AMERIGAS PARTNERS, L.P.

AND SUBSIDIARIES

QUARTERLY REPORT

for the three and nine months ended June 30, 2022 and 2021

AmeriGas Partners, L.P. ("AmeriGas Partners") is an indirect, wholly owned subsidiary of UGI Corporation ("UGI"), with no class of securities registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result, AmeriGas Partners is not subject to the current and periodic reporting requirements of the Exchange Act. This quarterly report is provided to bondholders for informational purposes only pursuant to contractual requirements under certain indentures governing the rights of bondholders, and shall not constitute an offer to sell or the solicitation of an offer to buy any securities. As a result, none of UGI, AmeriGas Partners nor any of their respective affiliates accepts, and each specifically disclaims, any liability under federal securities laws whatsoever in connection with the provision of this quarterly report, including any liability under the Exchange Act or the Securities Act of 1933, as amended.

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GLOSSARY OF TERMS AND ABBREVIATIONS

Terms and abbreviations used in this Quarterly Report are defined below:

AmeriGas Partners, L.P. and Related Entities

AmeriGas OLP - AmeriGas Propane, L.P., the principal operating subsidiary of AmeriGas Partners

AmeriGas Partners - AmeriGas Partners, L.P., a Delaware limited partnership and an indirect wholly-owned subsidiary of UGI

Energy Services - UGI Energy Services, LLC, an indirect wholly owned subsidiary of UGI

General Partner - AmeriGas Propane, Inc., an indirect wholly owned subsidiary of UGI and the general partner of AmeriGas Partners

Partnership - AmeriGas Partners, AmeriGas OLP and all of their subsidiaries collectively

UGI - UGI Corporation

UGI Europe - UGI Europe, Inc., an indirect wholly owned subsidiary of UGI

Other Terms and Abbreviations

2021 Annual Report - AmeriGas Partners' Annual Report for the fiscal year ended September 30, 2021

2021 nine-month period - Nine months ended June 30, 2021

2021 three-month period - Three months ended June 30, 2021

2022 nine-month period - Nine months ended June 30, 2022

2022 three-month period - Three months ended June 30, 2022

ASC - Accounting Standards Codification

ASC 606 - ASC 606, "Revenue from Contracts with Customers"

CDC - Centers for Disease Control and Prevention

COVID-19 - A novel strain of coronavirus disease discovered in 2019

Credit Agreement - The second amended and restated credit agreement entered into by AmeriGas OLP providing for borrowings up to $600 million, including a letter of credit subfacility of up to $150 million

FDIC - Federal Deposit Insurance Corporation

Fiscal 2019 - The fiscal year ended September 30, 2019

Fiscal 2021 - The fiscal year ended September 30, 2021

GAAP - U.S. generally accepted accounting principles

MGP - Manufactured gas plant

NOAA - National Oceanic and Atmospheric Administration

NPNS - Normal purchase and normal sale

NYDEC - New York State Department of Environmental Conservation

PRP - Potentially responsible party

ROD - Record of Decision

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U.S. - United States of America

WHO - World Health Organization

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

FINANCIAL INFORMATION

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

	June 30, 2022	September 30, 2021	June 30, 2021
ASSETS			
Current assets:			
Cash and cash equivalents	$ 11	$ 14	$ 6
Accounts receivable (less allowances for doubtful accounts of $22, $16 and $14, respectively)	275	259	217
Inventories	192	186	126
Derivative instruments	63	96	90
Prepaid expenses and other current assets	75	86	72
Total current assets	616	641	511
Property, plant and equipment (less accumulated depreciation of $1,489, $1,404 and $1,397, respectively)	1,057	1,074	1,065
Goodwill	2,004	2,004	2,004
Intangible assets, net	139	164	172
Derivative instruments	10	26	29
Other assets	357	372	396
Total assets	$ 4,183	$ 4,281	$ 4,177
LIABILITIES AND PARTNER'S CAPITAL			
Current liabilities:			
Current maturities of long-term debt	$ —	$ 1	$ 3
Short-term borrowings	50	170	107
Accounts payable	229	237	149
Customer deposits and advances	66	88	63
Other current liabilities	232	272	253
Total current liabilities	577	768	575
Long-term debt	2,562	2,559	2,558
Other noncurrent liabilities	355	363	383
Total liabilities	3,494	3,690	3,516
Commitments and contingencies (Note 5)			
Partner's capital	689	591	661
Total liabilities and partner's capital	$ 4,183	$ 4,281	$ 4,177

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(Millions of dollars)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
Revenues:				
Propane	$ 526	$ 459	$ 2,204	$ 1,921
Other	71	67	219	211
	597	526	2,423	2,132
Costs and expenses:				
Cost of sales — propane (excluding depreciation and amortization shown below)	377	181	1,341	776
Cost of sales — other (excluding depreciation and amortization shown below)	26	27	75	71
Operating and administrative expenses	205	223	699	703
Depreciation and amortization	44	43	132	130
Other operating income, net	(12)	(9)	(30)	(26)
	640	465	2,217	1,654
Operating (loss) income	(43)	61	206	478
Interest expense	(41)	(40)	(120)	(120)
(Loss) income before income taxes	(84)	21	86	358
Income tax expense	(1)	—	(2)	(1)
Net (loss) income	$ (85)	$ 21	$ 84	$ 357

