

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

JANUARY 28, 2004
(DATE OF REPORT)

UGI UTILITIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

PENNSYLVANIA
(STATE OR OTHER JURISDICTION
OF INCORPORATION)

1-1398
(COMMISSION FILE
NUMBER)

23-1174060
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

100 KACHEL BOULEVARD
GREEN HILLS CORPORATE CENTER, SUITE 400
READING, PENNSYLVANIA 19607
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(610) 796-3400
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

(99) Press Release of UGI Corporation, the parent of UGI Utilities, Inc., dated January 28, 2004, reporting financial results for UGI Corporation and UGI Utilities, Inc. for the first fiscal quarter ended December 31, 2003.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 28, 2004, UGI Corporation, the parent of UGI Utilities, Inc., issued a press release announcing financial results for itself and UGI Utilities, Inc. for the first fiscal quarter ended December 31, 2003. A copy of the press release is furnished as Exhibit 99 to this report and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d), the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UGI UTILITIES, INC.
(REGISTRANT)

By: /s/ Robert W. Krick

Robert W. Krick
Assistant Treasurer

Date: Janaury 28, 2004

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.	Press Release of UGI Corporation dated January 28, 2004.

Contact: Robert W. Krick
610-337-1000, ext. 3141

For Release: January 28, 2004
Immediate

UGI REPORTS HIGHER FIRST QUARTER RESULTS

VALLEY FORGE, Pa., January 28 - UGI Corporation (NYSE: UGI) reported that its net income for the first quarter of fiscal 2004 ended December 31, 2003 rose to \$38.8 million, or \$0.88 per diluted share, compared to \$36.7 million, or \$0.86 per diluted share for the first quarter of fiscal 2003. Average fully diluted shares outstanding were 3.2% higher in the recent quarter.

Lon R. Greenberg, chairman, president and chief executive officer of UGI, said, "I am pleased that we were able to report higher earnings notwithstanding the adverse effects of the warmer than normal weather experienced by all of our business units. The beneficial effects of our acquisitions in gas marketing, electric generation and domestic propane distribution, along with improvements in our international propane results more than offset the weather-induced decline in results from our utility businesses."

UGI's net income from its domestic propane distributor, AmeriGas Partners L. P. (NYSE:APU), rose slightly to \$12.9 million in the fiscal 2004 quarter compared to \$12.7 million last year. Partnership earnings before interest expense, income taxes, depreciation and amortization (EBITDA) were \$84.6 million in the first fiscal quarter of 2004 compared to \$81.4 million a year ago. For the three months ended December 31, 2003, retail volumes sold declined to 304.5 million gallons from 324.2 million gallons sold in the prior-year period. Weather was 7.4% warmer than normal during the recent quarter compared to weather that was approximately 1% colder than normal in the prior-year period, according to the National Oceanic and Atmospheric Administration. Retail volumes sold declined as a result of warmer weather and, with respect to commercial and industrial customers, continuing economic weakness, partially offset by volume growth from recent acquisitions. Operating and administrative expenses rose modestly during the quarter mainly reflecting the impact of the Active Propane and Horizon Propane acquisitions in 2003 partially offset by the beneficial effects of the management realignment completed in late fiscal 2003.

At UGI Utilities' Gas Utility, net income declined to \$15.2 million for the quarter ended December 31, 2003 compared to \$17.6 million for the fiscal 2003 quarter. Weather in the service territory was 3.8% warmer than normal for the recent quarter versus 6.4% colder than normal in the prior-year quarter. Operating income declined as a result of lower margin from weather-induced lower sales to retail core-market customers and lower margin from interruptible customers as well as higher operating and administrative expenses mainly reflecting higher stock-based incentive compensation expense.

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Net income from UGI Utilities' Electric Utility declined to \$2.4 million in the recently-completed quarter from \$2.9 million in the prior-year quarter primarily because of higher purchased power costs and higher operating and administrative expenses reflecting greater distribution system and stock-based incentive compensation expense. Weather in the service territory was 1.7% warmer than normal in the recent quarter compared to 9.5% colder than normal last year.

