FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2000

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 1-11071

UGI CORPORATION
(Exact name of registrant as specified in its charter)

Pennsylvania	23-2668356
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

UGI CORPORATION
460 North Gulph Road, King of Prussia, PA
(Address of principal executive offices)
19406
(Zip Code)
(610) 337-1000
(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 X No

At July 31, 2000, there were 27,009,719 shares of UGI Corporation Common Stock, without par value, outstanding.

UGI CORPORATION AND SUBSIDIARIES

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UGI CORPORATION AND SUBSIDIARIES

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

	June 30, 2000	September 30, 1999	June 30, 1999
ASSETS			
Current assets:			
Cash and cash equivalents	$ 91.3	$ 40.5	$ 152.5
Short-term investments, at cost which approximates market value	3.9	15.1	5.4
Accounts receivable (less allowance for doubtful accounts of $10.1, $8.0 and $9.0, respectively)	145.4	102.9	101.5
Accrued utility revenues	7.0	6.9	5.8
Inventories	91.7	87.1	55.3
Deferred income taxes	15.7	13.7	17.4
Prepaid expenses and other current assets	17.4	24.7	18.6
Total current assets	372.4	290.9	356.5
Property, plant and equipment, at cost (less accumulated depreciation and amortization of $563.8, $514.9 and $502.6, respectively)	1,075.9	1,084.1	1,002.4
Intangible assets (less accumulated amortization of $184.9, $165.9 and $159.6, respectively)	677.9	653.1	615.2
Utility regulatory assets	56.6	61.1	59.4
Other assets	47.2	46.7	45.4
Total assets	$2,230.0	$2,135.9	$2,078.9
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current maturities of long-term debt	$ 95.7	$ 26.7	$ 23.4
Operating Partnership bank loans	25.0	22.0	20.0
UGI Utilities bank loans	61.9	87.4	59.6
Other bank loans	1.9	11.6	--
Accounts payable	111.3	100.6	67.4
Other current liabilities	154.4	154.0	144.8
Total current liabilities	450.2	402.3	315.2
Long-term debt	1,035.2	989.6	893.7
Deferred income taxes	170.8	174.3	160.0
Other noncurrent liabilities	85.5	90.6	79.9
Commitments and contingencies			
Minority interest in AmeriGas Partners	200.2	209.9	231.8
UGI Utilities redeemable preferred stock	20.0	20.0	20.0
Common stockholders' equity:			
Common Stock, without par value (authorized - 100,000,000 shares; issued - 33,198,731 shares)	394.6	394.8	394.5
Retained earnings (accumulated deficit)	16.1	(8.2)	13.2
Accumulated other comprehensive income (loss)	(0.1)	0.5	--
Unearned compensation - restricted stock	(1.0)	(1.7)	(2.0)
	409.6	385.4	405.7
Treasury stock, at cost	(141.5)	(136.2)	(27.4)
Total common stockholders' equity	268.1	249.2	378.3
Total liabilities and stockholders' equity	$2,230.0	$2,135.9	$2,078.9

See accompanying notes to consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(Millions, except per share amounts)

	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999	Nine Months Ended June 30, 2000	Nine Months Ended June 30, 1999
Revenues:				
AmeriGas Propane	$ 209.7	$ 162.0	$ 899.6	$ 704.7
UGI Utilities	77.6	77.3	368.6	357.8
International Propane	9.2	--	38.5	--
Energy Services and other	39.4	20.0	106.2	69.7
	335.9	259.3	1,412.9	1,132.2
Costs and expenses:				
AmeriGas Propane cost of sales	119.3	71.0	493.4	304.3
UGI Utilities - gas, fuel and purchased power	35.9	33.8	185.8	176.6
International Propane cost of sales	5.1	--	22.3	--
Energy Services and other cost of sales	37.9	18.3	100.9	65.2
Operating and administrative expenses	107.4	104.9	346.3	323.3
Utility taxes other than income taxes	2.9	4.9	14.3	21.1
Depreciation and amortization	23.8	22.6	70.8	66.9
Other income, net	(5.1)	(5.6)	(18.2)	(11.7)
	327.2	249.9	1,215.6	945.7
Operating income	8.7	9.4	197.3	186.5
Merger fee income, net	--	21.5	--	19.9
Interest expense	(24.3)	(21.0)	(72.1)	(63.1)
Minority interest in AmeriGas Partners	8.9	7.8	(19.7)	(22.8)
Income (loss) before income taxes and subsidiary preferred stock dividends	(6.7)	17.7	105.5	120.5
Income tax (expense) benefit	2.4	(5.9)	(49.1)	(52.4)
Dividends on UGI Utilities Series Preferred Stock	(0.4)	(0.4)	(1.2)	(1.2)
Net income (loss)	$ (4.7)	$ 11.4	$ 55.2	$ 66.9
Earnings (loss) per share:				
Basic	$ (0.17)	$ 0.36	$ 2.02	$ 2.06
Diluted	$ (0.17)	$ 0.36	$ 2.02	$ 2.06
Average common shares outstanding:				
Basic	27.190	31.672	27.270	32.420
Diluted	27.190	31.711	27.300	32.474
Dividends declared per share	$ 0.3875	$ 0.375	$ 1.1375	$ 1.095

	Twelve Months Ended June 30, 2000	Twelve Months Ended June 30, 1999
Revenues:		
AmeriGas Propane	$ 1,067.4	$ 851.8
UGI Utilities	431.4	418.0
International Propane	38.5	--
Energy Services and other	127.0	87.4
	1,664.3	1,357.2
Costs and expenses:		
AmeriGas Propane cost of sales	579.9	368.4
UGI Utilities - gas, fuel and purchased power	214.4	202.9
International Propane cost of sales	22.3	--
Energy Services and other cost of sales	120.1	82.2
Operating and administrative expenses	452.2	427.8
Utility taxes other than income taxes	18.4	25.3

Depreciation and amortization	93.6	89.3
Other income, net	(23.3)	(11.5)
	1,477.6	1,184.4
Operating income	186.7	172.8
Merger fee income, net	--	19.9
Interest expense	(93.6)	(83.9)
Minority interest in AmeriGas Partners	(7.6)	(9.9)
Income (loss) before income taxes and subsidiary preferred stock dividends	85.5	98.9
Income tax (expense) benefit	(39.9)	(42.2)
Dividends on UGI Utilities Series Preferred Stock	(1.6)	(1.6)
Net income (loss)	$ 44.0	$ 55.1
Earnings (loss) per share:		
Basic	$ 1.56	$ 1.69
Diluted	$ 1.56	$ 1.69
Average common shares outstanding:		
Basic	28.188	32.538
Diluted	28.217	32.597
Dividends declared per share	$ 1.5125	$ 1.46

See accompanying notes to consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

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

	Nine Months Ended June 30,		Twelve Months Ended June 30,	
	2000	1999	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 55.2	$ 66.9	$ 44.0	$ 55.1
Reconcile to net cash provided by operating activities:				
Depreciation and amortization	70.8	66.9	93.6	89.3
Minority interest in AmeriGas Partners	19.7	22.8	7.6	9.9
Deferred income taxes, net	1.6	0.1	9.2	3.4
Other, net	5.9	7.0	5.4	6.2
	153.2	163.7	159.8	163.9
Net change in:				
Accounts receivable and accrued utility revenues	(50.0)	(24.4)	(50.1)	(6.8)
Inventories and prepaid propane purchases	(1.2)	23.5	(29.7)	20.6
Deferred fuel costs	7.9	6.9	(4.1)	(3.8)
Accounts payable	8.8	(12.5)	38.7	1.8
Other current assets and liabilities	(1.2)	(13.5)	1.1	(1.8)
Net cash provided by operating activities	117.5	143.7	115.7	173.9
CASH FLOWS FROM INVESTING ACTIVITIES:				
Expenditures for property, plant and equipment	(50.2)	(51.5)	(68.9)	(74.3)
Net proceeds from disposals of assets	4.4	2.6	6.7	5.2
Acquisitions of businesses, net of cash acquired	(55.9)	(3.2)	(130.3)	(4.4)
Investments in joint venture partnerships	--	(4.9)	--	(6.9)
Short-term investments decrease	11.2	76.4	1.5	96.5
Other, net	(1.0)	(5.4)	(1.0)	(3.5)
Net cash provided by investing activities	(91.5)	14.0	(192.0)	12.6
CASH FLOWS FROM FINANCING ACTIVITIES:				
Dividends on Common Stock	(30.9)	(36.4)	(42.4)	(48.4)
Distributions on Partnership public Common Units	(29.4)	(29.2)	(39.2)	(39.0)
Issuance of long-term debt	210.2	75.8	308.1	85.8
Repayment of long-term debt	(87.5)	(63.4)	(95.0)	(71.2)
AmeriGas Propane bank loans increase	3.0	10.0	5.0	9.0
UGI Utilities bank loans increase (decrease)	(25.5)	(8.8)	2.3	8.9
Other bank loans decrease	(9.3)	--	(9.3)	--
Issuance of treasury stock	3.0	3.4	4.3	4.9
Repurchases of Common Stock	(8.6)	(23.2)	(118.5)	(26.1)
Net cash provided (used) by financing activities	25.0	(71.8)	15.3	(76.1)
FOREIGN CURRENCY EXCHANGE EFFECT ON CASH:	(0.2)	--	(0.2)	--
Cash and cash equivalents increase (decrease)	$ 50.8	$ 85.9	$(61.2)	$110.4
Cash and cash equivalents:				
End of period	$ 91.3	$152.5	$ 91.3	$152.5
Beginning of period	40.5	66.6	152.5	42.1
Increase (decrease)	$ 50.8	$ 85.9	$(61.2)	$110.4

During the twelve months ended June 30, 2000 and 1999, UGI Utilities, Inc. paid cash dividends to UGI of $36.0 and $29.0, respectively. During the twelve months ended June 30, 2000 and 1999, AmeriGas, Inc. paid cash dividends to UGI of $46.6 and $48.2, respectively. During those same periods, UGI paid cash dividends to holders of Common Stock of $42.4 and $48.4, respectively. The ability of UGI to declare and pay cash dividends on its Common Stock is dependent upon its cash balances and the receipt of cash dividends from its wholly owned subsidiaries, principally UGI Utilities, Inc. and AmeriGas, Inc. AmeriGas's ability to pay dividends is dependent upon distributions paid by the Partnership.

See accompanying notes to consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(Millions of dollars, except per share amounts)

1. BASIS OF PRESENTATION

UGI Corporation ("UGI") is a holding company with three primary subsidiaries. Our natural gas utility and electric utility operations are conducted through a wholly owned subsidiary, UGI Utilities, Inc. ("UGI Utilities"). UGI Utilities owns and operates a natural gas distribution utility ("Gas Utility") in parts of eastern and southeastern Pennsylvania and an electric utility generation and distribution operation ("Electric Utility") in northeastern Pennsylvania (together we refer to them as "Utilities"). We conduct a national propane distribution business through AmeriGas Partners, L.P. ("AmeriGas Partners") and its operating subsidiary, AmeriGas Propane, L.P. (the "Operating Partnership"), both of which are Delaware limited partnerships. We refer to AmeriGas Partners and the Operating Partnership together as "the Partnership." At June 30, 2000, UGI, through subsidiaries, held an effective 2% general partner interest and a 56.4% limited partner interest in the Operating Partnership. Our wholly owned subsidiary, UGI Enterprises, Inc. ("Enterprises"), conducts an energy marketing business through its wholly owned subsidiary, UGI Energy Services, Inc. ("Energy Services"). Through other subsidiaries, Enterprises (1) owns and operates a propane distribution business in Austria, the Czech Republic and Slovakia, (2) owns and operates a newly formed retail hearth products business in the Middle Atlantic region of the U.S., and (3) participates in propane joint-venture projects in Romania and China.

Our condensed consolidated financial statements include the accounts of UGI and its majority-owned subsidiaries, together referred to as "we" or "the Company." We eliminate all significant intercompany accounts and transactions when we consolidate. We report the public unitholders' interest in AmeriGas Partners' results of operations and net assets as minority interest in the condensed consolidated statements of income and balance sheets. We have reclassified certain prior-period balances to conform with the current period presentation.

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. They include all adjustments which we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consisted only of normal recurring items unless otherwise disclosed. These financial statements should be read in conjunction with the financial statements and the related notes included in our Annual Report on Form 10-K, as amended, for the year ended September 30, 1999 ("Company's 1999 Annual Report"). Due to the seasonal nature of our businesses, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

The Company's other comprehensive income (loss) for the three and nine months ended June 30, 2000 as determined under Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," was approximately $(0.5) million.

