the Participant's account under the Deferral Plan on the date of the Participant's Separation from Service, in lieu of the redemption and payments described in subsection (b) above. If the Participant makes a deferral election, the Participant's Phantom Units will be credited to the Participant's account under the Deferral Plan at Separation from Service and the amount credited to the Deferral Plan shall be distributed in accordance with the provisions of the Deferral Plan. If the Participant makes a deferral election under the Deferral Plan and a Change of Control occurs: (i) subsection (c) above shall apply if the Change of Control occurs before the Participant's Separation from Service and (ii) the terms of the Deferral Plan shall apply if the Change of Control occurs after or simultaneously with the Participant's Separation from Service. An election under the Deferral Plan shall be made in writing, on a form and at a time prescribed by the committee that administers the Deferral Plan and shall be irrevocable upon submission to the Corporate Secretary. A deferral election shall be made in accordance with section 409A of the Code.

4. Definitions. For purposes of this Grant Letter, the following terms will have the meanings set forth below:

(a) "*Account*" means the Company's bookkeeping account established pursuant to Section 1, which reflects the number of Phantom Units and the amount of Distribution Equivalents standing to the credit of the Participant.

(b) *"APLP"* means AmeriGas Partners, L.P.

(c) *"Distribution Equivalent"* means an amount determined by multiplying the number of Common Units subject to Phantom Units by the per-Common Unit cash distribution, or the per-Common Unit fair market value of any distribution in consideration other than cash, paid by APLP on its Common Units.

(d) "*Code*" means the Internal Revenue Code of 1986, as amended.

(e) *"Deferral Plan"* means the UGI Corporation 2009 Deferral Plan, as amended and restated.

(f) "*Plan Year*" means the calendar year.

(g) "*Separates from Service*" or *"Separation from Service"* means the Participant's termination of service as a non-employee director and as an employee of the Company for any reason other than death and shall be determined in accordance with section 409A of the Code.

(h) *"Phantom Unit"* means the right of the Participant to receive a Common Unit, or an amount based on the value of a Common Unit, subject to the terms and conditions of this Grant Letter and the Plan.

(i) "*Unit Value*" means, at any time, the value of each Phantom Unit, which value shall be equal to the Fair Market Value (as defined in the Plan) of a Common Unit on such date.

5. Taxes. All obligations of the Company under this Grant Letter shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

6. Conditions. The obligation of the Company to deliver Common Units shall also be subject to the condition that if at any time the Board shall determine in its discretion that the listing, registration or qualification of the Common Units upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issue of Common Units, the Common Units may not be issued in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board. The issuance of Common Units to the Participant pursuant to this Grant Letter is subject to any applicable taxes and other laws or regulations of the United States or of any state having jurisdiction thereof.

7. Grant Subject to Plan Provisions.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of Phantom Units are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Board in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Common Units issued under the Plan, (ii) changes in capitalization of APLP and (iii) other requirements of applicable law. The Board shall have the authority to interpret and construe this Grant Letter pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Common Units issued pursuant to this grant shall be subject to any applicable policies implemented by the Board of Directors of the Company, as in effect from time to time.

8. No Unit Holder Rights. Neither the Participant, nor any person entitled to receive payment in the event of the Participant’s death, shall have any of the rights and privileges of a Unitholder with respect to the Common Units, until certificates for the Common Units have been issued upon payment of Phantom Units. The Participant shall not have any interest in any fund or specific assets of the Company by reason of this award or the Phantom Unit account established for the Participant.

9. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, any payments to be made under this Grant Letter after the Participant’s death shall be paid to the Participant’s estate. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company’s parents, subsidiaries, and affiliates.

10. Compliance with Code Section 409A. Notwithstanding any other provisions hereof, this Grant Letter is intended to comply with the requirements of section 409A of the Code. For

purposes of section 409A, each payment of compensation under this Grant Letter shall be treated as a separate payment.

11. Applicable Law. The validity, construction, interpretation and effect of this Grant Letter shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

12. Notice. Any notice to the Company provided for in this Grant Letter shall be addressed to the Company in care of the Corporate Secretary at the Company's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the records of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

IN WITNESS WHEREOF, the parties have executed this Phantom Unit Grant Letter as of the Date of Grant.

Attest AmeriGas Propane, Inc.

By:____________

Assistant Secretary Name:
Position:

I hereby (i) acknowledge receipt of the Plan incorporated herein, (ii) acknowledge that I have read the Grant Letter and understand the terms and conditions of it, (iii) accept the Phantom Units described in the Grant Letter, (iv) agree to be bound by the terms of the Plan and the Grant Letter, and (v) agree that all the decisions and determinations of the Board or the Committee shall be final and binding on me and any other person having or claiming a right under this Grant.

Participant

Exhibit 31.1

CERTIFICATION

I, Jerry E. Sheridan, certify that:

1. I have reviewed this periodic report on Form 10-Q of AmeriGas Partners, L.P;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2016

/s/ Jerry E. Sheridan

Jerry E. Sheridan

President and Chief Executive Officer of
AmeriGas Propane, Inc.

Exhibit 31.2

CERTIFICATION

I, Hugh J. Gallagher, certify that:

1. I have reviewed this periodic report on Form 10-Q of AmeriGas Partners, L.P;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 6, 2016

/s/ Hugh J. Gallagher

Hugh J. Gallagher

Vice President - Finance and Chief Financial Officer of
AmeriGas Propane, Inc.

Exhibit 32

Certification by the Chief Executive Officer and Chief Financial Officer
Relating to a Periodic Report Containing Financial Statements

I, Jerry E. Sheridan, Chief Executive Officer, and I, Hugh J. Gallagher, Chief Financial Officer, of AmeriGas Propane, Inc., a Pennsylvania corporation, the General Partner of AmeriGas Partners, L.P. (the "Company"), hereby certify that to our knowledge:

(1) The Company's periodic report on Form 10-Q for the period ended March 31, 2016 (the "Form 10-Q") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER
/s/ Jerry E. Sheridan	/s/ Hugh J. Gallagher
Jerry E. Sheridan	Hugh J. Gallagher
Date: May 6, 2016	Date: May 6, 2016