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	Nine Months Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 84	$ 357
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	132	130
Provision for uncollectible accounts	22	12
Change in unrealized gains and losses on derivatives instruments	83	(123)
Other, net	(16)	(9)
Net change in:		
Accounts receivable	(38)	(47)
Inventories	(6)	(18)
Accounts payable	(8)	17
Derivative instruments collateral deposits (paid) received	(22)	12
Other current assets	11	(20)
Other current liabilities	(59)	(81)
Net cash provided by operating activities	183	230
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(99)	(83)
Proceeds from disposals of assets	21	14
Net cash used by investing activities	(78)	(69)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions	325	—
Distributions	(311)	(88)
Decrease in short-term borrowings	(120)	(79)
Repayment of long-term debt	(2)	(2)
Contribution related to common control transaction (see Note 9)	—	9
Net cash used by financing activities	(108)	(160)
Cash and cash equivalents (decrease) increase	$ (3)	$ 1
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at end of period	$ 11	$ 6
Cash and cash equivalents at beginning of period	14	5
Cash and cash equivalents (decrease) increase	$ (3)	$ 1

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF PARTNER'S CAPITAL
(unaudited)
(Millions of dollars)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
Balance, beginning of period	$ 847	$ 682	$ 591	$ 383
Net (loss) income	(85)	21	84	357
Capital contribution	225	—	325	—
Distributions	(298)	(42)	(311)	(88)
Contribution related to common control transaction (see Note 9)	—	—	—	9
Balance, end of period	$ 689	$ 661	$ 689	$ 661

See accompanying notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Millions of dollars, except where indicated otherwise)

Note 1 — Nature of Operations

AmeriGas Partners conducts a national propane distribution business through its principal operating subsidiary, AmeriGas OLP. AmeriGas OLP is engaged in the distribution of propane and related equipment and supplies. AmeriGas OLP comprises the largest retail propane distribution business in the U.S. serving residential, commercial, industrial, motor fuel and agricultural customers in all 50 states. AmeriGas Propane, Inc. currently serves as the General Partner of AmeriGas Partners through its non-economic general partner interest in AmeriGas Partners.

AmeriGas Partners and AmeriGas OLP have no employees. Employees of the General Partner conduct, direct and manage our operations. The General Partner is reimbursed monthly for all direct and indirect expenses it incurs on the Partnership's behalf (see Note 9).

Note 2 — Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with GAAP. They include all adjustments which we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consist only of normal recurring items unless otherwise disclosed. The September 30, 2021, Condensed Consolidated Balance Sheet was derived from audited financial statements but does not include all footnote disclosures from the annual financial statements. These financial statements should be read in conjunction with the Partnership's 2021 Annual Report.

Weather significantly impacts demand for propane and profitability because many customers use propane for heating purposes. Due to the seasonal nature of the Partnership's propane business, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

Derivative Instruments. Derivative instruments are reported on the Condensed Consolidated Balance Sheets at their fair values, unless the NPNS exception is elected. Since we do not currently have derivative instruments that are designated and qualify as cash flow hedges, changes in fair value of our commodity derivative instruments that are not subject to the NPNS exception are reflected in "Cost of sales — propane" on the Condensed Consolidated Statements of Operations. Cash flows from commodity derivative instruments are included in cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

For a more detailed description of the derivative instruments we use, our accounting for derivatives, our objectives for using them and other information, see Note 7.

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

Reclassifications. For purposes of comparability, certain prior-period amounts have been reclassified to conform to the current-period presentation.

Subsequent Events. Management has evaluated the impact of subsequent events through August 4, 2022, the date these condensed consolidated financial statements were issued and the effects, if any, of such evaluation have been reflected in the condensed consolidated financial statements and related disclosures.

Note 3 — Revenue from Contracts with Customers

We recognize revenue when control of the promised goods or services is transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. See Note 4 in the Partnership's 2021 Annual Report for additional information on our revenues from contracts with customers.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Millions of dollars, except where indicated otherwise)

Revenue Disaggregation

The following table presents our disaggregated revenues:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
Revenues from contracts with customers:				
Propane:				
Retail	$ 478	$ 424	$ 2,032	$ 1,829
Wholesale	48	35	172	92
Other	51	51	163	161
Total revenues from contracts with customers	577	510	2,367	2,082
Other revenues (a)	20	16	56	50
Total revenues	$ 597	$ 526	$ 2,423	$ 2,132

(a) Primarily represents revenues from tank rentals that are not within the scope of ASC 606 and accounted for in accordance with other GAAP.

Contract Balances

The timing of revenue recognition may differ from the timing of invoicing to customers or cash receipts. Contract assets represent the Partnership's right to consideration after the performance obligations have been satisfied when such right is conditioned on something other than the passage of time. Contract assets were not material for all periods presented. Substantially all of the Partnership's receivables are unconditional rights to consideration and are included in "Accounts receivable" on the Condensed Consolidated Balance Sheets. Amounts billed are generally due within the following month.

Contract liabilities arise when payment from a customer is received before the performance obligations have been satisfied and represent the Partnership's obligations to transfer goods or services to a customer for which the Partnership has received consideration from the customer. The balances of contract liabilities were $59, $82 and $55 at June 30, 2022, September 30, 2021 and June 30, 2021, respectively, and are included in "Customer deposits and advances" and "Other current liabilities" on the Condensed Consolidated Balance Sheets. Revenues recognized for the nine months ended June 30, 2022 and 2021, from the amounts included in contract liabilities at September 30, 2021 and 2020, were $60 and $70, respectively.

Remaining Performance Obligations

The Partnership excludes disclosures related to the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period because these contracts have an initial expected term of one year or less or we have a right to bill the customer in an amount that corresponds directly with the value of services provided to the customer to date.