2. SEGMENT INFORMATION

Based upon SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"), we have determined that the Company has five business segments: (1) a U.S. propane distribution business ("AmeriGas Propane"), (2) a natural gas utility operating in eastern Pennsylvania ("Gas Utility"), (3) an electricity distribution and generation operation in northeastern Pennsylvania ("Electric Utility"), (4) an energy marketing business arranging the supply and transportation of natural gas and electricity to customers in the Middle Atlantic states ("Energy Services"), and (5) an international propane distribution segment comprising a wholly owned propane distribution business in eastern Europe and joint-venture projects in Romania and China ("International Propane"). Although AmeriGas Propane and Gas Utility are the only segments that meet the SFAS 131 quantitative thresholds for reportable segments, the Company has included supplemental segment information for Electric Utility, Energy Services, and International Propane.

The accounting policies of the five segments disclosed are the same as those described in the Significant Accounting Policies note contained in the Company's 1999 Annual Report. We evaluate our AmeriGas Propane and International Propane segments' performance principally based on their earnings before interest expense, income taxes, depreciation and amortization ("EBITDA"). Although we use EBITDA to evaluate these segments' performance, it should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under generally accepted accounting principles. We evaluate the performance of Gas Utility, Electric Utility, and Energy Services principally based upon their earnings before income taxes.

No single customer represents more than 5% of consolidated revenues. In addition, all of our reportable segments' revenues, other than those of our International Propane segment, are derived from sources within the U. S., and all of our reportable segments' long-lived assets, other than those of our International Propane segment, are located in the U.S. Financial information by business segment follows:

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(unaudited)
(Millions of dollars, except per share amounts)

2. SEGMENT INFORMATION (CONTINUED)

Three Months Ended June 30, 2000:

	Total	Elims.	AmeriGas Propane	Gas Utility	Electric Utility
Revenues	$ 335.9	$ (0.8)	$ 209.7	$ 59.3	$ 18.3
Segment profit (loss):					
EBITDA	$ 32.5	$ --	$ 14.0	$ 14.3	$ 3.8
Depreciation and amortization	(23.8)	--	(17.0)	(4.9)	(0.9)
Operating income (loss)	8.7	--	(3.0)	9.4	2.9
Interest expense	(24.3)	--	(18.7)	(3.8)	(0.6)
Minority interest	8.9	--	8.9	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ (6.7)	$ --	$ (12.8)	$ 5.6	$ 2.3
Segment assets (at period end)	$ 2,230.0	$ (14.7)	$ 1,286.6	$ 615.3	$ 96.8
Investment in equity investees	$ 5.8	$ --	$ --	$ --	$ --

	Energy Services	International Propane	Other Enterprises	Corp. & Other
Revenues	$ 38.2	$ 9.2	$ 1.2	$ 0.8
Segment profit (loss):				
EBITDA	$ 0.6	$ (0.3)	$ (1.4)	$ 1.5
Depreciation and amortization	(0.1)	(0.7)	(0.1)	(0.1)
Operating income (loss)	0.5	(1.0)	(1.5)	1.4
Interest expense	--	(1.1)	--	(0.1)
Minority interest	--	--	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 0.5	$ (2.1)	$ (1.5)	$ 1.3
Segment assets (at period end)	$ 36.0	$ 123.9	$ 7.6	$ 78.5
Investment in equity investees	$ --	$ 5.8	$ --	$ --

Three Months Ended June 30, 1999:

	Total	Elims.	AmeriGas Propane	Gas Utility	Electric Utility
Revenues	$ 259.3	$ (0.8)	$ 162.0	$ 60.4	$ 16.9
Segment profit (loss):					
EBITDA	$ 32.0	$ --	$ 14.3	$ 11.3	$ 5.3
Depreciation and amortization	(22.6)	--	(16.6)	(4.7)	(1.1)
Operating income (loss)	9.4	--	(2.3)	6.6	4.2
Merger fee income, net	21.5	--	--	--	--
Interest expense	(21.0)	--	(16.6)	(3.6)	(0.6)
Minority interest	7.8	--	7.8	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 17.7	$ --	$ (11.1)	$ 3.0	$ 3.6
Segment assets (at period end)	$ 2,078.9	$ (15.3)	$ 1,202.5	$ 608.6	$ 95.4
Investment in equity investees	$ 6.1	$ --	$ --	$ --	$ --

	Energy Services	International Propane	Other Enterprises	Corp. & Other
Revenues	$ 20.0	$ --	$ --	$ 0.8
Segment profit (loss):				
EBITDA	$ 0.9	$ --	$ (0.9)	$ 1.1
Depreciation and amortization	--	--	--	(0.2)
Operating income (loss)	0.9	--	(0.9)	0.9
Merger fee income, net	--	--	--	21.5
Interest expense	--	--	--	(0.2)
Minority interest	--	--	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 0.9	$ --	$ (0.9)	22.2
Segment assets (at period end)	$ 15.5	$ 6.2	$ 1.3	$ 164.7
Investment in equity investees	$ --	$ 6.1	$ --	$ --

(Millions of dollars, except per share amounts)

2. SEGMENT INFORMATION (CONTINUED)

Nine Months Ended June 30, 2000:

	Total	Elims.	AmeriGas Propane	Gas Utility	Electric Utility
Revenues	$1,412.9	$ (2.3)	$ 899.6	$ 310.1	$ 58.5
Segment profit (loss):					
EBITDA	$ 268.1	$ --	$ 152.2	$ 96.7	$ 15.6
Depreciation and amortization	(70.8)	--	(50.3)	(14.3)	(2.9)
Operating income (loss)	197.3	--	101.9	82.4	12.7
Interest expense	(72.1)	--	(54.7)	(12.1)	(1.7)
Minority interest	(19.7)	--	(19.7)	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 105.5	$ --	$ 27.5	$ 70.3	$ 11.0
Segment assets (at period end)	$2,230.0	$ (14.7)	$1,286.6	$ 615.3	$ 96.8
Investment in equity investees	$ 5.8	$ --	$ --	$ --	$ --

	Energy Services	International Propane	Other Enterprises	Corp. & Other
Revenues	$ 103.8	$ 38.5	$ 2.4	$ 2.3
Segment profit (loss):				
EBITDA	$ 2.3	$ 1.6	$ (4.1)	$ 3.8
Depreciation and amortization	(0.2)	(2.7)	(0.2)	(0.2)
Operating income (loss)	2.1	(1.1)	(4.3)	3.6
Interest expense	--	(3.2)	--	(0.4)
Minority interest	--	--	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 2.1	$ (4.3)	$ (4.3)	$ 3.2
Segment assets (at period end)	$ 36.0	$ 123.9	$ 7.6	$ 78.5
Investment in equity investees	$ --	$ 5.8	$ --	$ --

Nine Months Ended June 30, 1999:

	Total	Elims.	AmeriGas Propane	Gas Utility	Electric Utility
Revenues	$ 1,132.2	$ (1.6)	$ 704.7	$ 302.6	$ 55.2
Segment profit (loss):					
EBITDA	$ 253.4	$ --	$ 154.1	$ 81.6	$ 15.0
Depreciation and amortization	(66.9)	--	(49.4)	(14.2)	(3.0)
Operating income (loss)	186.5	--	104.7	67.4	12.0
Merger fee income, net	19.9	--	--	--	--
Interest expense	(63.1)	--	(49.6)	(11.1)	(1.9)
Minority interest	(22.8)	--	(22.8)	--	--
Income (loss) before income					

taxes and subsidiary preferred stock dividends	$ 120.5	$ --	$ 32.3	$ 56.3	$ 10.1
Segment assets (at period end)	$ 2,078.9	$ (15.3)	$ 1,202.5	$ 608.6	$ 95.4
Investment in equity investees	$ 6.1	$ --	$ --	$ --	$ --

	Energy Services	International Propane	Other Enterprises	Corp. & Other
Revenues	$ 69.7	$ --	$ --	$ 1.6
Segment profit (loss):				
EBITDA	$ 2.1	$ (0.3)	$ (3.6)	$ 4.5
Depreciation and amortization	--	--	--	(0.3)
Operating income (loss)	2.1	(0.3)	(3.6)	4.2
Merger fee income, net	--	--	--	19.9
Interest expense	--	--	--	(0.5)
Minority interest	--	--	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 2.1	$ (0.3)	$ (3.6)	$ 23.6
Segment assets (at period end)	$ 15.5	$ 6.2	$ 1.3	$ 164.7
Investment in equity investees	$ --	$ 6.1	$ --	$ --

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(unaudited)
(Millions of dollars, except per share amounts)

2. SEGMENT INFORMATION (CONTINUED)

Twelve Months Ended June 30, 2000:

	Total	Elims.	AmeriGas Propane	Gas Utility	Electric Utility
Revenues	$1,664.3	$ (3.0)	$1,067.4	$ 353.1	$ 78.3
Segment profit (loss):					
EBITDA	$ 280.3	$ --	$ 156.9	$ 102.1	$ 17.3
Depreciation and amortization	(93.6)	--	(67.2)	(19.1)	(3.9)
Operating income (loss)	186.7	--	89.7	83.0	13.4
Interest expense	(93.6)	--	(71.6)	(16.2)	(2.1)
Minority interest	(7.6)	--	(7.6)	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 85.5	$ --	$ 10.5	$ 66.8	$ 11.3
Segment assets (at period end)	$2,230.0	$ (14.7)	$1,286.6	$ 615.3	$ 96.8
Investment in equity investees	$ 5.8	$ --	$ --	$ --	$ --

	Energy Services	International Propane	Other Enterprises	Corp. & Other
Revenues	$ 124.5	$ 38.5	$ 2.5	$ 3.0
Segment profit (loss):				
EBITDA	$ 2.9	$ 1.8	$ (6.2)	$ 5.5
Depreciation and amortization	(0.3)	(2.7)	(0.2)	(0.2)
Operating income (loss)	2.6	(0.9)	(6.4)	5.3
Interest expense	--	(3.2)	--	(0.5)
Minority interest	--	--	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 2.6	$ (4.1)	$ (6.4)	$ 4.8
Segment assets (at period end)	$ 36.0	$ 123.9	$ 7.6	$ 78.5
Investment in equity investees	$ --	$ 5.8	$ --	$ --

Twelve Months Ended June 30, 1999:

	Total	Elims.	AmeriGas Propane	Gas Utility	Electric Utility
Revenues	$ 1,357.2	$ (2.1)	$ 851.8	$ 344.9	$ 73.1
Segment profit (loss):					
EBITDA	$ 262.1	$ --	$ 156.0	$ 84.9	$ 17.7
Depreciation and amortization	(89.3)	--	(66.1)	(18.8)	(4.0)
Operating income (loss)	172.8	--	89.9	66.1	13.7
Merger fee income, net	19.9	--	--	--	--
Interest expense	(83.9)	--	(65.6)	(15.1)	(2.5)
Minority interest	(9.9)	--	(9.9)	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 98.9	$ --	$ 14.4	$ 51.0	$ 11.2

Segment assets (at period end)	$ 2,078.9	$ (15.3)	$ 1,202.5	$ 608.6	$ 95.4
Investment in equity investees	$ 6.1	$ --	$ --	$ --	$ --

	Energy Services	International Propane	Other Enterprises	Corp. & Other
Revenues	$ 87.4	$ --	$ --	$ 2.1
Segment profit (loss):				
EBITDA	$ 2.3	$ (0.8)	$ (4.6)	$ 6.6
Depreciation and amortization	(0.1)	--	--	(0.3)
Operating income (loss)	2.2	(0.8)	(4.6)	6.3
Merger fee income, net	--	--	--	19.9
Interest expense	--	--	--	(0.7)
Minority interest	--	--	--	--
Income (loss) before income taxes and subsidiary preferred stock dividends	$ 2.2	$ (0.8)	$ (4.6)	$ 25.5
Segment assets (at period end)	$ 15.5	$ 6.2	$ 1.3	$ 164.7
Investment in equity investees	$ --	$ 6.1	$ --	$ --

3. COMMITMENTS AND CONTINGENCIES

The Partnership has succeeded to certain lease guarantee obligations of Petrolane Incorporated ("Petrolane"), a predecessor company of the Partnership, relating to Petrolane's divestiture of nonpropane operations before its 1989 acquisition by QFB Partners. Future lease payments under these leases total approximately $35 million. The leases expire through 2010, and some of them are currently in default. The Partnership has succeeded to the indemnity agreement of Petrolane by which Texas Eastern Corporation ("Texas Eastern"), a prior owner of Petrolane, agreed to indemnify Petrolane against any liabilities arising out of the conduct of businesses that do not relate to, and are not a part of, the propane business, including lease guarantees. To date, Texas Eastern has directly satisfied defaulted lease obligations without the Partnership's having to honor its guarantee.