Net income from Energy Services, which now includes electricity generation operations, increased to \$3.7 million in the fiscal 2004 first quarter from \$2.3 million in the comparable 2003 quarter reflecting principally the beneficial effects of the acquisitions of the northeastern U.S. gas marketing business of TXU Energy in March of 2003 and the additional 4.9% interest in the Conemaugh electricity generating station, partially offset by lower average unit margins in gas marketing principally due to the effects of seasonality of margin realization.

International Propane net income increased to \$4.8 million in the recent quarter from \$1.2 million in the first quarter of fiscal 2003. International Propane operating income rose to \$1.8 million from \$0.3 million principally reflecting improved results of FLAGA, UGI's wholly-owned Austrian based propane distributor. The stronger euro enhanced the results of higher euro-based margins and lower euro-based expenses at FLAGA. The increase in the three-month period earnings from our equity investees is primarily the result of higher income from favorable euro-based results at Antargaz, the French propane marketer of which UGI owns nearly 20%, and the translation effects of the stronger euro. As previously announced, a unit of UGI has proposed to purchase the remaining outstanding 80.5% ownership interests in AGZ Holding, the parent company of Antargaz. Antargaz is one of the largest retail distributors of propane and butane in France.

Separately, UGI announced that Robert J. Chaney, president and chief executive officer of UGI Utilities, Inc., will retire during the summer of 2004 after more than 40 years of service. "Bob has set the standard for loyalty, diligence, hard work and excellence for all of us at UGI," said Greenberg. "Under his leadership since 1999, Utilities has not only reached record-breaking levels of performance, but also external recognition of our outstanding customer service. He truly will be missed," concluded Greenberg. The company currently is recruiting for a successor.

UGI is a holding company with propane marketing, utility and energy marketing subsidiaries. Through subsidiaries, UGI owns 48% of AmeriGas Partners, L. P. (NYSE: APU), the nation's largest retail propane marketer.

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UGI invites interested parties to listen to the live webcast of management's teleconference with financial analysts about first quarter fiscal year 2004 financial results and current activities on Wednesday, January 28, 2004, at 4:00 PM Eastern time. The teleconference is available online live, in audio format, at <http://www.shareholder.com/ugi/medialist.cfm> and will be archived through February 27, 2004. A telephonic replay of the call can be accessed approximately two hours after the completion of the call at 888-203-1112 and International access at 719-457-0820, pass code 217168. The telephone replay is available through midnight Eastern Time February 1, 2004.

The financial tables appended to this news release can be viewed directly at [HTTP://WWW.SHAREHOLDER.COM/UGI/1Q04FINANCIALTABLE.PDF](http://www.shareholder.com/ugi/1Q04FINANCIALTABLE.PDF).

This press release contains certain forward-looking statements which management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. Among them are adverse weather conditions, price volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, domestic and international economic and political conditions, currency exchange rates and the timing of the completion of our proposed acquisition of the remaining interests in Antargaz. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

Comprehensive information about UGI Corporation is available on the Internet at [HTTP://WWW.UGICORP.COM](http://www.ugicorp.com).

UGI CORPORATION
REPORT OF EARNINGS
(Millions, except per share)
(Unaudited)