Note 4 — Inventories

Inventories comprise the following:

	June 30, 2022	September 30, 2021	June 30, 2021
Propane gas	$ 153	$ 164	$ 106
Materials, supplies and other	39	22	20
Total inventories	$ 192	$ 186	$ 126

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Millions of dollars, except where indicated otherwise)

Note 5 — Commitments and Contingencies

Contingencies

Saranac Lake Environmental Matter. In 2008, the NYDEC notified AmeriGas OLP that the NYDEC had placed property purportedly owned by AmeriGas OLP in Saranac Lake, New York on the New York State Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by the NYDEC disclosed contamination related to a former MGP. AmeriGas OLP responded to the NYDEC in 2009 to dispute the contention it was a PRP as it did not operate the MGP and appeared to only own a portion of the site. In 2017, the NYDEC communicated to AmeriGas OLP that the NYDEC had previously issued three RODs related to remediation of the site totaling approximately $28 and requested additional information regarding AmeriGas OLP's purported ownership. AmeriGas OLP renewed its challenge to designation as a PRP and identified potential defenses. The NYDEC subsequently identified a third party PRP with respect to the site.

The NYDEC commenced implementation of the remediation plan in the spring of 2018. Based on our evaluation of the available information as of June 30, 2022, the Partnership has an undiscounted environmental remediation liability of $8 related to the site. Our share of the actual remediation costs could be significantly more or less than the accrued amount.

Although we cannot predict the final results of these pending claims and legal actions, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our financial statements.

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

Note 6 — Fair Value Measurements

Recurring Fair Value Measurements

The following table presents, on a gross basis, our derivative assets and liabilities, including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy:

	Asset (Liability)			
	Level 1	Level 2	Level 3	Total
June 30, 2022:				
Assets:				
Commodity contracts	$ —	$ 109	$ —	$ 109
Liabilities:				
Commodity contracts	$ —	$ (11)	$ —	$ (11)
September 30, 2021:				
Assets:				
Commodity contracts	$ —	$ 176	$ —	$ 176
Liabilities:				
Commodity contracts	$ —	$ (1)	$ —	$ (1)
June 30, 2021:				
Assets:				
Commodity contracts	$ —	$ 131	$ —	$ 131

The fair values of our non-exchange traded commodity derivative contracts included in Level 2 are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators.

(Millions of dollars, except where indicated otherwise)

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar type debt (Level 2). The carrying amounts and estimated fair values of our long-term debt (including current maturities but excluding unamortized debt issuance costs) were as follows:

	June 30, 2022	September 30, 2021	June 30, 2021
Carrying amount	$ 2,575	$ 2,576	$ 2,578
Estimated fair value	$ 2,443	$ 2,870	$ 2,848

Financial instruments other than derivative instruments, such as short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit credit risk from short-term investments by investing only in investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured bank deposits. The credit risk arising from concentrations of trade accounts receivable is limited because we have a large customer base that extends across many different U.S. markets. For information regarding concentrations of credit risk associated with our derivative instruments, see Note 7.

Note 7 — Derivative Instruments and Hedging Activities

The Partnership is exposed to certain market risks associated with its ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to primarily manage commodity price risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments the Partnership can use, counterparty credit limits and contract authorization limits. Although our commodity derivative instruments extend over a number of years, a significant portion of our commodity derivative instruments economically hedge commodity price risk during the next twelve months. For additional information on the accounting for our derivative instruments, see Note 2.

Commodity Price Risk

In order to manage market price risk associated with the Partnership's fixed-price programs and to reduce the effects of short-term commodity price volatility, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. In addition, the Partnership, from time to time, enters into price swap and option contracts to reduce the effects of short-term commodity price volatility. At June 30, 2022, September 30, 2021 and June 30, 2021, total volumes associated with propane commodity derivatives totaled 279 million gallons, 330 million gallons and 350 million gallons, respectively. At June 30, 2022, the maximum period over which we are economically hedging propane market price risk is 27 months.

To mitigate short-term market volatility associated with commodity instruments, the Partnership from time to time enters into diesel swap contracts for a portion of diesel volumes expected to be used in the operation of vehicles and equipment. The Partnership also enters into steel swaps to reduce price volatility associated with its portable cylinder purchases. The volumes associated with diesel and steel swap contracts were not material for all periods presented.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise large energy companies and major U.S. financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Millions of dollars, except where indicated otherwise)

We have concentrations of credit risk associated with derivative instruments and we evaluate the creditworthiness of our derivative counterparties on an ongoing basis. As of June 30, 2022, the maximum amount of loss, based upon the gross fair values of the derivative instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was $109. At June 30, 2022 the Partnership had received cash collateral from derivative instrument counterparties totaling $31. In addition, we may have offsetting derivative liabilities and certain accounts payable balances with certain of these counterparties, which further mitigates the previously mentioned maximum amount of losses. Certain of our derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade in the Partnership's debt rating. At June 30, 2022, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

Offsetting Derivative Assets and Liabilities

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

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

Fair Value of Derivative Instruments

The following table presents our derivative assets and liabilities by type, as well as the effects of offsetting:

	June 30, 2022	September 30, 2021	June 30, 2021
Derivative assets:			
Derivative assets not designated as hedging instruments:			
Commodity contracts	$ 109	$ 176	$ 131
Total derivative assets — gross	109	176	131
Gross amounts offset in the balance sheet	(5)	(1)	—
Cash collateral received	(31)	(53)	(12)
Total derivative assets — net	$ 73	$ 122	$ 119
Derivative liabilities:			
Derivative liabilities not designated as hedging instruments:			
Commodity contracts	$ (11)	$ (1)	$ —
Total derivative liabilities — gross	(11)	(1)	—
Gross amounts offset in the balance sheet	5	1	—
Total derivative liabilities — net (a)	$ (6)	$ —	$ —

(a) Derivative liabilities with maturities less than one year are included in "Other current liabilities" and derivative liabilities with maturities greater than one year are included in "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Millions of dollars, except where indicated otherwise)

Effects of Derivative Instruments

Derivative instruments gains reflected on the Condensed Consolidated Statements of Operations comprise the following:

Derivatives Not Designated as Hedging Instruments:	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021	Location of Gain Recognized in Income
Commodity contracts	$ (18)	$ 78	$ 30	$ 197	Cost of sales — propane
Commodity contracts	—	—	—	5	Other operating income, net
Total	$ (18)	$ 78	$ 30	$ 202	

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

Note 8 — Business Transformation Initiatives

Beginning in Fiscal 2019, we began executing on a multi-year business transformation initiative. This initiative is designed to improve long-term operational performance by, among other things, reducing costs and improving efficiency in the areas of sales and marketing, supply and logistics, operations, purchasing, and administration. In addition, this business transformation initiative also focuses on enhancing the customer experience through, among other things, enhanced sales and marketing initiatives and an improved digital customer experience. During the three and nine months ended June 30, 2021, we incurred $11 and $37 of costs, respectively, principally comprising consulting, advisory, and employee-related costs. These costs are reflected in “Operating and administrative expenses” on the Condensed Consolidated Statements of Operations. This previously announced business transformation initiative is substantially complete.

Note 9 — Related Party Transactions

Partnership and Management Services Agreement. The General Partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of the Partnership. These costs include employee compensation and benefit expenses of employees of the General Partner and general and administrative expenses.

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

In addition, UGI and certain of its subsidiaries provide office space, stop loss medical coverage and automobile liability insurance to the Partnership. These costs were not material during the three and nine months ended June 30, 2022 and 2021.

Propane Purchases and Sales. AmeriGas OLP purchases propane on an as needed basis from Energy Services. The price of the purchases is generally based on market price at the time of purchase. Purchases of propane by AmeriGas OLP from Energy Services during the three and nine months ended June 30, 2022 and 2021 were not material.

In addition, AmeriGas OLP sells propane to affiliates of UGI. Sales of propane to affiliates of UGI were not material during the three and nine months ended June 30, 2022 and 2021.

Notes to Condensed Consolidated Financial Statements
(unaudited)
(Millions of dollars, except where indicated otherwise)

The following related party transactions are included in “Operating and administrative expenses” on the Condensed Consolidated Statements of Operations:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2022	2021	2022	2021
Partnership and Management Services Agreement:				
Direct and indirect expenses incurred on behalf of the Partnership	$ 105	$ 126	$ 389	$ 411
Administrative Services:				
Administrative services provided by UGI	$ 5	$ 6	$ 18	$ 18

Contribution from Parent. In December 2021 and June 2022, UGI, through its operating subsidiaries, contributed $100 and $225, respectively, in cash to the Partnership. The Partnership used these funds to reduce short-term borrowings.

Platform Contribution Agreement. Pursuant to a Platform Contribution Agreement, on October 1, 2020, AmeriGas OLP sold the right to use certain business strategies, models, technology and other similar proprietary information used in operating its business to UGI Europe for $9. Because the transaction was between entities under common control, the proceeds received by AmeriGas OLP in excess of the carrying value of such assets transferred was considered an equity transaction and has been recorded as an increase in “Partner’s capital” on the June 30, 2021 Condensed Consolidated Balance Sheet.

Note 10 — Impact of Global Pandemic

In March 2020, the WHO declared a global pandemic attributable to the outbreak and continued spread of COVID-19 that has had a significant impact throughout the global economy. In connection with the mitigation and containment procedures recommended by the WHO, the CDC, and as imposed by federal, state, and local governmental authorities, including shelter-in-place orders, quarantines and similar restrictions, the Partnership has implemented a variety of procedures to protect its employees, third-party business partners, and customers. The Partnership continues to provide essential products and services to its customers in a safe and reliable manner, and will continue to do so in compliance with mandated restrictions presented by each of the markets it serves. The Partnership continues to evaluate and react to the effects of a prolonged disruption and the potential of continued impact on its results of operations. These items may include, but are not limited to: the financial condition of its customers; decreased availability and demand for its products and services; realization of accounts receivable; impairment considerations related to certain current assets, long-lived assets and goodwill; delays related to current and future projects; commodity price volatility and supply chain constraint; and the effects of government stimulus efforts. The Partnership cannot predict the duration or magnitude of the outbreak and the total effects on its business, financial position, results of operations, liquidity or cash flows at this time.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Information contained in this Quarterly Report may contain forward-looking statements. Such statements use forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," or other similar words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the following important factors that could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) weather conditions, including increasingly uncertain weather patterns due to climate change, resulting in reduced demand, and the seasonal nature of our business; (2) cost volatility and availability of propane, as well as the availability of propane cylinders, and the capacity to transport propane to our customers; (3) the availability of, and our ability to consummate, acquisition or combination opportunities; (4) successful integration and future performance of acquired assets or businesses and achievement of anticipated synergies; (5) changes in laws and regulations, including safety, tax, consumer protection, data privacy, accounting, and environmental matters, such as regulatory responses to climate change; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers or retain current customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations and our ability to address existing or potential workforce shortages; (11) customer, counterparty, supplier, or vendor defaults; (12) liability for uninsured claims and for claims in excess of insurance coverage, including those for personal injury and property damage arising from explosions, terrorism, natural disasters, pandemics and other catastrophic events that may result from operating hazards and risks incidental to transporting, storing and distributing propane and butane; (13) political, regulatory and economic conditions in the United States and foreign countries; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; (15) changes in commodity market prices resulting in significantly higher cash collateral requirements; (16) the impact of pending and future legal or regulatory proceedings, inquiries or investigations; (17) the availability, timing, and success of our acquisitions, commercial initiatives and investments to grow our business; (18) the interruption, disruption, failure or malfunction of our information technology systems, and those of our third-party vendors or service providers, including due to cyber attack; (19) our ability to achieve the operational benefits and cost efficiencies expected from the completion of pending and future business transformation initiatives, including the impact of customer service disruptions resulting in potential customer loss due to the transformation activities; (20) uncertainties related to a global pandemic, including the duration and/or impact of the COVID-19 pandemic; and (21) our ability to overcome supply chain issues that may result in delays or shortages in, as well as increased costs of, equipment, materials or other resources that are critical to our business operations.