In addition, the Partnership has succeeded to Petrolane's agreement to indemnify Shell Petroleum N.V. ("Shell") for various scheduled claims, including claims related to antitrust actions, that were pending against Tropigas de Puerto Rico ("Tropigas"). Petrolane had entered into this indemnification agreement in conjunction with its sale of the international operations of Tropigas to Shell in 1989. The Partnership also succeeded to Petrolane's right to seek indemnity on these claims first from International Controls Corp., which sold Tropigas to Petrolane, and then from Texas Eastern. To date, neither the Partnership nor Petrolane has paid any sums under this indemnity. In 1999, a case brought by an unsuccessful entrant into the Puerto Rican propane market was dismissed by the Supreme Court of Puerto Rico for lack of subject matter jurisdiction, with the Court concluding that the Public Service Commission of Puerto Rico has exclusive jurisdiction over the matter. In the only pending litigation, the Supreme Court of Puerto Rico denied the motion of the defendants to dismiss, remanding the matter to the trial court for proceedings consistent with its ruling. In this case the plaintiff seeks treble damages in excess of $11.7 million.

The Partnership believes the probability that it will be required to directly satisfy the above-described lease obligations and the remaining claim subject to the indemnification agreements is remote.

We, along with other companies, have been named as a potentially responsible party ("PRP") in several administrative proceedings and private party recovery actions for the cleanup or recovery of costs associated with cleanup of various waste sites, including some Superfund sites. In addition, we have identified environmental contamination at several of our properties and have voluntarily undertaken investigation and, as appropriate, remediation of these sites in cooperation with appropriate environmental agencies or private parties.

The gas distribution business has been one of UGI Utilities' main businesses since it began in 1882. Prior to the construction of major natural gas pipelines in the 1950s, gas used for lighting and heating was produced at manufactured gas plants ("MGPs") from processes involving coal, coke or oil. Some constituents of coal tars produced from this process are today considered hazardous substances under the Superfund Law and may be located at these sites. At sites where a former subsidiary of UGI Utilities operated an MGP, we believe that UGI Utilities should not have significant liability because UGI Utilities generally is not legally liable for the obligations of its subsidiaries. Under certain circumstances, however, a court could find a parent company liable for environmental damage at sites owned by a subsidiary company when the parent company either (1) itself operated the facility causing the environmental damage or (2) otherwise so controlled the subsidiary that the subsidiary's separate corporate form should be disregarded. There could be, therefore, significant future costs of an uncertain amount associated with environmental damage caused by MGPs that UGI Utilities owned or directly operated, or that were owned or operated by former subsidiaries of UGI Utilities, if a court were to conclude that the subsidiary's separate corporate form should be disregarded. In many circumstances where UGI Utilities may be liable, we may not be able to reasonably quantify expenditures because of a number of factors. These factors include the various costs associated with potential remedial alternatives, the unknown number of other potentially responsible parties involved and their ability to contribute to the costs of investigation and remediation, and changing environmental laws and regulations.

UGI Utilities has filed suit against more than fifty insurance companies alleging that the defendants breached contracts of insurance by failing to indemnify UGI Utilities for certain environmental costs. The suit seeks to recover more than $11 million in costs incurred by UGI Utilities at various MGPs. The parties have agreed to stay the litigation pending the voluntary exchange of documents and settlement negotiations. To date, UGI Utilities has entered into settlement agreements with several of the insurers and during the three months ended March 31, 2000 recorded pretax income of $2.4 million which is net of recoveries applied to site-specific environmental costs associated with Pennsylvania sites.

In addition to these matters, there are other pending claims and legal actions arising in the normal course of our businesses. We cannot predict with certainty the final results of environmental and other matters. However, it is reasonably possible that some of them could be resolved unfavorably to us. Management believes, after consultation with counsel, that damages or settlements, if any, recovered by the plaintiffs in such claims or actions will not have a material adverse effect on our financial position but could be material to our operating results or cash flows in future periods depending on the nature and timing of future developments with respect to these matters and the amounts of future operating results and cash flows.

4. PRO FORMA FINANCIAL INFORMATION

On September 21, 1999, Enterprises, through subsidiaries, acquired all of the outstanding stock of FLAGA Beteiligungs Aktiengesellschaft ("FLAGA") for net cash consideration of $73.7 million and the assumption of approximately $18 million of debt. The purchase price has been allocated to the net assets acquired based upon their estimated fair values. Unaudited pro forma revenues, net income (loss) and diluted earnings (loss) per share of the Company for the three and nine months ended June 30, 1999 as if the acquisition of FLAGA had occurred as of October 1, 1998 are $271.9 million, $9.8 million, and $0.31; and $1,171.9 million, $65.5 million and $2.02, respectively. The pro forma results of operations give effect to FLAGA's historical operating results in accordance with U.S. generally accepted accounting principles and adjustments for interest expense, goodwill amortization and depreciation expense, and income taxes, but do not adjust for normal weather conditions and anticipated operating efficiencies. In management's opinion, the unaudited pro forma results are not indicative of the actual results that would have occurred had the acquisition of FLAGA occurred as of October 1, 1998, or of future operating results under the ownership and management of the Company.

During the nine months ended June 30, 2000, the Partnership acquired several retail propane distribution businesses for net cash consideration of $55.9 million. These acquisitions have been accounted for by the purchase method of accounting. Accordingly, the purchase price has been preliminarily allocated to the assets and liabilities based upon their estimated fair values with the balance of the purchase price recorded as goodwill. Results of those acquired businesses are included in the consolidated results from the date of their acquisition. On a pro forma basis, these acquired businesses would not have had a material impact on the Company's results of operations for the periods presented.

5. NATURAL GAS COMPETITION ACT

On June 22, 1999, Pennsylvania's Natural Gas Choice and Competition Act ("Gas Competition Act") was signed into law. The purpose of the Gas Competition Act is to provide all natural gas consumers in Pennsylvania with the ability to purchase their gas supplies from the supplier of their choice. Under the Gas Competition Act, local gas distribution companies ("LDCs") may continue to sell gas to customers, and such sales of gas, as well as distribution services provided by LDCs, continue to be subject to price regulation by the Pennsylvania Public Utility Commission ("PUC"). The Gas Competition Act, in conjunction with a companion bill, eliminated the gross receipts tax on sales of gas commencing January 1, 2000.

Generally, LDCs will serve as the supplier of last resort for all residential and small commercial and industrial customers unless the PUC approves another supplier of last resort. LDCs are generally precluded from increasing rates for the recovery of costs, other than gas costs, until January 1, 2001. The Gas Competition Act requires energy marketers seeking to serve customers of LDCs to accept assignment of a portion of the LDC's interstate pipeline capacity and storage contracts at contract rates, thus avoiding the creation of stranded costs. After July 1, 2002, a natural gas supplier may petition the PUC to avoid such contract release or assignment. The PUC, however, may only grant the petition if certain findings are made and the LDC fully recovers the cost of contracts.

On October 1, 1999, Gas Utility filed its restructuring plan with the PUC pursuant to the Gas Competition Act. On June 29, 2000, the PUC entered its order ("Gas Restructuring Order") in Gas Utility's restructuring plan approving such plan substantially as filed. The Company does not believe the Gas Competition Act and the Gas Restructuring Order will have a material adverse impact on its financial condition or results of operations.

UGI CORPORATION AND SUBSIDIARIES

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

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare our results of operations for (1) the three months ended June 30, 2000 ("2000 three-month period") with the three months ended June 30, 1999 ("1999 three-month period"); (2) the nine months ended June 30, 2000 ("2000 nine-month period") with the nine months ended June 30, 1999 ("1999 nine-month period"); and (3) the twelve months ended June 30, 2000 ("2000 twelve-month period") with the twelve months ended June 30, 1999 ("1999 twelve-month period"). Our analyses of results of operations should be read in conjunction with the segment information included in Note 2 to Condensed Consolidated Financial Statements.

2000 THREE-MONTH PERIOD COMPARED WITH 1999 THREE-MONTH PERIOD

Three Months Ended June 30,	2000	1999	Increase (Decrease)	
(Millions of dollars)				
AMERIGAS PROPANE:				
Revenues	$209.7	$162.0	$ 47.7	29.4%
Total margin	$ 90.3	$ 91.0	$ (0.7)	(0.8)%
EBITDA (c)	$ 14.0	$ 14.3	$ (0.3)	(2.1)%
Operating loss	$ (3.0)	$ (2.3)	$ 0.7	30.4%
Retail gallons sold (millions)	135.4	140.5	(5.1)	(3.6)%
Degree days - % warmer than normal (a)	9.0	3.8	--	--
GAS UTILITY:				
Revenues	$ 59.3	$ 60.4	$ (1.1)	(1.8)%
Total margin (b)	$ 31.7	$ 30.0	$ 1.7	5.7%
EBITDA (c)	$ 14.3	$ 11.3	$ 3.0	26.5%
Operating income	$ 9.4	$ 6.6	$ 2.8	42.4%
System throughput - billions of cubic feet ("bcf")	15.4	14.7	0.7	4.8%
Degree days - % warmer than normal	7.4	15.5	--	--
ELECTRIC UTILITY:				
Revenues	$ 18.3	$ 16.9	$ 1.4	8.3%
Total margin (b)	$ 9.2	$ 10.8	$ (1.6)	(14.8)%
EBITDA (c)	$ 3.8	$ 5.3	$ (1.5)	(28.3)%
Operating income	$ 2.9	$ 4.2	$ (1.3)	(30.1)%
Sales - millions of kilowatt hours ("gwh")	205.5	198.2	7.3	3.7%
ENERGY SERVICES:				
Revenues	$ 38.2	$ 20.0	$ 18.2	91.0%
Total margin	$ 1.4	$ 1.7	$ (0.3)	(17.6)%
EBITDA (c)	$ 0.6	$ 0.9	$ (0.3)	(33.3)%
Operating income	$ 0.5	$ 0.9	$ (0.4)	(44.4)%
INTERNATIONAL PROPANE:				
Revenues	$ 9.2	$ --	$ 9.2	N.M.
Total margin	$ 4.0	$ --	$ 4.0	N.M.
EBITDA (c) (d)	$ (0.3)	$ --	$ (0.3)	N.M.
Operating income (loss) (d)	$ (1.0)	$ --	$ (1.0)	N.M.

(a) Based upon national weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for 335 airports in the continental U.S.
(b) Gas and Electric utilities' total margin represents revenues less cost of sales and revenue-related taxes, i.e. gross receipts taxes. For financial statement purposes, revenue-related taxes are included in "Utility taxes other than income taxes" on the condensed consolidated statements of income.
(c) EBITDA (earnings before interest expense, income taxes, depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under generally accepted accounting principles.
(d) Includes equity in net income (loss) of international joint ventures.
N.M. Not meaningful.

AMERIGAS PROPANE. Weather during the 2000 three-month period was 9.0% warmer than normal and 5.4% warmer than last year. Temperatures in the Partnership's mountain and western regions, which typically comprise a substantial portion of heating-related volume in the spring season, were significantly warmer than normal. The warmer temperatures and price-induced deferrals of purchases by customers resulted in a 5.1 million gallon decrease in retail volumes sold. Wholesale volumes of propane sold increased 26.3 million gallons reflecting higher sales associated with product cost management activities.

Total revenues from retail propane sales increased $27.1 million during the 2000 three-month period reflecting a $31.8 million increase as a result of higher average selling prices partially offset by the impact of the lower retail gallons sold. Wholesale propane revenues increased $20.3 million due about equally to the higher volumes sold and higher average selling prices. The increase in retail and wholesale selling prices resulted from higher propane product costs. Cost of sales in the 2000 three-month period increased $48.3 million as a result of the higher propane product costs and the increase in wholesale volumes.

Total margin for the 2000 three-month period was $0.7 million (0.8%) lower than the prior-year period as the impact of lower retail volumes sold to residential and commercial customers was offset by slightly higher average unit margins and greater total margin from PPX Prefilled Propane Xchange(R) ("PPX (R)").