	Three Months Ended December 31, -----		Twelve Months Ended December 31, -----	
	2003 ----	2002 ----	2003 ----	2002 ----
Revenues:				
AmeriGas Propane	\$ 460.2	\$ 445.0	\$ 1,643.6	\$ 1,381.5
Gas Utility	149.3	145.1	544.1	428.3
Electric Utility	21.4	21.5	88.7	84.7
Energy Services (a)	232.9	104.9	796.0	356.1
International Propane	15.8	14.3	56.0	47.3
Corporate & Other	14.1	9.1	51.5	36.3
	-----	-----	-----	-----
Total revenues	\$ 893.7	\$ 739.9	\$ 3,179.9	\$ 2,334.2
	=====	=====	=====	=====
Operating income (loss):				
AmeriGas Propane	\$ 65.6	\$ 64.2	\$ 165.9	\$ 166.8
Gas Utility	29.4	33.5	92.0	85.7
Electric Utility	4.5	5.6	19.2	15.0
Energy Services (a)	6.3	3.9	21.6	13.9
International Propane	1.8	0.3	2.2	2.4
Corporate & Other	0.7	(0.1)	2.3	2.4
	-----	-----	-----	-----
Total operating income	108.3	107.4	303.2	286.2
Income from equity investees	4.2	1.9	7.6	6.6
Loss on extinguishment of debt	--	--	(3.0)	--
Interest expense:				
AmeriGas Propane	(21.1)	(22.7)	(85.5)	(87.8)
Gas Utility	(4.1)	(3.7)	(15.8)	(14.3)
Electric Utility	(0.5)	(0.6)	(2.2)	(2.4)
International Propane	(0.9)	(1.1)	(3.9)	(4.1)
Corporate and Other, net	(0.1)	(0.1)	(0.3)	(0.5)
	-----	-----	-----	-----
Total interest expense	(26.7)	(28.2)	(107.7)	(109.1)
Minority interests in AmeriGas Partners	(22.7)	(20.5)	(36.8)	(39.4)
	-----	-----	-----	-----
Income before income taxes and subsidiary preferred stock dividends	63.1	60.6	163.3	144.3
Income tax expense	(24.3)	(23.5)	(61.5)	(54.6)
Dividends on UGI Utilities preferred shares subject to mandatory redemption	--	(0.4)	(0.8)	(1.6)
	-----	-----	-----	-----
Net income	\$ 38.8	\$ 36.7	\$ 101.0	\$ 88.1
	=====	=====	=====	=====
Earnings per share (b):				
Basic	\$ 0.91	\$ 0.88	\$ 2.38	\$ 2.12
	=====	=====	=====	=====
Diluted	\$ 0.88	\$ 0.86	\$ 2.32	\$ 2.09
	=====	=====	=====	=====
Average common shares outstanding (b):				
Basic	42.839	41.688	42.509	41.475
	=====	=====	=====	=====
Diluted	43.947	42.593	43.576	42.159
	=====	=====	=====	=====
Supplemental information:				
Net income (loss):				
AmeriGas Propane (c)	\$ 12.9	\$ 12.7	\$ 23.4	\$ 24.1
Gas Utility	15.2	17.6	45.6	41.5
Electric Utility	2.4	2.9	10.1	7.3
Energy Services (a)	3.7	2.3	12.6	8.1
International Propane	4.8	1.2	7.2	4.7
Corporate & Other	(0.2)	--	2.1	2.4
	-----	-----	-----	-----
Total net income	\$ 38.8	\$ 36.7	\$ 101.0	\$ 88.1
	=====	=====	=====	=====

(a) Effective October 1, 2003, the Energy Services segment includes the operating results of Energy Services' gas marketing business as well as UGID's electricity generation business. Energy Services' segment presentation for the prior year has been restated to conform to the current year presentation.

(b) Earnings per share and average common shares outstanding for all periods presented reflect the effects of the Company's 3-for-2 common stock split distributed April 1, 2003 to shareholders of record on February 28, 2003.

(c) Amounts are net of minority interests in AmeriGas Partners, L.P.

UGI UTILITIES, INC.
(a wholly owned subsidiary of UGI Corporation)
REPORT OF EARNINGS
(Thousands of Dollars)
(Unaudited)

	Three Months Ended December 31, -----		Twelve Months Ended December 31, -----	
	2003 ----	2002 ----	2003 ----	2002 ----
Revenues	\$170,684 =====	\$168,351 =====	\$639,091 =====	\$517,422 =====
Income before income taxes	\$ 29,346 =====	\$ 34,495 =====	\$ 95,063 =====	\$ 84,814 =====
Net income	\$ 17,508	\$ 20,714	\$ 57,466	\$ 50,764
Dividends on preferred shares subject to mandatory redemption (a)	-- -----	388 -----	775 -----	1,550 -----
Net income after dividends on preferred shares subject to mandatory redemption	\$ 17,508 =====	\$ 20,326 =====	\$ 56,691 =====	\$ 49,214 =====

(a) Beginning July 1, 2003, the Company accounts for preferred shares subject to mandatory redemption in accordance with SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." For periods presented after June 30, 2003, dividends paid on these shares are classified as a component of interest expense.