These factors, and those factors set forth in the Risk Factors section in the Partnership's 2021 Annual Report, are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update any forward-looking statement whether as a result of new information or future events.

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare the Partnership's results of operations for the 2022 three-month period with the 2021 three-month period and the 2022 nine-month period with the 2021 nine-month period.

Our results are significantly influenced by temperatures in our service territories particularly during the heating season months of October through March. As a result, our operating results, after adjusting for the effects of gains and losses on commodity derivative instruments not associated with current-period transactions as further discussed below, are significantly higher in our first and second fiscal quarters.

Non-GAAP Financial Measures

AmeriGas Partners does not designate its commodity derivative instruments as hedges under GAAP. As a result, volatility in net income can occur as gains and losses on commodity derivative instruments not associated with current-period transactions, principally comprising non-cash changes in unrealized gains and losses, are reflected in cost of sales. However, we expect that such gains and losses on such derivative instruments will be largely offset by gains and losses on anticipated future propane purchases.

AmeriGas Partners' management presents the non-GAAP measures "adjusted net income," "adjusted total margin," and "adjusted operating income" in order to assist in the evaluation of the Partnership's overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about AmeriGas Partners' performance because they eliminate the impact of (1) changes in unrealized gains and losses on commodity derivative instruments not associated with current-period transactions and (2) other significant discrete items that can affect the comparison of year-over-year results. Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures.

The following table includes reconciliations of adjusted total margin, adjusted operating income, and adjusted net income to the most directly comparable financial measures calculated and presented in accordance with GAAP for the periods presented:

	Three Months Ended June 30,		Nine Months Ended June 30,	
(Dollars in millions)	2022	2021	2022	2021
Adjusted total margin:				
Total revenues	$ 597	$ 526	$ 2,423	$ 2,132
Cost of sales — propane	(377)	(181)	(1,341)	(776)
Cost of sales — other	(26)	(27)	(75)	(71)
Total margin	194	318	$ 1,007	$ 1,285
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	43	(59)	83	(123)
Adjusted total margin	$ 237	$ 259	$ 1,090	$ 1,162
Adjusted operating income:				
Operating (loss) income	$ (43)	$ 61	$ 206	$ 478
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	43	(59)	83	(123)
Restructuring costs	1	—	15	—
Business transformation expenses	—	11	—	37
Adjusted operating income	$ 1	$ 13	$ 304	$ 392
Adjusted net (loss) income:				
Net (loss) income	$ (85)	$ 21	$ 84	$ 357
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	43	(59)	83	(123)
Restructuring costs	1	—	15	—
Business transformation expenses	—	11	—	37
Adjusted net (loss) income	$ (41)	$ (27)	$ 182	$ 271

Executive Overview

Recent Developments

Macroeconomic Conditions. During Fiscal 2021 and continuing into the current fiscal year, commodity and labor markets have experienced significant inflationary pressures attributable to various economic factors, including: the economic recovery and evolving consumer patterns associated with the ongoing COVID-19 pandemic (see Note 10 to the Condensed Consolidated Financial Statements); supply chain issues associated with labor shortages; and significant inflationary pressures on commodity prices, among others. These factors have led to significant volatility across various consumer price indices during Fiscal 2021 and have continued during the 2022 three- and nine-month periods. We have experienced substantial shifts in commodity prices, particularly in propane prices, which, in turn, have led to extensive mark-to-market impacts on commodity derivatives instruments not associated with current-period activity. The ongoing strain on supply costs has resulted in increased inventory costs and certain distribution expenses. It has also affected requirements around cash collateral associated with our outstanding derivatives. The Partnership cannot predict the duration or total magnitude of these factors and the total effects on its business, financial position, results of operations, liquidity or cash flows at this time. However, it continues to evaluate and react to these economic conditions and remains focused on managing its financial condition and liquidity as these conditions continue to evolve.

2022 three-month period compared with 2021 three month period

Net loss for the 2022 three-month period was $85 million compared to net income of $21 million in the prior-year period. Net loss in the 2022 three-month period reflects the effects of net unrealized losses on commodity derivative instruments not associated with current-period transactions of $43 million and restructuring costs of $1 million largely attributable to a reduction in workforce and related costs. Net income during the 2021 three-month period reflects the effects of net unrealized gains on commodity derivative instruments not associated with current-period transactions of $59 million and business transformation expenses of $11 million.

Adjusted net loss for the 2022 three-month period was $41 million compared with $27 million in the prior-year period. This decrease principally reflects lower retail propane margin primarily attributable to lower volumes sold partially offset by lower operating and administrative expenses primarily attributable to cost containment measures.

2022 nine-month period compared with 2021 nine-month period

Net income for the 2022 nine-month period was $84 million compared to net income of $357 million in the prior-year period. Net income in the 2022 nine-month period reflects the effects of net unrealized losses on commodity derivative instruments not associated with current-period transactions of $83 million and restructuring costs of $15 million largely attributable to a reduction in workforce and related costs. Net income during the 2021 nine-month period reflects the effects of net unrealized gains on commodity derivative instruments not associated with current-period transactions of $123 million and business transformation expenses of $37 million.

Adjusted net income for the 2022 nine-month period was $182 million compared with $271 million in the prior-year period. This decrease principally reflects lower retail propane margin primarily attributable to lower volumes sold and higher operating and administrative expenses primarily attributable to increasing distribution costs and other expenses attributable to inflationary pressures.