EBITDA for the 2000 three-month period was $0.3 million (2.1%) lower than the prior-year period as the slightly lower total margin was offset by slightly lower total operating expenses. Operating expenses of the Partnership were $77.9 million in the 2000 three-month period compared to $78.3 million in the prior-year period. Operating expenses in the 2000 three-month period are net of $3.3 million of income from adjustments to employee compensation and benefit accruals recorded earlier in the fiscal year. Excluding the impact of these adjustments, operating expenses were higher reflecting expenses associated with recent business acquisitions, higher vehicle fuel expenses, and expenses associated with new business initiatives, primarily PPX(R). Operating income declined $0.7 million reflecting higher depreciation and amortization expense.

GAS UTILITY. Weather in Gas utility's service territory during the 2000 three-month period was 7.4% warmer than normal but 9.6% colder than the prior-year period. The increase in total system throughput principally resulted from higher interruptible delivery service volumes and to a lesser extent higher core market sales resulting from an increase in the number of customers and the colder spring weather.

Gas Utility revenues declined $1.1 million in the 2000 three-month period as the impact on revenues from the greater interruptible delivery service volumes and higher core market sales was more than offset by (1) a $3.6 million decrease in off-system sales revenue and (2) the elimination of gross receipts tax ("GRT") revenue effective January 1, 2000 pursuant to the Gas Competition Act. Gas Utility cost of sales was $27.5 million in the 2000 three-month period, a decrease of $0.8 million, principally reflecting the lower off-system sales. Gas Utility total margin increased $1.7 million reflecting (1) increased margin from interruptible customers as a result of the higher interruptible throughput and a greater spread between oil and natural gas prices and (2) increased core market margin.

Gas Utility EBITDA and operating income increased $3.0 million and $2.8 million, respectively, during the 2000 three-month period. The increase reflects (1) the previously mentioned $1.7 million increase in total margin and (2) a decrease in operating and administrative expenses. Operating and administrative expenses, excluding depreciation and amortization, declined $1.3 million in the 2000 three-month period principally reflecting a decrease in distribution system maintenance expenses.

ELECTRIC UTILITY. Electric Utility sales during the 2000 three-month period increased slightly from the prior year. Revenues increased as a result of the higher sales as well as higher transmission revenues from alternate electric power suppliers. Electric Utility cost of sales was $8.3 million in the 2000 three-month period, an increase of $2.8 million from the prior-year period. Electric Utility cost of sales in the current-year period includes costs associated with the higher sales and transmission revenues. Cost of sales in the prior-year period includes a benefit of $1.5 million from a power supply agreement settlement.

Electric Utility's total margin decreased $1.6 million because the prior year included the beneficial impact of the previously mentioned power supply agreement settlement on 1999 three-month period results. The decline in EBITDA and operating income in the 2000 three-month period principally reflects the decrease in total margin.

ENERGY SERVICES. Total revenues from Energy Services increased $18.2 million in the 2000 three-month period primarily as a result of significantly higher natural gas prices and, to a much lesser extent, higher volumes sold including additional sales resulting from acquisition activity during the period. Notwithstanding the slightly higher sales, total margin was slightly lower due to lower average unit margins. The lower EBITDA and operating income reflect the decrease in total margin.

INTERNATIONAL PROPANE. Variances in international propane revenue, total margin, EBITDA and operating income (loss) are mainly due to the Company's European propane distribution operation, FLAGA, acquired in September 1999. Weather in Austria and the Czech Republic was nearly 50% warmer than normal during the 2000 three-month period. The warmer weather and customer conservation resulting from higher propane product costs adversely impacted volumes sold. Additionally, the higher propane costs negatively impacted FLAGA's unit margin.

CORPORATE AND OTHER ENTERPRISES. Corporate and other EBITDA and operating income in the 2000 three-month period were higher reflecting income from the sale of UTI Energy Corporation common stock. Other Enterprises' results in the 2000 three-month period reflects the operating results of the Company's retail hearth, grill and spa superstore business, Hearth USA(TM), while results in the prior-year period reflect pre-operating expenses associated with this business.

2000 NINE-MONTH PERIOD COMPARED WITH 1999 NINE-MONTH PERIOD

Nine Months Ended June 30,	2000	1999	Increase (Decrease)	
(Millions of dollars)				
AMERIGAS PROPANE:				
Revenues	$899.6	$704.7	$194.9	27.7%
Total margin	$406.2	$400.4	$ 5.8	1.4%
EBITDA	$152.2	$154.1	$ (1.9)	(1.2)%
Operating income	$101.9	$104.7	$ (2.8)	(2.7)%
Retail gallons sold (millions)	635.9	646.0	(10.1)	(1.6)%
Degree days - % warmer than normal	14.1	9.6	--	--
GAS UTILITY:				
Revenues	$310.1	$302.6	$ 7.5	2.5%
Total margin	$145.0	$136.3	$ 8.7	6.4%
EBITDA	$ 96.7	$ 81.6	$ 15.1	18.5%
Operating income	$ 82.4	$ 67.4	$ 15.0	22.3%
System throughput - billions of cubic feet ("bcf")	67.2	64.1	3.1	4.8%
Degree days - % warmer than normal	11.1	12.4	--	--
ELECTRIC UTILITY:				
Revenues	$ 58.5	$ 55.2	$ 3.3	6.0%
Total margin	$ 31.3	$ 30.7	$ 0.6	2.0%
EBITDA	$ 15.6	$ 15.0	$ 0.6	4.0%
Operating income	$ 12.7	$ 12.0	$ 0.7	5.8%
Sales - millions of kilowatt hours ("gwh")	689.5	676.6	12.9	1.9%
ENERGY SERVICES:				
Revenues	$103.8	$ 69.7	$ 34.1	48.9%
Total margin	$ 4.6	$ 4.5	$ 0.1	2.2%
EBITDA	$ 2.3	$ 2.1	$ 0.2	9.5%
Operating income	$ 2.1	$ 2.1	$ --	--
INTERNATIONAL PROPANE:				
Revenues	$ 38.5	$ --	$ 38.5	N.M.
Total margin	$ 16.1	$ --	$ 16.1	N.M.
EBITDA	$ 1.6	$ (0.3)	$ 1.9	N.M.
Operating loss	$ (1.1)	$ (0.3)	$ 0.8	N.M.

AMERIGAS PROPANE. Temperatures based upon heating degree days were 14.1% warmer than normal in the 2000 nine-month period and 4% warmer than the prior-year period. Retail propane volumes sold declined 10.1 million gallons as a result of the warmer weather's effect on heating-related sales partially offset by increased non-heating related PPX(R) and motor fuel sales. Wholesale volumes increased 54.7 million gallons as a result of higher wholesale sales associated with product cost management activities.

Total retail propane revenues increased $127.8 million reflecting a $136.9 million increase from higher average selling prices partially offset by a $9.1 million decrease from the lower retail volumes sold. Wholesale propane revenues increased $59.0 million reflecting a $38.2 million increase from higher wholesale prices and $20.8 million from the higher wholesale volumes sold. As previously mentioned, the higher propane selling prices reflect significantly higher propane product costs during the 2000 nine-month period. Other revenues increased $8.1 million reflecting, in part, higher customer fees and hauling, tank rent and PPX(R) cylinder sales revenue. Cost of sales in the 2000 nine-month period increased $189.2 million as a result of the higher propane product costs and the greater wholesale volumes sold.

Notwithstanding the lower retail volumes in the 2000 nine-month period, total margin increased $5.8 million principally as a result of (1) greater volumes sold to higher margin PPX(R) customers, (2) slightly higher average unit margins, and (3) an increase in margin from customer fees, tank rent and ancillary sales and services.

EBITDA declined $1.9 million, notwithstanding the slightly higher total margin, reflecting higher operating and administrative expenses in the 2000 nine-month period. Operating and administrative expenses of the Partnership were $259.4 million in the 2000 nine-month period compared to $250.6 million in the prior-year period. The increase in operating expenses includes (1) higher vehicle fuel costs and (2) higher expenses associated with the expansion of PPX(R) and other new business and acquisition activities. Operating income decreased $2.8 million in the 2000 nine-month period reflecting the decline in EBITDA and slightly higher charges for depreciation and amortization.

GAS UTILITY. Weather in Gas Utility's service territory in the 2000 nine-month period was 11.1% warmer than normal compared to weather that was 12.4% warmer than normal during the prior year period. More than eighty percent of the increase in system throughput during the 2000 nine-month period resulted from increased delivery service volumes to interruptible customers with the remainder representing higher sales to core market customers.

The increase in Gas Utility's revenues during the 2000 nine-month period principally resulted from (1) a $7.4 million increase in core market revenues, reflecting higher sales and higher average purchased gas cost ("PGC") rates partially offset by the impact of the elimination of GRT effective January 1, 2000, and (2) a $6.5 million increase in revenues from interruptible customers. These increases in revenue were partially offset by lower off-system sales revenues and lower firm delivery service revenues. Gas Utility cost of gas was $161.1 million in the 2000 nine-month period compared with $154.4 million in the prior-year period. The increase reflects higher average PGC rates and higher core market sales partially offset by lower costs associated with the previously mentioned decline in off-system sales.

Gas Utility total margin increased $8.7 million reflecting (1) a $4.4 million increase in total interruptible retail and interruptible delivery service margin; (2) a $3.2 million increase in core market margin; and (3) slightly higher firm delivery service total margin.

Gas Utility EBITDA and operating income increased $15.1 million and $15.0 million, respectively, during the 2000 nine-month period as a result of (1) the higher total margin; (2) a $3.7 million increase in other income; and (3) a decrease in net operating expenses. Other income in the 2000 nine-month period includes (1) income from the refund of revenue-related tax overpayments made in prior years (including associated interest); (2) interest income from purchased gas cost undercollections; and (3) higher income from a construction project and other activities. Gas Utility's net operating expenses declined $2.8 million reflecting higher costs associated with environmental matters and customer accounts more than offset by (1) $2.4 million in income from an insurance settlement and (2) $0.9 million from adjustments to incentive compensation accruals recorded in the three months ended December 31, 1999.

ELECTRIC UTILITY. Electric sales for the 2000 nine-month period increased 1.9% on weather that was slightly colder than in the prior year. Revenues increased as a result of the higher sales as well as an increase in transmission revenues from alternate electric power suppliers selling electricity to some of our customers. Cost of sales increased to $24.7 million in the 2000 nine-month period from $22.2 million in the prior year reflecting the higher sales and higher costs associated with the greater transmission revenues.

Electric Utility operations total margin increased $0.6 million principally reflecting the impact of the higher sales. EBITDA and operating income also increased reflecting higher total margin and a $2.0 million increase in other income. These increases were partially offset by higher utility realty taxes and greater power production maintenance expenses.

ENERGY SERVICES. Revenues increased $34.0 million during the 2000 nine-month period primarily as a result of higher natural gas prices. Total margin, EBITDA and operating income were approximately equal to the prior-year period, despite slightly higher volumes sold, due to lower average unit margins.

INTERNATIONAL PROPANE. International Propane results for the nine months ended June 30, 2000 include FLAGA, acquired September 1999. The results of FLAGA during the 2000 nine-month period were adversely affected by warmer than normal weather and higher propane supply costs resulting in lower than normal unit margins and price-induced conservation.

CORPORATE AND OTHER ENTERPRISES. The decrease in corporate and other EBITDA and operating income reflects lower interest income on cash investments. Other Enterprise' results in the 2000 nine-month period primarily reflects the operating results of Hearth USA(TM). The prior-year nine-month period includes due diligence expenses associated with Enterprises' domestic and international new business activities as well as start-up expenses associated with Hearth USA(TM).

2000 TWELVE-MONTH PERIOD COMPARED WITH 1999 TWELVE-MONTH PERIOD

Twelve Months Ended June 30,	2000	1999	Increase (Decrease)	
(Millions of dollars)				
AMERIGAS PROPANE:				
Revenues	$1,067.4	$ 851.8	$ 215.6	25.3%
Total margin	$ 487.5	$ 483.4	$ 4.1	0.8%
EBITDA	$ 156.9	$ 156.0	$ 0.9	0.6%
Operating income	$ 89.7	$ 89.9	$ (0.2)	(0.2)%
Retail gallons sold (millions)	773.1	781.1	(8.0)	(1.0)%
Degree days - % warmer than normal	13.8	11.2	--	--
GAS UTILITY:				
Revenues	$ 353.1	$ 344.9	$ 8.2	2.4%
Total margin	$ 169.2	$ 159.8	$ 9.4	5.9%
EBITDA	$ 102.1	$ 84.9	$ 17.2	20.3%
Operating income	$ 83.0	$ 66.1	$ 16.9	25.6%
System throughput - billions of cubic feet ("bcf")	79.3	76.0	3.3	4.3%
Degree days - % warmer than normal	11.6	12.9	--	--
ELECTRIC UTILITY:				
Revenues	$ 78.3	$ 73.1	$ 5.2	7.1%
Total margin	$ 39.3	$ 39.0	$ 0.3	0.8%
EBITDA	$ 17.3	$ 17.7	$ (0.4)	(2.3)%
Operating income	$ 13.4	$ 13.7	$ (0.3)	(2.2)%
Sales - millions of kilowatt hours ("gwh")	913.3	890.4	22.9	2.6%
ENERGY SERVICES:				
Revenues	$ 124.5	$ 87.4	$ 37.1	42.4%
Total margin	$ 6.1	$ 5.2	$ 0.9	17.3%
EBITDA	$ 2.9	$ 2.3	$ 0.6	26.1%
Operating income	$ 2.6	$ 2.2	$ 0.4	18.2%
INTERNATIONAL PROPANE:				
Revenues	$ 38.5	$ --	$ 38.5	N.M.
Total margin	$ 16.1	$ --	$ 16.1	N.M.
EBITDA	$ 1.8	$ (0.8)	$ 2.6	N.M.
Operating loss	$ (0.9)	$ (0.8)	$ 0.1	N.M.

AMERIGAS PROPANE. Temperatures based upon heating degree days were 13.8% warmer than normal in the 2000 twelve-month period and 2.6% warmer than the 1999 twelve-month period. Retail propane gallons sold were 8.0 million gallons lower as reductions in heating-related sales were partially offset by higher motor fuel and PPX(R) sales. Wholesale volumes of propane sold increased 65.8 million gallons to 245.3 million gallons reflecting an increase in sales associated with propane product cost management activities.

Total retail propane revenues increased $137.3 million due to higher average retail propane selling prices. Wholesale propane revenue increased $66.8 million reflecting (1) a $41.9 million increase as a result of higher prices and (2) a $24.9 million increase as a result of higher wholesale volumes. Other revenues increased $11.7 million reflecting higher customer fees and higher hauling, tank rent, and ancillary sales and service revenue. Cost of sales increased $211.6 million as a result of higher propane product costs.

Total margin increased $4.1 million in the 2000 twelve-month period due to (1) higher total margin from our expanding PPX(R) cylinder exchange business, (2) slightly higher average unit margins, and (3) an increase in margin from customer fees, tank rent and ancillary sales and services.

EBITDA was $0.9 million higher in the 2000 twelve-month period as the increase in total margin and a $6.1 million increase in other income was partially offset by higher operating and administrative expenses. Other income in the 1999 twelve-month period is net of a $4.0 million loss from interest rate protection agreements. Other income in the 2000 twelve-month period includes, among other things, higher gains from asset sales and greater finance charge income. Operating expenses of the Partnership were $338.4 million in the 2000 twelve-month period compared with $329.6 million in the prior-year period. The increase in operating and administrative expenses includes higher vehicle fuel and repairs and maintenance expenses and expenses associated with new business activities. Operating income declined $0.2 million, despite the increase in EBITDA, reflecting a $1.1 million increase in depreciation and amortization expense.

GAS UTILITY. Weather in Gas Utility's service territory during the 2000 twelve-month period was 11.6% warmer than normal but 2.1% colder than the prior year. Total system throughput increased as a result of the colder weather and an increase in total customers.

The increase in Gas Utility's revenues during the 2000 twelve-month period resulted from (1) a $5.8 million increase in core market revenues (reflecting higher core market volumes and PGC rates less the elimination of GRT revenue effective January 1, 2000) and (2) a $7.5 million increase in interruptible delivery service revenues. Partially offsetting these revenue increases were lower firm delivery service revenues and lower revenues from off-system sales. Gas Utility cost of sales was $178.6 million in the 2000 twelve-month period compared with $171.9 million in the 1999 twelve-month period reflecting higher average purchased gas cost rates and the higher core market sales.

Gas Utility total margin increased $9.4 million reflecting (1) a $5.3 million increase in margin from interruptible customers as a result of higher volumes transported and higher average margins, (2) increased core market margin, and (3) a slight increase in firm delivery service margin.

Gas Utility EBITDA and operating income were higher in the 2000 twelve-month period principally as a result of the greater total margin, a $4.2 million increase in other income and slightly lower operating expenses. Other income in the 2000 twelve-month period includes (1) income from the refund of revenue-related tax overpayments made in prior years (including associated interest), (2) greater income from a construction project and other activities, and (3) interest income from purchased gas cost undercollections.

ELECTRIC UTILITY. Total kilowatt-hour sales were higher in the 2000 twelve-month period reflecting greater air-conditioning related sales during the fourth quarter of fiscal 1999 and an increase in the number of customers. Electric Utility revenues increased $5.2 million as a result of the increased sales and higher transmission revenues associated with alternate suppliers serving customers on our distribution system. Cost of sales increased $4.7 million reflecting the increase in total sales and costs associated with the higher transmission revenues.

Electric Utility's total margin increased $0.3 million principally as a result of the higher 2000 twelve-month period sales. EBITDA and operating income decreased $0.4 million and $0.3 million, respectively, notwithstanding the increase in total margin and higher other income, reflecting greater (1) utility realty taxes, (2) power generation maintenance costs, and (3) customer service and information expenses.

ENERGY SERVICES. Revenues from Energy Services during the 2000 twelve-month period increased substantially from the prior-year period reflecting higher average natural gas prices. Total margin increased $0.9 million reflecting higher average unit margins from gas marketing and greater income from power marketing and other services. The greater 2000 twelve-month period EBITDA and operating income reflects the increase in total margin.

INTERNATIONAL PROPANE. Revenues and total margin in the 2000 twelve-month period represent the operations of FLAGA subsequent to September 21, 1999. EBITDA in the 2000 twelve-month period primarily reflects the results of FLAGA and, to a much lesser extent, results of the company's equity investments in China and Romania. EBITDA and operating loss in the 1999 twelve-month period reflects equity losses from our China and Romanian joint ventures.

CORPORATE AND OTHER ENTERPRISES. The decrease in corporate and other EBITDA and operating income reflects lower interest income on cash investments. Other Enterprises' results in the 2000 and 1999 twelve-month periods reflects start-up costs and operating results of Hearth USA(TM). The 1999 twelve-month period also includes greater due diligence expenses associated with Enterprises domestic and international new business activities.

FINANCIAL CONDITION AND LIQUIDITY

FINANCIAL CONDITION

The Company's debt outstanding totaled $1,219.7 million at June 30, 2000 compared to $1,137.3 million at September 30, 1999. The increase in debt reflects the Operating Partnership's issuance of $80 million of Series E First Mortgage Notes at an effective interest rate of 8.47%. In addition, the Operating Partnership borrowed a total of $116 million under its Acquisition Facility and made Acquisition Facility repayments of $69 million with the proceeds from the Series E First Mortgage Notes. At June 30, 2000, there was $70 million outstanding under the Acquisition Facility. Partially offsetting these increases in Partnership debt was a $25.5 million decline in UGI Utilities bank loans outstanding. At June 30, 2000, UGI Utilities had $61.9 million of bank loans outstanding and had agreements under which it could borrow up to a total of $97 million. In addition, UGI Utilities can also issue an additional $52 million of debt under its Medium Term Note Program.

In June 2000, the Operating Partnership's Bank Credit Agreement was amended to, among other things, extend the Acquisition Facility termination date to September 15, 2002. Then-outstanding borrowings under the Acquisition Facility will be due in their entirety on such date.

The Partnership makes distribution to its partners 45 days after the end of each quarter in a total amount equal to Available Cash (as defined in the partnership Agreement) for such quarter. During the nine months ended June 30, 2000, the Partnership declared and paid the minimum quarterly distribution of $0.55 (the "MQD") on all limited partner units and the general partner interest for the quarters ended September 30, 1999, December 31, 1999 and March 31, 2000. The MQD for the quarter ended June 30, 2000 will be paid on August 18, 2000 to holders of record August 10, 2000 of all Common and Subordinated Units. The Partnership's ability to declare and pay the full MQD on all units depends upon a number of factors including (1) the level of earnings, (2) the cash needs of the Partnership's operations (including cash needed for maintaining and growing operating capacity), (3) changes in operating working capital, and (4) the ability of the Partnership to borrow and refinance debt. Some of these factors are affected by conditions beyond the Partnership's control including weather, competition in markets we serve, and the cost of propane.

The 9,891,072 Subordinated Units of the Partnership which are held by the Company are eligible to convert to Common Units on the first day after the record date for any quarter ending on or after March 31, 2000 in respect of which certain historical cash-based performance and distribution requirements are met. The ability of the Partnership to attain the cash-based performance and distribution requirements depends upon a number of factors including highly seasonal operating results, changes in working capital, asset sales and debt refinancings. Due to significantly warmer than normal weather and the impact of higher propane product costs on working capital, the Partnership did not achieve the cash-based performance requirements in respect of the quarters ended March 31, 2000 and June 30, 2000. Due to the historical "look-back" provisions of the conversion test, the possibility is remote that the Partnership will satisfy the cash-based performance requirements for conversion any earlier than in respect of the quarter ending March 31, 2002.

On April 25, 2000, UGI announced a 3.3% increase in its quarterly dividend to $0.3875 per common share, or $1.55 per share on an annual basis.

On October 1, 1999, Gas Utility filed its restructuring plan with the PUC pursuant to the Gas Competition Act. On June 29, 2000, the PUC entered its order ("Gas Restructuring Order") in Gas Utility's restructuring plan approving such plan substantially as filed. The Company does not believe the Gas Competition Act and the Gas Restructuring Order will have a material adverse impact on its financial condition or results of operations (see Note 5).

CASH FLOWS

Our cash flows are seasonal and are generally greatest during the second and third fiscal quarters when customers pay bills incurred during the heating season and are typically at their lowest levels during the first and fourth fiscal quarters. Accordingly, cash flows from operations during the nine months ended June 30, 2000 are not necessarily indicative of the cash flows to be expected for a full year. Included in consolidated cash and short-term investments at June 30, 2000 and 1999 are $48.3 million and $23.3 million, respectively, of cash and short-term investments held by UGI.

OPERATING ACTIVITIES. Cash provided by operating activities during the nine months ended June 30, 2000 totaled $117.5 million compared with $143.7 million during the prior-year period which included the after-tax benefit of a $25 million merger termination fee. Changes in operating working capital during the 2000 nine-month period required $35.7 million of operating cash flow while changes in operating working capital during the prior-year period required $20.0 million of operating cash flow. The higher cash required for working capital in the 2000 nine-month period reflects the impact of higher propane product costs on accounts receivable and inventories. Operating cash flow before changes in working capital was $153.2 million in the 2000 nine-month period compared to $163.7 million in the 1999 nine-month period The 1999 nine-month period amount includes the after-tax benefit of the merger termination fee.

INVESTING ACTIVITIES. Cash used by investing activities during the nine months ended June 30, 2000 totaled $91.5 million compared with cash provided by investing activities of $14.0 million in the prior-year period. The prior year includes cash from changes in short-term investments of $76.4 million compared to $11.2 million in the current year. We spent $50.2 million for property, plant and equipment in the 2000 nine-month period compared with $51.5 million in the prior year principally reflecting lower Partnership capital expenditures. Cash paid for Partnership acquisitions totaled $55.9 million in the 2000 nine-month period compared with $3.2 million in the prior-year nine-month period.

FINANCING ACTIVITIES. During the nine months ended June 30, 2000 and 1999, we paid cash dividends on Common Stock of $30.9 million and $36.4 million, respectively, and the Partnership paid the MQD on all publicly held Common Units (as well as on the Common and Subordinated units we own). During the 2000 nine-month period, the Operating Partnership borrowed $116 million under the Acquisition Facility and made Acquisition Facility repayments, totaling $69 million. Acquisition Facility repayments were made with the proceeds from the issuance of ten-year Series E First Mortgage Notes.

During the nine months ended June 30, 2000, the Operating Partnership had net borrowings of $3 million under its Revolving Credit Facility compared with borrowings of $10 million in the prior-year period. UGI Utilities made net revolving credit agreement repayments of $25.5 million in the 2000 nine-month period compared with net repayments of $8.8 million in the same period last year.