RESULTS OF OPERATIONS

2022 three month period compared with the 2021 three-month period

Three Months Ended June 30,	2022	2021	Increase (Decrease)	
(Dollars and gallons in millions)				
Gallons sold:				
Retail	173	184	(11)	(6)%
Wholesale	34	35	(1)	(3)%
	207	219	(12)	(5)%
Revenues:				
Retail propane	$ 478	424	$ 54	13 %
Wholesale propane	48	35	13	37 %
Other	71	67	4	6 %
	$ 597	$ 526	$ 71	13 %
Total margin (a)	$ 194	$ 318	$ (124)	(39)%
Operating and administrative expenses	$ 205	$ 223	$ (18)	(8)%
Depreciation and amortization	$ 44	$ 43	$ 1	2 %
Operating (loss) income	$ (43)	$ 61	$ (104)	(170)%
Net (loss) income	$ (85)	$ 21	$ (106)	(505)%
Non-GAAP financial measures (b):				
Adjusted total margin	$ 237	$ 259	$ (22)	(8)%
Adjusted operating income	$ 1	$ 13	$ (12)	(92)%
Adjusted net (loss) income	$ (41)	$ (27)	$ (14)	52 %
Heating degree days — % colder than normal (c)	16.5 %	2.5 %	—	—

(a) Total margin represents total revenues less “Cost of sales — propane” and “Cost of sales — other.” Total margin for the 2022 and 2021 three-month periods includes the impact of net unrealized losses of $43 million and net unrealized gains of $59 million, respectively, on commodity derivative instruments not associated with current-period transactions.

(b) These financial measures are non-GAAP financial measures and are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not a substitute for, the comparable GAAP measures. See section “Non-GAAP Financial Measures” above.

(c) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for 344 regions in the United States, excluding Alaska and Hawaii.

Average temperatures during the 2022 three-month period were 16.5% colder than normal and 22.8% colder than the prior-year period. Total retail gallons sold decreased 6% during the 2022 three-month period principally reflecting the continued impact of customer service challenges that occurred in Fiscal 2021, staffing shortages in key delivery related positions, increased price sensitivity in the higher commodity cost environment and the prior-year impact of COVID-19 on cylinder exchange and resale volumes.

Average daily wholesale propane commodity prices during the 2022 three-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 46% higher than such prices during the 2021 three-month period. This increase in prices has impacted both total revenues and total costs of sales during the 2022 three-month period. Total revenues increased $71 million during the 2022 three-month period largely reflecting higher average propane selling prices ($94 million) compared to the prior-year period. This increase was partially offset by the effects of the previously mentioned decrease in retail propane volumes sold ($25 million).

Total cost of sales during the 2022 three-month period increased $195 million compared to the prior-year period. Cost of sales in the 2022 and 2021 three-month periods include net unrealized losses of $43 million and net unrealized gains of $59 million, respectively, on commodity derivative instruments not associated with current-period transactions. Excluding the effects on cost of sales of these commodity derivative instruments, total cost of sales increased $93 million during the 2022 three-month period largely attributable to the higher average propane product costs ($109 million). This increase was partially offset by the decrease in retail propane volumes sold ($12 million).

Total margin (which includes the effects of the unrealized gains on commodity derivative instruments not associated with current-period transactions) decreased $124 million during the 2022 three-month period. Adjusted total margin in the 2022 three-month period decreased $22 million largely attributable to the lower retail propane margins ($11 million) and volumes ($13 million).

Operating income (which includes the effects of the unrealized gains on commodity derivative instruments not associated with current-period transactions, certain restructuring charges and business transformation expenses) decreased $104 million compared to the prior-year period. Adjusted operating income decreased $12 million during the 2022 three-month period reflecting the previously mentioned decrease in adjusted total margin ($22 million) partially offset by lower operating and administrative expenses excluding the effects of certain restructuring charges and business transformation expenses ($8 million) compared to the prior-year period. The decrease in operating and administrative expenses, excluding the effects of certain restructuring costs and business transformation expenses, in the 2022 three-month period reflects lower expenses associated with employee benefits and compensation ($18 million), advertising ($4 million) and vehicle leases ($2 million) compared to the prior-year period. These decreases were partially offset by, among other things, increases related to the inflationary cost environment, which included higher expenses associated with bad debt reserves ($4 million), vehicle fuel ($3 million), insurance claims ($3 million) and telecommunications ($2 million) compared to the prior-year period.

Net income (which includes the effects of the unrealized gains on commodity derivative instruments not associated with current-period transactions, certain restructuring costs and business transformation expenses) decreased $106 million compared to the prior-year period. Adjusted net income decreased $14 million in the 2022 three-month period primarily reflecting the previously mentioned decrease in adjusted operating income.

2022 nine-month period compared with the 2021 nine-month period

Nine Months Ended June 30,	2022	2021	Increase (Decrease)	
(Dollars and gallons in millions)				
Gallons sold:				
Retail	743	815	(72)	(9)%
Wholesale	119	92	27	29 %
	862	907	(45)	(5)%
Revenues:				
Retail propane	$ 2,032	1,829	$ 203	11 %
Wholesale propane	172	92	80	87 %
Other	219	211	8	4 %
	$ 2,423	$ 2,132	$ 291	14 %
Total margin (a)	$ 1,007	$ 1,285	$ (278)	(22)%
Operating and administrative expenses	$ 699	$ 703	$ (4)	(1)%
Depreciation and amortization	$ 132	$ 130	$ 2	2 %
Operating income	$ 206	$ 478	$ (272)	(57)%
Net income	$ 84	$ 357	$ (273)	(76)%
Non-GAAP financial measures (b):				
Adjusted total margin	$ 1,090	$ 1,162	$ (72)	(6)%
Adjusted operating income	$ 304	$ 392	$ (88)	(22)%
Adjusted net income	$ 182	$ 271	$ (89)	(33)%
Heating degree days — % warmer than normal (c)	(0.8)%	(2.6)%	—	—

(a) Total margin represents total revenues less "Cost of sales — propane" and "Cost of sales — other." Total margin for the 2022 and 2021 nine-month periods includes the impact of net unrealized losses of $83 million and net unrealized gains of $123 million, respectively, on commodity derivative instruments not associated with current-period transactions.