ADOPTION OF NEW ACCOUNTING STANDARDS

The Financial Accounting Standards Board recently issued Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). SFAS No. 133, as amended by SFAS No. 137, is required to be adopted by the Company for the first quarter of fiscal 2001. The Company is currently assessing its impact on the Company's financial position and results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk exposures are market prices for propane, natural gas and electricity, and changes in interest rates.

In order to manage a portion of our propane market price risk, the Partnership uses contracts for the forward purchase of propane, propane fixed-price supply agreements, and derivative commodity instruments such as price swap and option contracts. On occasion, the Partnership enters into wholesale product cost management activities to reduce price risk associated with changes in the fair value of a portion of its propane storage inventory. In order to manage market price risk relating to substantially all of UGI Energy Services' firm commitments to sell natural gas, we purchase exchange-traded natural gas futures contracts.

Although Gas Utility is also subject to changes in the price of natural gas, the current regulatory framework allows Gas Utility to recover prudently incurred gas costs from its customers. In addition, Pennsylvania's Natural Gas Choice and Competition Act permits local distribution companies to recover prudently incurred costs of gas sold to customers. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Gas Utility operations.

The Company's Electric Utility operations include the regulated sale of electricity through its distribution business and the production of electricity through its electric generation business unit. Currently our electric generation operations produce electricity exclusively for our distribution business, generating approximately 50% of its electricity needs. Electric Utility purchases the remainder of its electric power needs under power supply arrangements of varying length terms with other producers and, to a lesser extent, on the spot market. Spot market prices for electricity and, to a lesser extent, monthly market-based contracts can be volatile, especially during periods of high demand. In accordance with Electric Utility's Restructuring Order, the transmission and distribution components of Electric Utility's rates are "capped" through July 1,

2001. In addition, Electric Utility's generation rate cap is expected to extend through December 31, 2002. Accordingly, Electric Utility does not currently have the ability to pass on increases in its power costs through rate increases to its customers.

We have market risk exposure from changes in interest rates on borrowings primarily from the Operating Partnership's Bank Credit Agreement, UGI Utilities' revolving credit agreements and debt agreements of FLAGA. These agreements have interest rates on borrowings that are indexed to short-term market interest rates. Based upon average borrowings under these agreements during fiscal 1999, an increase in short-term interest rates of 100 basis points (1%) would have increased annual interest expense by approximately $2.0 million. On occasion we enter into interest rate protection agreements to reduce interest rate risk associated with forecasted issuances of debt.

We do not currently use derivative instruments to hedge foreign currency exposure associated with our international propane operations, principally FLAGA. As a result, the U.S. dollar value of foreign denominated assets and liabilities will fluctuate with changes in the associated foreign currency exchange rates. Our net exposure to changes in foreign currency exchange rates has been significantly limited, however, because our net investment in FLAGA, our principal international propane operation, was financed with EURO denominated debt.

At June 30, 2000, the impact on the fair value of market risk sensitive derivative instruments from an adverse change in (1) the market price of propane of 10 cents a gallon, (2) the market price of natural gas of 50 cents a dekatherm (3) interest rates on ten-year U.S. treasury notes of 100 basis points, and (4) the market price of oil of 10 cents a gallon, would not be materially different from that reported in the Company's 1999 Annual Report.

UGI CORPORATION AND SUBSIDIARIES
PART II OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) List of Exhibits:

10.1 UGI Corporation 2000 Stock Incentive Plan

10.2 First Amendment dated as of March 16, 2000 to Note Agreement dated as of March 15, 1999 is incorporated by reference to Exhibit 10.1 to AmeriGas Partners L.P's. Form 10-Q for the Quarter ended June 30, 2000

10.3 Fourth Amendment dated as of March 16, 2000 to Note Agreement dated as of April 12, 1995 is incorporated by reference to Exhibit 10.2 to AmeriGas Partners, L.P. Form 10-Q for the Quarter ended June 30, 2000

10.4 Third Amendment dated as of March 22, 2000 to Amended and Reinstated Credit Agreement is incorporated by reference to Exhibit 10.3 to AmeriGas Partners, L.P. Form 10-Q for the Quarter ended June 30, 2000

10.5 Fourth Amendment dated as of June 6, 2000 to Amended and Reinstated Credit Agreement is incorporated by reference to Exhibit 10.4 to AmeriGas Partners, L.P. Form 10-Q for the quarter ended June 30, 2000

10.6 Note Agreement dated as of March 15, 2000 among AmeriGas Propane L.P., AmeriGas Propane Inc. and certain institutional investors is incorporated by reference to Exhibit 10.5 to AmeriGas Partners L.P. Form 10-Q for the Quarter ended June 30, 2000

27 Financial Data Schedule

(b) The Company did not file any Current Reports on Form 8-K during the fiscal quarter ended June 30, 2000.

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.

UGI Corporation

(Registrant)

Date: August 11, 2000

By: /s/ A. J. Mendicino

A. J. Mendicino, Vice President - Finance and Chief Financial Officer

UGI CORPORATION AND SUBSIDIARIES

EXHIBIT INDEX

10.1	UGI Corporation 2000 Stock Incentive Plan
27	Financial Data Schedule

EXHIBIT 10.1

UGI CORPORATION

2000 STOCK INCENTIVE PLAN

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UGI CORPORATION

2000 STOCK INCENTIVE PLAN

1. PURPOSE AND DESIGN

The purpose of this Plan is to assist the Company in securing and retaining key corporate executives of outstanding ability, who are in a position to significantly participate in the development and implementation of the Company's strategic plans and thereby contribute materially to the long-term growth, development and profitability of the Company, by affording them an opportunity to purchase its Stock under options or an opportunity to acquire stock by the achievement of specific performance goals. The Plan is designed to align directly long-term executive compensation with tangible, direct and identifiable benefits realized by the Company's shareholders.

2. DEFINITIONS

Whenever used in this Plan, the following terms will have the respective meanings set forth below:

2.01 "Board" means UGI's Board of Directors as constituted from time to time.

2.02 "Change of Control" means a change of control as defined in a change of control agreement between a Participant's respective employer and certain of its employees.

2.03 "Committee" means the Compensation and Management Development Committee of the Board or its successor.

2.04 "Company" means UGI Corporation, a Pennsylvania corporation, any successor thereto and any Subsidiary.

2.05 "Comparison Group" means the group determined by the Committee (no later than ninety (90) days after the commencement of a Performance Period) consisting of the Company and such other companies deemed by the Committee (in its sole discretion) to be reasonably comparable to the Company.

2.06 "Date of Grant" means the effective date of an Option or Restricted Stock grant; provided, however, that no retroactive grants will be made.

2.07 "Dividend Equivalent" means an amount determined by multiplying the number of shares of Stock subject to an Option granted in conjunction with the Dividend Equivalent (whether or not the Option is ever exercised with respect to any or all shares of Stock subject thereto), subject to any adjustment under Section 13, by the per-share cash dividend, or the per-share fair market value (as determined by the Committee) of any dividend in consideration other than cash, paid by the Company on its Stock on a dividend payment date that falls within the relevant Performance Period. See also "Restricted Stock Dividend Equivalent."

2.08 "Employee" means a regular full-time salaried employee (including officers and directors who are also employees) of the Company.

2.09 "Fair Market Value" of Stock means the average of the highest and lowest sales prices thereof on the New York Stock Exchange on the day on which Fair Market Value is being determined, as reported on the Composite Tape for transactions on the New York Stock Exchange. In the event that the New York Stock Exchange does not express sales prices in decimal form, the average will be rounded to the next highest one-eighth of a point (.125). Notwithstanding the foregoing, in the case of a cashless exercise pursuant to Section 7.4(iv), the Fair Market Value will be the actual sale price of the shares issued upon exercise of the Option. In the event that there are no Stock transactions on the New York Stock Exchange on such day, the Fair Market Value will be determined as of the immediately preceding day on which there were Stock transactions on that exchange.

2.10 "Option" means the right to purchase Stock pursuant to the relevant provisions of this Plan at the Option Price for a specified period of time, not to exceed ten years from the Date of Grant, which period of time will be subject to earlier termination prior to exercise in accordance with Section 7.3(b) of this Plan.

2.11 "Option Price" means an amount per share of Stock purchasable under an Option designated by the Committee on the Date of Grant of an Option to be payable upon exercise of such Option. The Option Price will not be less than 100% of the Fair Market Value of the Stock determined on the Date of Grant.

2.12 "Participant" means an Employee designated by the Committee to participate in the Plan.

2.13 "Performance Goal" means the objective goal or goals that must be met in order for Dividend Equivalents and Restricted Stock Dividend Equivalents, if any, to be paid and restrictions on Restricted Stock to lapse. All Performance Goals must meet the requirements of Section 10.

2.14 "Performance Period" means the performance period during which performance will be measured for Performance Goals. Performance Periods must meet the requirements of Section 10.

2.15 "Plan" means this 2000 Stock Incentive Plan.

2.16 (a) "Restricted Stock" means shares of Stock that are subject to restrictions which lapse upon the achievement of Performance Goals within the relevant Performance Period.

2.16 (b) "Restricted Stock Dividend Equivalent" means an amount determined by multiplying the number of shares of Restricted Stock granted in conjunction with the Restricted

Stock Dividend Equivalent, subject to any adjustment under Section 13, by the per-share cash dividend, or the per-share fair market value (as determined by the Committee) of any dividend in consideration other than cash, paid by the Company on its Stock on a dividend payment date that falls within the relevant Performance Period.

2.17 "Stock" means the Common Stock of UGI or such other securities of UGI as may be substituted for Stock or such other securities pursuant to Section 13.

2.18 "Subsidiary" means any corporation or partnership, at least 20% of the outstanding voting stock, voting power or partnership interest of which is owned respectively, directly or indirectly, by the Company.

2.19 "Termination without Cause" means termination for the convenience of the Company for any reason other than (i) misappropriation of funds, (ii) habitual insobriety or substance abuse, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties, which gross negligence has had a material adverse effect on the business, operations, assets, properties or financial condition of the Company. The Committee will have the sole discretion to determine whether a significant reduction in the duties and responsibilities of a Participant will constitute a Termination without Cause.

2.20 "UGI" means UGI Corporation, a Pennsylvania corporation or any successor thereto.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR OPTIONS AND RESTRICTED STOCK GRANTS

The number of shares of Stock which may be made the subject of Options and the number of shares of Restricted Stock that may be granted under this Plan may not exceed 1,100,000 in the aggregate, subject, however, to the adjustment provisions of Section 13 below, and provided that the maximum number of Restricted Shares issued hereunder is 500,000. With regard to grants to any one individual in a calendar year: (i) the number of shares of Restricted Stock that may be issued will not exceed 100,000, and (ii) the number of shares of Restricted Stock together with the number of shares of Stock which may be the subject of grants of Options will not exceed 500,000. If any Option expires or terminates for any reason without having been exercised in full or if Restricted Stock is forfeited, the unpurchased shares subject to the Option or the forfeited shares of Restricted Stock will again be available for the purposes of the Plan. Shares of Restricted Stock and shares which are the subject of Options may be previously issued and outstanding shares of Stock reacquired by the Company and held in its treasury, or may be authorized but unissued shares of Stock, or may be a combination of both.

4. DURATION OF THE PLAN

The Plan will remain in effect until all Stock subject to it has been transferred to Participants or all Options have terminated or been exercised and all shares of Restricted Stock have been vested or forfeited. Notwithstanding the foregoing, Options and Restricted Stock may not be granted after December 31, 2009.

5. ADMINISTRATION

The Plan will be administered by the Committee. Subject to the express provisions of the Plan, the Committee will have authority, in its complete discretion, to determine the Employees to whom, and the time or times at which grants will be made. In making such determinations, the Committee may take into account the nature of the services rendered by an Employee, the present and potential contributions of the Employee to the Company's success and such other factors as the Committee in its discretion deems relevant. Awards under a particular Section of the Plan need not be uniform as among Participants. Subject to the express provisions of the Plan, the Committee will also have authority to construe and interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective stock option agreements required by Section 7.2 of the Plan and the terms and provisions of the restrictions relating to Restricted Stock (none of which need be identical), and to make all other determinations (including factual determinations) necessary or advisable for the orderly administration of the Plan. All ministerial functions, in addition to those specifically delegated elsewhere in the Plan, shall be performed by a committee comprised of Company employees ("Administrative Committee") appointed by the Committee.

6. ELIGIBILITY

Grants hereunder may be made only to Employees (including directors who are also Employees of the Company) who, in the sole judgment of the Committee, are individuals who are in a position to significantly participate in the development and implementation of the Company's strategic plans and thereby contribute materially to the continued growth and development of the Company and to its future financial success.

7. OPTIONS

7.1 Grant of Options. Subject to the provisions of Sections 2.11 and 3: (i) Options may be granted to Participants at any time and from time to time as may be determined by the Committee; and (ii) the Committee will have complete discretion in determining the Options to be granted, the number of shares of Stock to be subject to each Option, the Option Price to be paid for the shares upon the exercise of each Option, the period within which each Option may be exercised, the vesting schedule associated with the Option, and whether the Option will include Dividend Equivalents.

7.2 Option Agreement. As determined by the Committee on the Date of Grant, each Option will be evidenced by a stock option agreement that will, among other things, specify the Date of Grant, the Option Price, the duration of the Option, the number of shares of Stock to which the Option pertains, the Option's vesting schedule, and whether the Option will include Dividend Equivalents.

7.3 Exercise and Vesting.

(a) Except as otherwise specified by the Committee in the stock option agreement, the Option shall become exercisable in equal one-third (1/3) installments on the first, second and third anniversaries of the Date of Grant. Notwithstanding the foregoing, in the event that any such Options are not by their terms immediately exercisable, the Committee may accelerate the exercisability of any or all outstanding Options at any time for any reason. No Option will be exercisable on or after the tenth anniversary of the Date of Grant.

(b) Except as otherwise specified by the Committee, in the event that a Participant holding an Option ceases to be an Employee, the Options held by such Participant will terminate on the date such Participant ceases to be an Employee. The Committee will have authority to determine whether an authorized leave of absence or absence on military or governmental service will constitute a termination of employment for the purposes of this Plan. However, if a Participant holding an Option ceases to be an Employee by reason of (i) Termination without Cause, (ii) retirement, (iii) disability, or (iv) death, the Option held by any such Participant will thereafter become exercisable pursuant to the following:

(i) Termination Without Cause. If a Participant terminates employment on account of a Termination without Cause, the Option held by such Participant will thereafter be exercisable only with respect to that number of shares of Stock with respect to which it is already exercisable on the date such Participant ceases to be an Employee; and such 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 such Participant ceases to be an Employee.

(ii) Retirement. If a Participant terminates employment on account of a retirement under the Company's retirement plan applicable to that Participant, the Option held by such Participant will thereafter become exercisable as if such Participant had remained employed by the Company for 36 months after the date of such retirement; and such Option will terminate upon the earlier of the expiration date of the Option or the expiration of such 36 month period. Retirement for Employees of AmeriGas Propane, Inc. ("API") means termination of employment with API after attaining age 55 with ten or more years of service with API and its affiliates.

(iii) Disability. If a Participant is determined to be "disabled" (as defined under the Company's long-term disability plan), the Option held by such Participant will thereafter become exercisable as if such Participant had remained employed by the Company for 36 months after the date of such disability; and such 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 a Participant while employed by the Company, the Option theretofore granted to such Participant will be fully and immediately exercisable (to the extent not otherwise exercisable by its terms) 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 a Participant after such Participant has ceased to be employed by the Company will not affect the otherwise applicable period for exercise of the Option determined pursuant to Sections 7.3(b)(i), 7.3(b)(ii) or 7.3(b)(iii). Such Option may be exercised by the estate of the Participant, by any person to whom the Participant may have bequeathed the Option, any person the Participant may have designated to exercise the same under the Participant's last will, or by the Participant's personal representatives if the Participant has died intestate.

(c) Notwithstanding anything contained in this Section 7.3, with respect to the number of shares of Stock subject to an Option with respect to which such Option is or is to become exercisable, no Option, to the extent that it has not previously been exercised, will be exercisable after it has terminated, including without limitation, after any termination of such Option pursuant to Section 7.3(b) hereof.

7.4 Payment. The Option Price upon exercise of any Option will be payable to the Company in full (i) in cash or its equivalent, (ii) by tendering shares of previously acquired Stock already beneficially owned by the Participant for more than one year and having a Fair Market Value at the time of exercise equal to the Option Price being paid thereby, (iii) by applying Dividend Equivalents payable to the Participant in accordance with Section 8 of the Plan in an amount equal to the total Option Price, (iv) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, (v) by such other method as the Committee may approve, or (vi) by a combination of (i), (ii), (iii), (iv) and/or (v). The cash proceeds from such payment will be added to the general funds of the Company and will be used for its general corporate purposes.

7.5 Written Notice. A Participant wishing to exercise an Option must give written notice to the Company in the form and manner prescribed by the Administrative Committee, indicating the date of award, the number of shares as to which the Option is being exercised, and such other information as may be required by the Administrative Committee. Full payment for the shares pursuant to the Option must be received by the close of business on the day the Option is exercised. Except as provided in Section 7.3(b), no Option may be exercised at any time unless the Participant is then an Employee of the Company.

7.6 Issuance of Stock. As soon as practicable after the receipt of written notice and payment, the Company will, without stock transfer taxes to the Participant or to any other person entitled to exercise an Option pursuant to this Plan, deliver to, or credit electronically on behalf of, the Participant, the Participant's designee or such other person the requisite number of shares of Stock.

7.7 Privileges of a Shareholder. A Participant or any other person entitled to exercise an Option under this Plan will have no rights as a shareholder with respect to any Stock covered by the Option until the due exercise of the Option and issuance of such Stock.

7.8 Partial Exercise. An Option granted under this Plan may be exercised as to any lesser number of shares than the full amount for which it could be exercised. Such a partial exercise of an Option will not affect the right to exercise the Option from time to time in accordance with this Plan as to the remaining shares subject to the Option.

8. RESTRICTED STOCK

8.1 Grant of Restricted Stock. Subject to the provisions of Section 3, shares of Restricted Stock and Restricted Stock Dividend Equivalents may be granted to Participants at any time and from time to time as may be determined by the Committee. Shares of Restricted Stock may be granted with or without Restricted Stock Dividend Equivalents as determined by the Committee. Shares issued or transferred pursuant to Restricted Stock awards may be issued or transferred for consideration or for no consideration, and will be subject to Performance Goals meeting the requirements of Section 10.

8.2 Requirement of Employment or Service. If the Participant ceases to be employed by, or provide service to, the Company before the Performance Goals are met, the Restricted Stock award will terminate as to all shares covered by the grant as to which the restrictions have not lapsed, and those shares of Stock must be immediately returned to the Company. However, if a Participant holding Restricted Stock ceases to be an Employee by reason of (i) retirement, (ii) disability, or (iii) death, the restrictions on Restricted Stock held by any such Participant will lapse pursuant to the following:

(a) Retirement. If a Participant terminates employment on account of a retirement under the Company's retirement plan applicable to that Participant, the restrictions on such Participant's Restricted Stock will lapse with regard to any Performance Period that ends within 36 months after the date of such retirement; provided that the Performance Goals associated with such Performance Period are achieved within that 36 month period. Retirement for Employees of AmeriGas Propane, Inc. ("API") means termination of employment with API after attaining age 55 with ten or more years of service with API and its affiliates.

(b) Disability. If a Participant is determined to be "disabled" (as defined under the Company's long-term disability plan), the restrictions on such Participant's Restricted Stock will lapse with regard to any Performance Period that ends within 36 months after the date of such disability; provided that the Performance Goals associated with such Performance Period are achieved within that 36 month period.

(c) Death. In the event of the death of a Participant while employed by the Company, the restrictions on such Participant's Restricted Stock will lapse at the end of the Performance Period associated with such Restricted Stock upon the achievement of the related Performance Goals.

8.3 Restrictions on Transfer and Legend on Stock Certificate. Until the Performance Goals are met, a Participant may not sell, assign, transfer, pledge or otherwise dispose of the shares of Restricted Stock or rights to Restricted Stock Dividend Equivalents, if any. Each certificate for a share of a Restricted Stock will contain a legend giving appropriate notice of the restrictions in the grant. The Participant will be entitled to have the legend removed from the stock certificate covering the shares subject to restrictions when all restrictions on such shares have lapsed. The Administrative Committee may determine that the Company will not issue certificates for Restricted Stock until all restrictions on such shares have lapsed, or that the

Company will retain possession of certificates for shares of Restricted Stock until all restrictions on such shares have lapsed.

8.4 Privileges of a Shareholder. Unless the Committee determines otherwise, during the Performance Period, a Participant issued certificates under Section 8.3 will have the right to vote shares of Restricted Stock and to receive any dividends or other distributions paid on such shares, subject to any restrictions deemed appropriate by the Committee.

8.5 Form of Payment for Restricted Stock. The Committee will have the sole discretion to determine whether the Company's obligation in respect of payment of Restricted Stock awards for a Participant who is not issued certificates under Section 8.3 will be paid in Stock, solely in cash or partly in Stock and partly in cash.

9. DIVIDEND EQUIVALENTS AND RESTRICTED STOCK DIVIDEND EQUIVALENTS

9.1 (a) Amount of Dividend Equivalents Credited. If the Committee so specifies, as of the Date of Grant in the stock option agreement, from the Date of Grant of an Option to a Participant (or, in the case of an Option granted after the date of commencement of a Performance Period to a new Participant or to a Participant with changed responsibilities, in which event, from such date not earlier than the date of commencement of the Performance Period as is designated by the Committee) until the earlier of (i) the end of the applicable Performance Period or (ii) the date of disability, death or termination of employment for any reason (including retirement), of a Participant, the Company will keep records for such Participant ("Account") and will credit on each payment date for the payment of a dividend made by UGI on its Stock an amount equal to the Dividend Equivalent associated with such Option. Notwithstanding the foregoing, a Participant may not accrue during any calendar year Dividend Equivalents in excess of $1,000,000. Except as set forth in Section 9.5 below, no interest will be credited to any such Account.

9.1 (b) Amount of Restricted Stock Dividend Equivalents Credited. If the Committee so specifies when granting Restricted Stock, from the Date of Grant of Restricted Stock to a Participant (or, in the case of Restricted Stock granted after the date of commencement of a Performance Period to a new Participant or to a Participant with changed responsibilities, in which event, from such date not earlier than the date of commencement of the Performance Period as is designated by the Committee) until the earlier of (i) the end of the applicable Performance Period or (ii) the date of disability, death or termination of employment for any reason (including retirement), of a Participant, the Company will keep records for such Participant ("Account") and will credit on each payment date for the payment of a dividend made by UGI on its Stock an amount equal to the Restricted Stock Dividend Equivalent associated with such Restricted Stock. Notwithstanding the foregoing, a Participant may not accrue during any calendar year Restricted Stock Dividend Equivalents in excess of $1,000,000. No interest will be credited to any such Account.

9.2 Payment of Credited Dividend Equivalents and Restricted Stock Dividend Equivalents. Payment of Dividend Equivalents and Restricted Stock Dividend Equivalents will be made only upon the determination by the Committee that the Performance Goals associated with such Dividend Equivalents and Restricted Stock Dividend Equivalents have been achieved as prescribed in accordance with Section 10.

9.3 Timing of Payment of Dividend Equivalents and Restricted Stock Dividend Equivalents.

(a) Except as otherwise determined by the Committee, in the event of the (i) termination of an Option prior to exercise pursuant to Section 7.3(b) hereof, or (ii) acceleration of the exercise date of an Option pursuant to Section 7.3(a) hereof, in either case prior to the end of the applicable Performance Period, no payments of Dividend Equivalents associated with any Option will be made (A) prior to the end of the applicable Performance Period and (B) to any Participant whose employment by the Company terminates prior to the end of the applicable Performance Period for any reason other than retirement under the Company's retirement plan, death, disability or Termination without Cause. As soon as practicable after the end of such Performance Period, the Committee will certify and announce the results for each Performance Period prior to any payment of Dividend Equivalents and unless a Participant will have made an election under Section 9.6 to defer receipt of any portion of such amount, a Participant will receive the aggregate amount of Dividend Equivalents payable to that Participant in the form specified by the Committee.

(b) Except as otherwise determined by the Committee, in the event of the termination of a grant of Restricted Stock pursuant to Section 8.2 hereof, no payments of Restricted Stock Dividend Equivalents associated with Restricted Stock will be made (A) prior to the end of the applicable Performance Period and (B) to any Participant whose employment by the Company terminates prior to the end of the applicable Performance Period for any reason other than retirement under the Company's retirement plan, death or disability. As soon as practicable after the end of such Performance Period, the Committee will certify and announce the results for each Performance Period prior to any payment of Restricted Stock Dividend Equivalents and unless a Participant will have made an election under Section 9.6 to defer receipt of any portion of such amount, a Participant will receive the aggregate amount of Restricted Stock Dividend Equivalents payable to that Participant in cash.