(b) These financial measures are non-GAAP financial measures and are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not a substitute for, the comparable GAAP measures. See section "Non-GAAP Financial Measures" above.
(c) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for 344 regions in the United States, excluding Alaska and Hawaii.

Average temperatures during the 2022 nine-month period were relatively consistent with normal temperatures and temperatures during the prior-year period. Total retail gallons sold decreased 9% during the 2022 nine-month period principally reflecting the continued impact of customer service challenges that occurred in Fiscal 2021, increased price sensitivity in the higher commodity cost environment, staffing shortages in key delivery related positions and the prior-year impact of COVID-19 on cylinder exchange and resale volumes.

Average daily wholesale propane commodity prices during the 2022 nine-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 63% higher than such prices during the 2021 nine-month period. This significant increase in prices has impacted both total revenues and total costs of sales during the 2022 nine-month period. Total revenues increased $291 million during the 2022 nine-month period largely reflecting higher average propane selling prices ($418 million) and higher wholesale volumes sold ($27 million) compared to the prior-year period. These positive impacts were partially offset by the effects of the previously mentioned decrease in retail propane volumes sold ($162 million).

Total cost of sales during the 2022 nine-month period increased $569 million compared to the prior-year period. Cost of sales in the 2022 and 2021 nine-month periods include net unrealized losses of $83 million and net unrealized gains of $123 million, respectively, on commodity derivative instruments not associated with current-period transactions. Excluding the effects on cost of sales of these commodity derivative instruments, total cost of sales increased $363 million during the 2022 nine-month period largely attributable to the higher average propane product costs ($405 million) and higher wholesale propane volumes sold ($25 million). These increases in cost of sales were partially offset by the decrease in retail propane volumes sold ($72 million).

Total margin (which includes the effects of the unrealized gains on commodity derivative instruments not associated with current-period transactions) decreased $278 million during the 2022 nine-month period. Adjusted total margin in the 2022 nine-month period decreased $72 million largely attributable to the lower retail propane volumes ($90 million) partially offset by higher average propane margins ($12 million).

Operating income (which includes the effects of the unrealized gains on commodity derivative instruments not associated with current-period transactions, certain restructuring costs and business transformation expenses) decreased $272 million compared to the prior-year period. Adjusted operating income decreased $88 million during the 2022 nine-month period reflecting the previously mentioned decrease in adjusted total margin and higher operating and administrative expenses excluding the effects of certain restructuring costs and business transformation expenses ($18 million) compared to the prior-year period. The increase in operating and administrative expenses was impacted by the inflationary cost environment and reflects, among other things, higher expenses associated with general insurance and claims paid ($15 million), bad debt reserves ($11 million), vehicle fuel ($10 million) and telecommunications ($7 million) compared to the prior-year period. These increases were partially offset by lower expenses associated with employee compensation and benefits ($24 million) and vehicle leases ($5 million) compared to the prior-year period.

Net income (which includes the effects of the unrealized gains on commodity derivative instruments not associated with current-period transactions, certain restructuring costs and business transformation expenses) decreased $273 million compared to the prior-year period. Adjusted net income decreased $89 million in the 2022 nine-month period primarily reflecting the previously mentioned decrease in adjusted operating income.

FINANCIAL CONDITION AND LIQUIDITY

The Partnership expects to have sufficient liquidity, including cash on hand and available credit agreement borrowings, to continue to support long-term commitments and ongoing operations despite uncertainties associated with the COVID-19 pandemic, the inflationary cost environment and ongoing commodity price volatility. The Partnership does not have any near-term senior note maturities. The Partnership cannot predict the duration or magnitude that the COVID-19 pandemic and ongoing commodity price volatility will have on its liquidity, debt covenants, financial condition or the timing of capital expenditures. The Partnership was in compliance with its debt covenants as of June 30, 2022.

The Partnership's cash and cash equivalents at June 30, 2022 and September 30, 2021 were $11 million and $14 million, respectively. The Partnership's debt outstanding at June 30, 2022, totaled $2,612 million (including short-term borrowings of $50 million). The Partnership's debt outstanding at September 30, 2021, totaled $2,730 million (including current maturities of long-term debt of $1 million and short-term borrowings of $170 million). Total long-term debt outstanding at June 30, 2022, including current maturities, comprises $2,575 million of AmeriGas Partners' Senior Notes and is net of $13 million of unamortized debt issuance costs.

At June 30, 2022, there were $50 million of borrowings outstanding under the Credit Agreement. Issued and outstanding letters of credit under the Credit Agreement, which reduce the amounts available for borrowings, totaled $3 million at June 30, 2022. At June 30, 2022, the Partnership's available borrowing capacity under the Credit Agreement was $547 million. The average daily and peak short-term borrowings outstanding under the Credit Agreement during the 2022 nine-month period were $203 million and $388 million, respectively. The average daily and peak short-term borrowings outstanding under the Credit Agreement during the 2021 nine-month period were $177 million and $293 million, respectively.

Cash Flows

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

Cash flow provided by operating activities was $183 million in the 2022 nine-month period compared to $230 million in the 2021 nine-month period. Cash flow from operating activities before changes in operating working capital was $305 million in the 2022 nine-month period compared to $367 million in the prior-year period. The lower cash flow from operating activities before changes in working capital principally reflects the lower operating results in the 2022 nine-month period. Cash used to fund changes in operating working capital was $122 million in the 2022 nine-month period compared to $137 million in the 2021 nine-month period. This decrease reflects, among other things, a decrease in cash required to fund changes in inventories, other current assets and other current liabilities. These decreases were partially offset by an increase in cash required to fund changes in accounts payable as well as cash collateral repayments to derivative counterparties of $22 million compared to cash collateral receipts of $12 million in the prior-year period. The impacts of commodity price volatility and increasing supply chain costs are pervasive throughout these changes in working capital.

Investing activities. Investing activity cash flow principally comprises expenditures for property, plant and equipment, cash paid for acquisitions of businesses and proceeds from disposals of assets. Cash flow used by investing activities was $78 million in the 2022 nine-month period compared with $69 million in the prior-year period. This increase was primarily driven by an increase in capital expenditures during the 2022 nine-month period. The Partnership spent $99 million for property, plant and equipment in the 2022 nine-month period compared to $83 million in the 2021 nine-month period.

Financing activities. Financing activity cash flow principally comprises cash contributions and distributions, issuances and repayments of long-term debt, and short-term borrowings/repayments. Cash used by financing activities was $108 million in the 2022 nine-month period compared to $160 million in the prior-year period. This decrease is primarily attributable to $325 million of cash contributions received by the Partnership during the 2022 nine-month period. The decrease in cash used by financing activities was partially offset by higher repayments on the Credit Agreement during the 2022 nine-month period, increased cash distributions paid and the absence of a contribution related to a common control transaction received in the 2021 nine-month period.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Commodity Price Risk

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

In addition, the Partnership from time to time enters into diesel swap contracts for a portion of diesel volumes expected to be used in the operation of vehicles and equipment. The Partnership also enters into steel swaps to reduce price volatility associated with its portable cylinder purchases. The volumes associated with diesel and steel swap contracts were not material for all periods presented.

The fair value of unsettled commodity price risk sensitive instruments at June 30, 2022, was a net gain of $98 million. A hypothetical 10% adverse change in the market price of certain commodities would result in a decrease in such fair value of approximately $35 million.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise major energy companies and major U.S. financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash.

We have concentrations of credit risk associated with derivative instruments and we evaluate the creditworthiness of our derivative counterparties on and ongoing basis. As of June 30, 2022, the maximum amount of loss, based upon the gross fair values of the derivative instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was $109 million. At June 30, 2022 the Partnership had received cash collateral from derivative instrument counterparties totaling $31 million. In addition, we may have offsetting derivative liabilities and certain accounts payable balances with certain of these counterparties, which further mitigates the previously mentioned maximum amount of losses. Certain of our derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade in the Partnership's debt rating. At June 30, 2022, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The General Partner's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Partnership in this Quarterly Report is (i) recorded, processed, summarized, and reported within the time periods specified in the indentures, and (ii) accumulated and communicated to our management, including the President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The General Partner's management, with the participation of the General Partner's President and Chief Financial Officer, evaluated the effectiveness of the Partnership's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the President and Chief Financial Officer concluded that the Partnership's disclosure controls and procedures, as of the end of the period covered by this report, were effective at the reasonable assurance level.

(b) Change in Internal Control over Financial Reporting

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

LEGAL PROCEEDINGS

The information set forth in Note 5, Commitments and Contingencies to our Condensed Consolidated Financial Statements included in this Report, is incorporated herein by reference.

RISK FACTORS

In addition to the information presented in this Report, you should carefully consider the factors discussed in "Risk Factors" in our 2021 Annual Report, which could materially affect our business, financial condition or future results. The risks described in our 2021 Annual Report are not the only risks facing the Partnership. Other unknown or unpredictable factors could also have material adverse effects on future results.

EXHIBIT INDEX

31.1	Certification by the President.
31.2	Certification by the Chief Financial Officer.
32	Certification by the President and the Chief Financial Officer.

SIGNATURES

The Partnership has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERIGAS PARTNERS, L.P.

By: AmeriGas Propane, Inc.
Its General Partner

Date: August 4, 2022

By: DocuSigned by: Ann Kelly 77A07A1BAB43414...
Ann P. Kelly
Vice President - Finance and Chief Financial Officer (Principal Financial Officer)

Date: August 4, 2022

By: DocuSigned by: David Massinger FBE57BB33F134AC...
David A. Massinger
Controller and Chief Accounting Officer

DocuSign Envelope ID: 36D6BDEC-6B73-43F4-B7CF-6C3E73949DC4

Exhibit 31.1

CERTIFICATION

I, Paul Ladner, certify that:

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

Date: August 4, 2022

DocuSigned by:
Paul M Ladner
8E456DB04296404...

Paul Ladner

President of AmeriGas Propane, Inc.

Exhibit 31.2

CERTIFICATION

I, Ann P. Kelly, certify that:

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

Date: August 4, 2022

DocuSigned by:
Ann Kelly
77A07A1BAB43414

Ann P. Kelly
Chief Financial Officer

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Exhibit 32

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

I, Paul Ladner, President, and I, Ann P. Kelly, Chief Financial Officer, of AmeriGas Propane, Inc., a Pennsylvania corporation, the General Partner of AmeriGas Partners, L.P. (the "Company"), hereby certify that to our knowledge:

(1) The Company's quarterly for the period ended June 30, 2022 (the "Quarterly Report") fully complies, in all material respects, with the requirements of the indentures; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

PRESIDENT	CHIEF FINANCIAL OFFICER
DocuSigned by: Paul M Ladner 8E456DB04296404...	DocuSigned by: Ann Kelly 77A07A1BAB43414...
Paul Ladner	Ann P. Kelly
Date August 4, 2022	Date: August 4, 2022