(c) Notwithstanding anything to the contrary in this Section 9.3, unless a payment of Dividend Equivalents associated with an Option is being made upon full exercise or termination of such Option, no Dividend Equivalents will be paid (either at the end of the applicable Performance Period or on a date such Dividend Equivalents are scheduled to be paid pursuant to a deferral election) if the average Fair Market Value of Stock for a period of thirty (30) consecutive business days immediately preceding the end of the applicable Performance Period or the date such deferred payment is scheduled to be made (as the case may be) is less than the exercise price of the Option to which such Dividend Equivalents were associated, and such payment will instead be made at the earlier of (i) such time as the average Fair Market Value of Stock over a period of ninety (90) consecutive business days thereafter exceeds the exercise price of such Option, or (ii) the termination or expiration date of such Option.

9.4 Form of Payment for Dividend Equivalents. The Committee will have the sole discretion to determine whether the Company's obligation in respect of payment of Dividend

Equivalents will be paid solely in credits to be applied toward payment of the Option Price, solely in cash or partly in such credits and partly in cash.

9.5 Interest on Dividend Equivalents. From a date which is thirty (30) days after the end of the applicable Performance Period until the date that all Dividend Equivalents associated with such Option and payable to a Participant are paid to such Participant, the Account maintained by the Company in its books and records with respect to such Dividend Equivalents will be credited with interest at a market rate determined by the Administrative Committee. The interest rate will be no higher than the prime interest rate as quoted in the Wall Street Journal on the last day of the month preceding the end of the Performance Period, or the preceding business day if the last day of the month is not a business day.

9.6 Deferral of Dividend Equivalents and Restricted Stock Dividend Equivalents. A Participant will have the right to defer receipt of any Dividend Equivalent or Restricted Stock Dividend Equivalent payments associated with an Option or Restricted Stock if the Participant elects to do so on or prior to December 31 of the year preceding the beginning of the last full year of the applicable Performance Period (or such other time as the Administrative Committee will determine is appropriate to make such deferral effective under the applicable requirements of federal tax laws). The terms and conditions of any such deferral (including the period of time thereof) will be subject to approval by the Administrative Committee and all deferrals will be made on a form provided a Participant for this purpose.

10. REQUIREMENTS FOR PERFORMANCE GOALS AND PERFORMANCE PERIODS

10.1 Designation as Qualified Performance-Based Compensation. Grants of Restricted Stock, Restricted Stock Dividend Equivalents and Dividend Equivalents will qualify as "qualified performance-based compensation" under Section 162(m) of the Internal Revenue Code ("Code"), including the requirement that the achievement of the goals be substantially uncertain at the time they are established and that the goals be established in such a way that a third party with knowledge of the relevant facts could determine whether and to what extent the Performance Goals have been met. The Committee will not have discretion to increase the amount of compensation that is payable upon achievement of the designated Performance Goals, but may, in its sole discretion, reduce the amount of compensation that is payable upon achievement of the designated Performance Goals.

10.2 Requirements for Performance Goals. When Restricted Stock, Restricted Stock Dividend Equivalents and Dividend Equivalents are granted, the Committee will establish in writing Performance Goals either before the beginning of the Performance Period or during a period ending no later than the earlier of (i) 90 days after the beginning of the Performance Period or (ii) the date on which 25% of the Performance Period has elapsed, or such other date as may be required or permitted under applicable regulations under Section 162(m) of the Code. The Performance Goal must specify (A) the objective Performance Goal(s) that must be met in order for restrictions on the Restricted Stock to lapse or the Restricted Stock Dividend Equivalents or Dividend Equivalents to be paid, (B) the Performance Period during which the Performance Goals must be met, (C) the maximum amounts that may be paid if the Performance Goals are met, and (D) any other conditions that the Committee deems appropriate and consistent with the Plan and the requirements of Section 162(m) of the Code for qualified performance based compensation.

10.3 Criteria Used for Performance Goals. The Committee will use objectively determinable Performance Goals based on one or more of the following criteria: stock price, earnings per share, net earnings, operating earnings, return on assets, shareholder return, return on equity, growth in assets, unit volume, sales, cash flow, market share, relative performance to a Comparison Group, or strategic business criteria consisting of one or more objectives based on meeting specified revenue goals, market penetration goals, geographic business expansion goals, cost targets or goals relating to acquisitions or divestitures. The Performance Goals may relate to the Participant's business unit or the performance of the Company and its subsidiaries as a whole, or any combination of the foregoing. Performance Goals need not be uniform as among Participants.

10.4 Announcement of Grants. The Committee will certify and announce the results for each Performance Period to all Participants as promptly as practicable following the completion of the Performance Period. If and to the extent that the Committee does not certify that the Performance Goals have been met, the applicable grants of Restricted Stock, Restricted Stock Dividend Equivalents and Dividend Equivalents for the Performance Period will be forfeited.

11. NON-TRANSFERABILITY

No Option, shares of Restricted Stock, rights to Restricted Stock Dividend Equivalents, Dividend Equivalents or other rights granted under the Plan will be transferable otherwise than by will or the laws of descent and distribution, and an Option may be exercised, during the lifetime of the Participant, only by the Participant.

12. CONSEQUENCES OF A CHANGE OF CONTROL

12.1 Notice and Acceleration. Upon a Change of Control, unless the Committee determines otherwise, (i) the Company will provide each Participant with outstanding grants written notice of such Change of Control, (ii) all outstanding Options will automatically accelerate and become fully exercisable, (iii) the restrictions and conditions on all outstanding Restricted Stock grants will immediately lapse, and (iv) Dividend Equivalents and Restricted Stock Dividend Equivalents will become payable in cash in such amounts as the Committee may determine.

12.2 Assumption of Grants. Upon a Change of Control where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless the Committee determines otherwise, all outstanding Options that are not exercised will be assumed by, or replaced with comparable options or rights by, the surviving corporation (or a parent of the surviving corporation), and other outstanding grants will be converted to similar grants of the surviving corporation (or a parent of the surviving corporation).

12.3 Other Alternatives. Notwithstanding the foregoing, subject to Section 12.4 below, in the event of a Change of Control, the Committee may take any of the following actions with respect to any or all outstanding Options: the Committee may (i) require that Participants surrender their outstanding Options in exchange for a payment by the Company, in cash or Stock as determined by the Committee, in an amount equal to the amount by which the then Fair Market Value of the shares of Stock subject to the Participant's unexercised Options exceeds the Option Price of the Options, as applicable, or (ii) after giving Participants an opportunity to exercise their outstanding Options, terminate any or all unexercised Options at such time as the Committee deems appropriate. Such surrender, termination or settlement will take place as of the date of the Change of Control or such other date as the Committee may specify.

12.3 Committee. The Committee making the determinations under this Section 12 following a Change of Control must be comprised of the same members as those on the Committee immediately before the Change of Control. If the Committee members do not meet this requirement, the automatic provisions of Sections 12.1 and 12.2 will apply, and the Committee will not have discretion to vary them.

12.4 Limitations. Notwithstanding anything in the Plan to the contrary, in the event of a Change of Control, the Committee will not have the right to take any actions described in the Plan (including without limitation actions described in this Section 12) that would make the Change of Control ineligible for pooling of interests accounting treatment or that would make the Change of Control ineligible for desired accounting treatment if, in the absence of such right, the Change of Control would qualify for such treatment and the Company intends to use such treatment with respect to the Change of Control.

13. ADJUSTMENT OF NUMBER AND PRICE OF SHARES, ETC.

Notwithstanding anything to the contrary in this Plan, in the event any recapitalization, reorganization, merger, consolidation, spin-off, combination, repurchase, exchange of shares or other securities of UGI, stock split or reverse split, extraordinary dividend, liquidation, dissolution, significant corporate transaction (whether relating to assets or stock) involving UGI, or other extraordinary transaction or event affects Stock such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of Participants' rights under the Plan, then the Committee may, in a manner that is equitable, adjust (i) any or all of the number or kind of shares of Stock reserved for issuance under the Plan, (ii) the maximum number of shares of Stock which may be the subject of grants to any one individual in any calendar year, (iii) the number or kind of shares of Stock to be subject to grants of Restricted Stock and Options thereafter granted under the Plan, (iv) the number and kind of shares of Stock issuable upon exercise of outstanding Options, (v) the Option Price per share thereof, (vi) the number of shares of Restricted Stock, (vii) the terms and conditions applicable to Restricted Stock, and/or (viii) the terms and conditions applicable to Dividend Equivalents and Restricted Stock Dividend Equivalents, provided that the number of Restricted Shares and the number of shares subject to any Option will always be a whole number. Any such determination of adjustments by the Committee will be conclusive for all purposes of the Plan and of each Option and grant of Restricted Stock, whether a stock option agreement or grant letter with respect to a particular Option or grant of Restricted Stock has been theretofore or is thereafter executed.

14. LIMITATION OF RIGHTS

Nothing contained in this Plan will be construed to give an Employee any right to a grant hereunder except as may be authorized in the discretion of the Committee. A grant under this Plan will not constitute or be evidence of any agreement or understanding, expressed or implied, that the Company will employ a Participant for any specified period of time, in any specific position or at any particular rate of remuneration.

15. AMENDMENT OR TERMINATION OF PLAN

Subject to Board approval, the Committee may at any time, and from time to time, alter, amend, suspend or terminate this Plan without the consent of the Company's shareholders or Participants, except that any such alteration, amendment, suspension or termination will be subject to the approval of the Company's shareholders within one year after such Committee and Board action if such shareholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock is then listed or quoted, or if the Committee in its discretion determines that obtaining such shareholder approval is for any reason advisable. No termination or amendment of this Plan may, without the consent of the Participant to whom any Option or Restricted Share has previously been granted, adversely affect the rights of such Participant under such Option or Restricted Share, including any associated Dividend Equivalents or Restricted Stock Dividend Equivalents. Notwithstanding the foregoing, the Administrative Committee may make minor amendments to this Plan which do not materially affect the rights of Participants or significantly increase the cost to the Company.

16. TAX WITHHOLDING

Upon the lapse of restrictions on Restricted Stock and upon exercise of any Option under this Plan, the Company will require the recipient of the Stock to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements. However, to the extent authorized by rules and regulations of the Administrative Committee, the Company may withhold or receive Stock and make cash payments in respect thereof in satisfaction of a recipient's tax obligations in an amount that does not exceed the recipient's minimum applicable withholding tax obligations. In the event the Company receives Stock in satisfaction of a recipient's minimum applicable withholding tax obligations, the Stock must have been held by the recipient for more than six months.

17. GOVERNMENTAL APPROVAL

Each share of Restricted Stock and each Option will be subject to the requirement that if at any time the listing, registration or qualification of the shares covered thereby 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 granting of such Restricted Share or Option or the purchase of shares thereunder, no such Option may be exercised in whole or in part unless and until such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.

18. EFFECTIVE DATE OF PLAN

18.1 Effective Date. This Plan will become effective as of January 1, 2000, subject to ratification by the Company's shareholders prior to March 31, 2000.

18.2 Shareholder Approval for "Qualified Performance-Based Compensation." This Plan must be reapproved by the shareholders of UGI no later than the first shareholders meeting that occurs in the fifth year following the year in which the shareholders previously approved the provisions of Section 10, if required by section 162(m) of the Code or the regulations thereunder.

19. SUCCESSORS

This Plan will be binding upon and inure to the benefit of the Company, its successors and assigns and the Participant and his heirs, executors, administrators and legal representatives.

20. HEADINGS AND CAPTIONS

The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

21. GOVERNING LAW

The validity, construction, interpretation and effect of the Plan and option agreements issued under the Plan will be governed exclusively by and determined in accordance with the law of the Commonwealth of Pennsylvania.

Approved by Shareholders of UGI Corporation on February 29, 2000.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONDENSED CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT OF UGI CORPORATION AND
SUBSIDIARIES AS OF AND FOR THE NINE MONTHS ENDED JUNE 30, 2000 AND IS QUALIFIED
IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS IN UGI CORPORATION'S
QUARTERLY REPORT ON FORM 10-Q FOR THE NINE MONTHS ENDED JUNE 30, 2000.

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UGI CORPORATION
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SEP-30-1999
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91,300
3,900
162,400
10,000
91,700
372,400
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